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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)

2023 ANNUAL GENERAL MEETING AND 2024 FIRST H SHAREHOLDERS' CLASS MEETING

A letter from the Board is set out on pages 5 to 23 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 11:00 a.m. on 7 June 2024, 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 12:00 noon on 7 June 2024 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 5 June 2024. 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.

17 May 2024

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DEFINITIONS

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

“A Share(s)”	the domestic share(s) of the Company with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“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 12:30 p.m. on 7 June 2024 or immediately after the conclusion of the HCM or any adjournment thereof at the same place and on the same day
“AGM”	the 2023 annual general meeting of the Company to be held at 11:00 a.m. on 7 June 2024 at 1st Meeting Room, 11th Floor, Building 10/Sinotrans Tower B, No. 5 Anding Road, Chaoyang District, Beijing 100029, the PRC
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors of the Company
“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
“China Merchants CJSC”	招商局中白商貿物流股份有限公司 (China Merchants China-Belarus Commerce & Logistics Corporation CJSC), a company incorporated in Belarus and a holding subsidiary 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

“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested share(s) with nominal value of RMB1.00 each in the issued share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“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 12:00 noon on 7 June 2024 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
“Latest Practicable Date”	13 May 2024, 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
“Loan Agreement”	the loan agreement to be entered into between Sinotrans (HK) Holdings and China Merchants CJSC in relation to the provision of a loan by Sinotrans (HK) Holdings to China Merchants CJSC subject to approval from Shareholders at the AGM

DEFINITIONS

“Policy for the Management of Connected Transactions”	the Policy for the Management of Connected Transactions of Sinotrans Limited (《中國外運股份有限公司關聯交易管理制度》), as amended, modified or otherwise supplemented from time to time
“Policy for the Management of External Guarantees to be Provided by the Company”	the Policy for the Management of External Guarantees to be Provided by Sinotrans Limited (《中國外運股份有限公司對外擔保管理制度》), as amended, modified or otherwise supplemented from time to time
“PRC”	the People’s Republic of China
“Procedural Rules for General Meetings”	the Procedural Rules for General Meetings of Sinotrans Limited (《中國外運股份有限公司股東大會議事規則》), as amended, modified or otherwise supplemented from time to time
“Procedural Rules for Meetings of the Board of Directors”	the Procedural Rules for Meetings of the Board of Directors of Sinotrans Limited (《中國外運股份有限公司董事會議事規則》), as amended, modified or otherwise supplemented from time to time
“Procedural Rules for Meetings of the Supervisory Committee”	the Procedural Rules for Meetings of the Supervisory Committee of Sinotrans Limited (《中國外運股份有限公司監事會議事規則》), as amended, modified or otherwise supplemented from time to time
“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 17 May 2024
“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 17 May 2024

DEFINITIONS

“Sinotrans (HK) Holdings”	Sinotrans (Hong Kong) Logistics Limited, a wholly owned subsidiary of the Company as at the Latest Practicable Date
“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
“Working Manual for the Independent Directors”	the Working Manual for the Independent Directors of Sinotrans Limited (《中國外運股份有限公司獨立董事工作制度》), as amended, modified or otherwise supplemented from time to time
“%”	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:

Wang Xiufeng

Executive Director:

Song Rong

Non-executive Directors:

Luo Li

Yu Zhiliang

Tao Wu

Jerry Hsu

Independent non-executive Directors:

Wang Taiwen

Meng Yan

Song Haiqing

Li Qian

Registered Office:

1101, 11th Floor of 101, 1st to 22nd Floor
Building 10

No. 5 Anding Road,

Chaoyang District

Beijing, 100029

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

17 May 2024

To the Shareholders

Dear Sir/Madam,

2023 ANNUAL GENERAL MEETING AND 2024 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 2023;

LETTER FROM THE BOARD

- (2) the resolution in relation to the Work Report of the Supervisory Committee for the year 2023;
- (3) the resolution in relation to the Final Financial Accounts Report of the Company for the year 2023;
- (4) the resolution in relation to the Annual Report of the Company and its summary for the year 2023;
- (5) the resolution in relation to the financial budget of the Company for the year 2024;
- (6) the resolution in relation to the profit distribution plan of the Company for the year 2023;
- (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 2024;
- (8) the resolution in relation to the re-appointment of auditor for the year 2024;
- (9) the resolution in relation to the provision of a loan to a holding subsidiary;
- (10) the resolution in relation to the renewal of Liability Insurance for Directors, Supervisors and senior management members of the Company;
- (11) the resolution in relation to applying for the general mandates to issue, allot, deal with and repurchase H Shares;
- (12) the resolution in relation to the Updated Mandate of the issue of Debt Financing Instruments;
- (13) the resolution in relation to the estimated guarantees of the Company for the year 2024;
- (14) the resolution in relation to the proposed amendments to the Articles of Association;
- (15) the resolution in relation to the proposed amendments to certain internal policies of the Company (including the Procedural Rules for General Meetings, the Procedural Rules for Meetings of the Board of Directors, the Procedural Rules for Meetings of the Supervisory Committee, the Working Manual for the Independent Directors, the Policy for the Management of Connected Transactions and the Policy for the Management of External Guarantees to be Provided by the Company);
- (16) the resolution in relation to the election of Directors; and
- (17) the resolution in relation to re-appointment of Supervisors.

Furthermore, Shareholders will listen to the 2023 Work Report of the independent non-executive Directors at the AGM, which is not subject to Shareholders' approval.

LETTER FROM THE BOARD

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 2023

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 2023. 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 2023.

2. The Resolution in Relation to the Work Report of the Supervisory Committee for the Year 2023

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 2023. 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 2023.

3. The Resolution in Relation to the Final Financial Accounts Report of the Company for the Year 2023

The Company has prepared its financial statements for the year 2023 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 2023 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 2023.

LETTER FROM THE BOARD

4. The Resolution in Relation to the Annual Report of the Company and its Summary for the Year 2023

Details of the Annual Report of the Company for the year 2023 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 2023.

5. The Resolution in Relation to the Financial Budget of the Company for the Year 2024

In accordance with the relevant provisions of the Articles of Association, the Company formulated the 2024 financial budget. It is estimated that the Company will achieve operating income of RMB100.025 billion in 2024.

Special notice: The 2024 financial budget does not constitute a performance commitment or profit forecast made to investors, which is affected by factors including macroeconomy, 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 2024.

6. The Resolution in Relation to the Profit Distribution Plan of the Company for the Year 2023

The proposed 2023 final dividend is RMB0.145 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 28,262,936 A Shares, based on which, the 2023 final dividend allotment is RMB1,053,563,321.16 (tax included). Considering the 2023 interim dividend of RMB0.145 per Share, 2023 final dividend of RMB0.145 per Share and the cash used for H Share repurchases in the year 2023, the cash dividend of the Company for the year 2023 accounts for 50.47% of the net profit attributable to Shareholders of the Company in the consolidated statements for the year 2023. For details of distribution of 2023 final dividend, please refer to the notice of AGM of the Company dated 17 May 2024.

LETTER FROM THE BOARD

The Company has proposed an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, approve the resolution in relation to the profit distribution plan of the Company for the year 2023.

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 2024

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 2024 (including, but not limited to, determining whether to distribute interim dividend for the year 2024) in its absolute discretion based on the profitability and capital needs of the Company for the first half of 2024 and with reference to the previous dividend payout ratios.

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 2024.

8. The Resolution in Relation to the Re-appointment of Auditor for the Year 2024

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 2024, with a term of office until the conclusion of the next annual general meeting of the Company. The total audit fee is RMB11.2 million, among which the audit fees for financial reports and internal control are RMB9.7 million and RMB1.5 million, respectively. Meanwhile, it is proposed that the Shareholders 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 2024.

LETTER FROM THE BOARD

9. The Resolution in Relation to the Provision of A Loan to A Holding Subsidiary

(1) *Loan Agreement*

In order to alleviate the operating and capital pressure of China Merchants CJSC (being a holding subsidiary of the Company), the Company proposed to provide a loan, through Sinotrans (HK) Holdings (being a subsidiary of the Company), in RMB equivalent to US\$14,553,000 (at the exchange rate based on the US\$ selling price published by Bank of China on the signing date of the Loan Agreement) to China Merchants CJSC, in proportion to the equity interest held by the Group with a period of five years commencing from the signing date of Loan Agreement upon the approval of Shareholders at the AGM at the interest rate of 2.7% per annum. The other shareholder of China Merchants CJSC shall provide a loan to Sinotrans (HK) Holdings on the equal conditions as Sinotrans (HK) Holdings in proportion to the equity interest in China Merchants CJSC held by it.

The principal terms of the Loan Agreement to be entered into are set out below:

- Parties: (i) Sinotrans (HK) Holdings (as the lender); and
(ii) China Merchants CJSC (as the borrower)
- Loan facility: The loan facility of a principal amount in RMB equivalent to US\$14,553,000 (at the exchange rate based on the US\$ selling price published by Bank of China on the signing date of the Loan Agreement), which shall be repaid in a lump sum on the fifth anniversary of the signing date.
- Interest and payment: Interest shall accrue at the interest rate of 2.7% per annum, and shall be settled on a quarterly basis. If China Merchants CJSC fails to repay the principal and interest in accordance with the Loan Agreement, a penalty of 1/10,000th/day of the minimum interest payable shall be paid to Sinotrans (HK) Holdings.
- Period: Five years commencing from the signing date of Loan Agreement upon the approval of Shareholders at the AGM.
- Purpose: Repayment of principals of bank loans owed by China Merchants CJSC and the interests accrued thereof.

LETTER FROM THE BOARD

(2) Information of China Merchants CJSC

China Merchants CJSC is a company incorporated in Belarus and is principally engaged in commodity trade, intermodal transportation logistics, bonded logistics, warehousing logistics, products exhibition, and hotel services, etc. As at the Latest Practicable Date, The Company indirectly holds 42% equity interests of China Merchants CJSC through Sinotrans Logistics Ltd. (中外運物流有限公司) (a wholly owned subsidiary of the Company) and China Merchants Investment Limited (招商局投資有限公司) (a wholly owned subsidiary of China Merchants) holds 58% equity interests of China Merchants CJSC through its wholly owned subsidiary China Merchants Yingkai Investment Development (Shenzhen) Co., Ltd. (招商局盈凱投資發展(深圳)有限公司). According to the arrangements contemplated under the entrustment management agreement previously entered into between the Company and China Merchants Yingkai Investment Development (Shenzhen) Co., Ltd., China Merchants Yingkai Investment Development (Shenzhen) Co., Ltd. fully entrusted the Company with the exercise of voting rights corresponding to the 58% equity interests held by it. Therefore the Group is entitled to 100% voting rights in China Merchants CJSC and China Merchants CJSC is a subsidiary controlled by the Group with its financial results included into the consolidated financial statements of the Group.

As at 31 December 2023, China Merchants CJSC recorded an audited total assets of RMB544.4712 million, with its audited total liabilities of RMB461.1552 million, audited net assets of RMB83.3160 million and asset-liability ratio of 84.70%. For the year ended 31 December 2023, China Merchants CJSC recorded the operating revenue of RMB519.3020 million with the net profit of RMB-90.6138 million and the net profit excluding impacts from non-operating factors such as exchange losses and interest expenses of RMB-3.23 million.

As of the Latest Practicable Date, China Merchants CJSC did not have major contingents (including guarantees, mortgages, litigation and arbitration matters), and it does not belong to the persons subject to enforcement for breach of trust.

(3) Risk analysis and internal control measures under the Loan Agreement

The Group proposed to provide the loan to China Merchants CJSC in order to alleviate its operating and financial pressure and support its business development. Besides, as China Merchants CJSC is a subsidiary controlled by the Group with its financial results included into the consolidated financial statements of the Group, the Company can implement comprehensive and effective internal control measures to monitor its production, operation, financial conditions and use of funds. At the same time, the Company will further strengthen the daily operation and management of China Merchants CJSC, pay close attention to the changes in production and operation, assets and liabilities of China Merchants CJSC so as to control capital risks and ensure capital safety of the Group. Therefore, the risks related to the loan provision under the Loan Agreement are under control, which will neither have a significant impact on the daily operation of the Company, nor harm the interest of Company or Shareholders as a whole, especially minority Shareholders.

LETTER FROM THE BOARD

In accordance with the SSE Listing Rules, the loan provision contemplated under the Loan Agreement is subject to Shareholders' approval due to that the asset-liability ratio of China Merchants CJSC exceeds 70% for its latest financial period. The provision of a loan by the Group to China Merchants CJSC will not affect the business operation and use of fund of the Company, and it complies with relevant financial assistance requirements under the SSE Listing Rules.

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 provision of a loan to a holding subsidiary.

10. The Resolution in Relation to the Renewal of Liability Insurance for Directors, Supervisors and Senior Management Members of the Company

In accordance with relevant provisions of Governance Guidelines for Listed Companies (《上市公司治理準則》) and the relevant code provision of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and to protect the rights and interests of the Directors, Supervisors and senior management of the Company, the Company proposes to continue to purchase liability insurance applicable to all of the Directors, Supervisors and senior management members of the Company (the “**Liability Insurance**”). The specific plan of the Liability Insurance is set out as follows:

The total insurance premium of the Liability Insurance is not more than RMB0.5 million per year with an accumulated insurance amount limit of RMB150 million and the insurance period of 12 months.

It is proposed at the AGM to authorize the Board, and agree that the Board will further authorize an executive Director to deal with specific matters concerning the purchase of the Liability Insurance, including but not limited to the determination of other relevant responsible personnel, the insurance company, insurance amount, insurance premium and other insurance terms, the selection and appointment of the insurance brokerage company or other intermediaries, and signing of relevant legal documents, and the dealing with other matters concerning the above plan. The authorization period is three years commencing from the date of deliberation and approval by the AGM.

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 renewal of Liability Insurance for the Directors, Supervisors and senior management members of the Company.

LETTER FROM THE BOARD

11. 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 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.

LETTER FROM THE BOARD

12. 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 21 April 2023 and the poll results announcement of the Company dated 12 May 2023 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 12 May 2023 will expire on date of 2023 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 the executive Director(s) within the authorization period according to the market condition then;
- (3) to authorize the executive Director(s), 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, 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;

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- (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 applications for 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.

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.

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13. The Resolution in Relation to the Estimated Guarantees of the Company for the Year 2024

In order to meet 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 2024 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 RMB25.179 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 RMB11.915 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.

(2) Business guarantees

The Company and its subsidiaries proposed to provide business guarantees for their holding subsidiaries with fixed amounts of not more than RMB1,000 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 RMB500 million.

Except for the abovementioned, 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 (subject to the requirements from such future exchanges).

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The abovementioned resolution in relation to the estimated guarantees shall be valid from the approval of the AGM until the convening of the next 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 2024 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).

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 2024.

14. The Resolution in Relation to the Proposed Amendments to the Articles of Association

Reference is made to the announcement of the Company dated 22 March 2024 in relation to, among others, the proposed amendments to the Articles of Association. In accordance with Decision of the State Council to Repeal Certain Administrative Regulations and Documents (《國務院關於廢止部分行政法規和文件的決定》) issued by the State Council of the PRC, the Trial Administrative Measures of Overseas Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (2023 Revision) (《上市公司監管指引第3號—上市公司現金分紅(2023年修訂)》), the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Guidelines on the Articles of Association of Listed Companies (2023 Revision) (《上市公司章程指引(2023年修訂)》) issued by the China Securities Regulatory Commission and other applicable laws, regulations and normative documents as well as the latest Listing Rules and SSE Listing Rules, and according to the Company's actual operational and management needs, the Company proposed to 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 main aspects of the proposed amendments to the Articles of Association include, among others, (i) deletion or addition of wordings to reflect recent relevant changes in PRC laws and regulations and the corresponding updates on the Listing Rules; (ii) amendments to certain provisions relating to the independent directors in accordance with the Management Measures for Independent Directors of Listed Companies; and (iii) improvements to the Company's dividend policy. The proposed amendments also include other amendments to the existing Articles of Association, taking into account the actual operational needs of the Company.

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None of the proposed amendments will introduce any change to the existing rights of class shareholders of the Company or existing arrangement relating to shareholders' class meeting. The Articles of Association after the proposed amendments conforms with the Core Shareholder Protection Standards set out in Appendix A1 of the Listing Rules. The Board believes that the proposed amendments to the Articles of Association have neither material impact on Shareholders' rights nor adverse impact on the business operation of the Company, and they are in the interests of the Company and its shareholders as a whole.

The Company has proposed a special resolution at the AGM for the Shareholders to consider and, if thought fit, approve the abovementioned resolution in relation to the proposed amendments to the Articles of Association.

15. The Resolution in Relation to the Proposed Amendments to Certain Internal Policies of the Company

In order to further improve corporate governance and in line with the proposed amendments to the Articles and Association, the Board proposed to seek the approval of the Shareholders in relation to the amendments to certain internal policies of the Company, namely (1) the Procedural Rules for General Meetings; (2) the Procedural Rules for Meetings of the Board of Directors; (3) the Procedural Rules for Meetings of the Supervisory Committee; (4) the Working Manual for the Independent Directors; (5) the Policy for the Management of Connected Transactions; and (6) the Policy for the Management of External Guarantees to be Provided by the Company, the details of which are set out in the Appendices V to X to this circular respectively. Save for the amendments set out in these appendices, other provisions in the above mentioned internal policies remain unchanged.

The Company has proposed an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, approve the abovementioned proposed amendments to certain internal policies of the Company.

16. The Resolution in Relation to the Election of Directors

Reference is made to the announcement of the Company dated 22 March 2024 in relation to, among others, the proposed election of new session of the Board.

The term of the third session of the Board will expire on 9 June 2024. According to relevant requirements including the Company Law of the PRC, Measures for the Administration of Independent Directors of Listed Companies and the Articles of Association and as considered and approved by the Board on 22 March 2024, the fourth session of the Board is proposed to consist of eleven members, including one executive director, six non-executive directors and four independent non-executive directors (the "**Election of Directors**"). The list of candidates for the Directors of the fourth session of the Board is as follows:

- Executive Director: Mr. Song Rong
- Non-executive Directors: Mr. Wang Xiufeng, Mr. Liu Zhenhua, Ms. Luo Li, Mr. Yu Zhiliang, Mr. Tao Wu and Mr. Jerry Hsu
- Independent Non-executive Directors: Ms. Wang Xiaoli, Ms. Ning Yaping, Mr. Cui Xinjian and Mr. Cui Fan

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The terms of office of the Directors mentioned above are three years commencing from the date of approval of the Election of Directors by the shareholders of the Company at the AGM.

The biographical details of the candidates for the Directors of the fourth session of the Board are set out in Appendix XI to this circular.

Each of the candidates of Directors mentioned above has confirmed that, save as disclosed in this circular, as at the Latest Practicable Date, (i) he/she did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) he/she is not related to any director, senior management or substantial or controlling shareholders of the Company; (iii) he/she does not hold any position in the Company or any of its subsidiaries; and (iv) he/she does not have nor is deemed to have any interest in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)).

Ms. Wang Xiaoli, Ms. Ning Yaping, Mr. Cui Xinjian and Mr. Cui Fan will be entitled to receive emoluments annually during their terms of office as an independent non-executive Director, the amount of which will be determined by the Board based on their scope of work and performance and will be disclosed in the annual report of the Company during their terms of office and proposed to the general meeting for final approval, while the other Directors will not be entitled to receive any emoluments as Directors. Upon approval of the Election of Directors at the AGM, the Company will enter into a service contract with each of the newly appointed Director, and the service contracts entered into between the Company and the re-appointed Directors will continue to be effective.

Each of Ms. Wang Xiaoli, Ms. Ning Yaping, Mr. Cui Xinjian and Mr. Cui Fan has confirmed (i) her/his independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (ii) that she/he had no past or present financial or other interest in the business of the Group or any connection with any core connected persons (as defined in the Listing Rules) of the Company; and (iii) there are no other factors that may affect her/his independence at the time of the appointment.

Save as disclosed in this circular, there is no other information relating to the Election of Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company.

Given that the four independent non-executive directors of the third session of the Board have served or will serve consecutive terms of office for six years, therefore, Mr. Wang Taiwen, Mr. Meng Yan, Mr. Song Haiqing and Ms. Li Qian, all being independent non-executive directors of the Company, will not offer themselves for re-election as independent non-executive Directors of the fourth session of the Board, whose terms of office will cease from the date of the formation of the fourth session of the Board. Each of Mr. Wang Taiwen, Mr. Meng Yan, Mr. Song Haiqing and Ms. Li Qian confirmed that he/she has no disagreement with the Company and the Board and there is no other matter in relation to his/her retirement that needs to be brought to the attention of the shareholders of the Company.

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The Board (including the nomination committee of the Company) has reviewed the structure and composition of the Board, the qualifications, skills and experience, time commitment and contribution of the candidates for Directors with reference to the nomination principles and criteria set out in the policy for the nomination of Directors of the Company as well as the board diversity policy, and the independence of all candidates for independent non-executive Directors and has resolved on the Election of Directors, including the aforesaid candidates for independent non-executive Directors. The Company considers that the candidates for independent non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules, have professional experience in various fields, including accounting, finance, legal and management etc., and will bring valuable business experience, knowledge and professionalism to the Board to promote efficient and effective functioning and diversity of the Company.

The Company has proposed ordinary resolutions at the AGM for the Shareholders to consider and, if thought fit, approve (1) the resolution in relation to election of executive Directors and non-executive Directors; and (2) the resolution in relation to election of independent non-executive Directors on an item-by-item basis.

17. The Resolution in Relation to Re-appointment of Supervisors.

Reference is made to the announcement of the Company dated 22 March 2024 in relation to, among others, the proposed re-appointment of Supervisors.

On 22 March 2024, the supervisory committee of the Company approved the proposed re-appointment of Mr. Fu Bulin, Mr. Zhou Fangsheng and Mr. Fan Zhaoping as supervisors of the Company (the “**Re-appointment of Supervisors**”), and their proposed terms of office are three years commencing from the date of approval of the Re-appointment of Supervisors by the shareholders of the Company at the AGM.

The biographical details of the candidates of Supervisors for re-appointment are set out in Appendix XII to this circular.

Each of the candidates of Supervisors mentioned above has confirmed that, save as disclosed in this circular, as at the Latest Practicable Date, (i) he did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) he is not related to any director, senior management or substantial or controlling shareholders of the Company; (iii) he does not hold any position in the Company or any of its subsidiaries; and (iv) he does not have nor is deemed to have any interest in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)).

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Mr. Zhou Fangsheng and Mr. Fan Zhaoping will be entitled to receive emoluments annually during their terms of office as supervisors of the Company, the amount of which will be determined by the Company based on their scope of work and performance and will be disclosed in the annual report of the Company during their terms of office and proposed to the general meeting for final approval, while Mr. Fu Bulin will not be entitled to receive any emoluments as a supervisor of the Company. Upon approval of the Re-appointment of Supervisors at the AGM, the services contracts entered into between the Company and the re-appointed Supervisors will continue be effective.

Save as disclosed in this circular, there is no other information relating to the Re-appointment of Supervisors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of 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 re-appointment of Supervisors of the Company on an item-by-item basis.

III. AGM AND THE CLASS MEETINGS

The H Share register of members of the Company will be closed from 4 June 2024 to 7 June 2024 (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 3 June 2024, 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 3 June 2024.

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 11:00 a.m. on 7 June 2024 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 12:00 noon on 7 June 2024 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 resolution 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 the respective meetings, are despatched to Shareholders on 17 May 2024 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 5 June 2024. 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.

LETTER FROM THE BOARD

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 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 2023, 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, highlighted its role in enhancing corporate governance, providing strategic guidance, exercising decision-making oversight, and implementing risk prevention measures under the principle of “determining strategies, making decisions and preventing risks”, and actively promoted high-quality development of the Company. The main work of the Board in 2023 is hereby reported as follows:

I. ENHANCING GOVERNANCE MECHANISMS TO ENSURE THE STANDARDIZED OPERATION OF THE BOARD

In 2023, the Board performed its duties and powers conferred by the Articles of Association in accordance with laws and regulations, and continuously improved the corporate governance mechanisms characterized by “legal rights and responsibilities, transparent rights and responsibilities, coordinated operation and effective control and balance” to ensure the standardized operation of corporate governance. In 2023, a total of five general meetings were proposed and held (including one annual general meeting, two extraordinary general meetings and two class meetings), with all 20 proposed resolutions being approved. Additionally, nine Board meetings were organized and convened (including four regular meetings and five extraordinary meetings), considering and approving 41 resolutions and reporting matters, thus ensuring that all matters were reviewed as necessary. Furthermore, the Company convened nine meetings of the special committees of the Board (including five meetings of the Audit Committee, three meetings of the Nomination Committee and one meeting of the Remuneration Committee), considering and approving 18 resolutions and reporting matters, providing effective support for the Board to make decisions.

II. STRENGTHENING STRATEGIC SUPPORT TO ENHANCE CORE COMPETITIVENESS

Under the leadership of the Board, the Company fully implemented the new development concept, focused on the “14th Five-Year Plan” strategy, and adhered to the principal theme of “seeking progress while maintaining stability”. Through initiatives such as “stabilizing the overall performance and preventing risks, improving quality and efficiency and promoting growth, strengthening operation and promoting transformation, and nurturing talents and constructing echelons”, the Company promoted high-quality corporate development. The key achievements of the Company’s work in 2023 are as follows:

In terms of stabilizing the overall performance and preventing risks, the Company insisted on “turning market stock into Sinotrans’ increment”, enabling us to maintain a strong position in the billion-dollar market. The Company continuously improved its business structure, with the “one benefit, five ratios” indicators showing sustained improvement and the total profit hitting a new record high, demonstrating strong development resilience. **In terms of improving quality and efficiency and promoting growth,** the Company intensified its strategic marketing efforts and achieved continuous optimization of its customer structure. The Company focused on strategic customers and collaborated in building a resilient global supply chain, while prioritizing the optimization of product channel construction and continuing to promote the construction of a “new carrier” system. Through various means, the Company has expanded its controllable resources in shipping business, air freight business, land transportation business and trucking business, enriching its product portfolio. Additionally, the Company persistently optimized its overseas business layout. **In terms of strengthening operation and promoting transformation,** the Company has advanced comprehensive digital transformation by

formulating 28 transformation tasks and established cross-border and penetrating organizational structures. The Company has made breakthrough progress in customer management system and product system enhancement. The Company has leveraged technological innovation to empower intelligent logistics, resulting in the accumulation of over 180 patents and 300 software copyrights throughout the year. The Company hosted the First Green Logistics and Supply Chain Development Conference and Green Low-Carbon Logistics Exhibition, and launched the first “Public Carbon Emission Calculator for the Logistics Industry (物流行業公共碳排計算器)” in China. The Company actively implemented the “AI + Logistics” strategy, with the joint venture “Cyantron” achieving a milestone of over 1.15 million kilometers of long-haul autonomous driving. **In terms of nurturing talents and constructing echelons**, the Company focused on selecting and strengthening its workforce, forging a high-quality cadre team. The Company also comprehensively launched the “double hundred” talent plan, which aims to empower and develop talents across various domains.

III. STRENGTHENING RISK PREVENTION AND CONTROL TO ENSURE SUSTAINABLE DEVELOPMENT

The Board of the Company firmly upheld a bottom-line mindset, continuously promoted the implementation of risk management, internal controls and compliance management systems, and provided guidance and supervision on aligning development and security to the management team to safeguard the Company’s sustainable development. In 2023, the Board received reports on the Company’s risk control and internal audit, emphasizing the need for the Company to maintain stability and continuously strengthen financial and operational risk management amidst the complex and challenging external environment. The Board amended the “Regulations on Corporate Compliance Management” to further enhance the Company’s compliance management system. Additionally, the Board received reports on risks closely related to the Company’s operations, such as exchange rate risks and the “declining prices and volumes” risk in the container transportation market, along with corresponding response measures. These efforts were undertaken to promote the steady development of the Company.

IV. EMPHASIZING COMMUNICATION AND ENGAGEMENT WITH SHAREHOLDERS TO ENHANCE SHAREHOLDERS’ RETURNS

The Board of the Company recognizes the importance of strengthening communication with Shareholders and delivering returns to Shareholders for the long-term development of the Company. Effective communication with Shareholders and providing stable and sustainable Shareholders’ returns not only enhance Shareholders’ confidence in the Company’s capital market presence but also serve as a necessary guarantee for the Company’s long-term and positive growth.

In terms of communication with Shareholders, the Company continued to ensure timely communication and information sharing with Shareholders through multi-channels, multi-level and multi-dimensional communication such as information disclosure, general meetings, management roadshows and reverse roadshow activities, so as to enhance the attention and recognition of the capital market. In 2023, the Company issued nearly 380 announcements, maintaining “zero” error in information disclosure. The Company organized and held annual and interim results briefing sessions, conducted over 20 management roadshows, and participated in 11 investment bank strategy meetings, receiving a total of nearly 500 investor visits, a record high in recent years. The Company actively promoted corporation news through financial media platforms, further expanding communication channels with the capital market.

In terms of Shareholders' returns, according to the Company's operating results and taking into account the interests of Shareholders, future development needs of the Company and the cash flow, the Company distributed cash dividends twice in 2023, with a cumulative amount of approximately RMB1.775 billion (tax inclusive). Specifically, the Company distributed the 2022 annual dividend of RMB0.1 per Share (tax inclusive), amounting to approximately RMB724 million (tax inclusive) and the 2023 interim dividend of RMB0.145 per Share (tax inclusive) on 28 June 2023 and 19 October 2023, respectively, with a total amount of approximately RMB1.051 billion (tax inclusive). Furthermore, the Board of the Company has proposed to the general meeting to distribute the 2023 annual dividend of RMB0.145 per Share (tax inclusive), with an estimated total cash dividend of approximately RMB1.054 billion (tax inclusive). If the proposed profit distribution plan for 2023 is approved by the Shareholders at the general meeting, the Company's annual cash dividends for 2023 is expected to be approximately RMB2.131 billion (tax inclusive) in aggregate (including the distributed 2023 interim dividend, the estimated amount of 2023 annual dividend and the cash used for H Share repurchases in the year 2023), accounting for 50.47% of the net profit attributable to shareholders of the listed company in the 2023 annual consolidated statement.

V. STRENGTHENING THE SELF-BUILDING OF THE BOARD TO ENSURE SCIENTIFIC AND EFFECTIVE DECISION-MAKING

The Board strictly complied with the relevant laws, regulations, rules and the Articles of Association to carry out its work, and established a decision-making mechanism of "pre-meeting communication, in-meeting discussion, and post-meeting follow-up". The Board 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 the Company Law, the Articles of Association and relevant laws and regulations. In 2023, the Board strengthened front-line business research and conducted a total of seven collective research activities focusing on contract logistics, railway agency, logistics e-commerce and other businesses, gaining profound insights into the Company's front-line operation and management and business scenarios, and enabling them to provide constructive opinions and suggestions. Additionally, the Board actively participated in relevant training organized by regulatory agencies to continuously enhance its performance capabilities.

Sinotrans Limited
The Board of Directors

In 2023, being in strict compliance with the relevant provisions of the Company Law of the People's Republic of China, the Articles of Association, and the Procedural Rules for Meetings of the Supervisory Committee of Sinotrans Limited, the Supervisory Committee of Sinotrans Limited (hereinafter referred to as the “**Company**”) faithfully performed its supervisory duties, exercised its powers legally and independently, and constantly promoted the standard operations of the Company to safeguard the interests of the Company, as well as the legitimate rights and interests of its Shareholders as a whole. The Supervisory Committee of the Company hereby presents its main work report for the year 2023 as follows:

I. WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2023

In 2023, the Supervisory Committee of the Company diligently performed its duties by supervising and inspecting the financial conditions and significant operation and management activities of the Company, as well as supervising the performance of their respective duties by the Directors and senior management of the Company. Throughout the year, the Supervisory Committee held five meetings to consider and approve 14 resolutions, the convening, holding, and voting procedures for which were in compliance with relevant laws and regulations. Meanwhile, the Supervisory Committee actively strengthened on-site investigations at business locations, and gained insight into the Company's actual operation and management through direct engagement in the front lines of our business operations, which allowed the Company to further strengthen the supervision and inspection of its operation and management activities for the purposes of promoting the healthy and sustainable development of the Company. Moreover, the Supervisory Committee actively participated in relevant training organized by regulatory authorities to continuously enhance their capabilities to perform supervisory duties.

Details of the meetings of the Supervisory Committee convened in 2023 are as follows:

1. On 27 March 2023, the Company convened the first meeting of the Supervisory Committee for the year 2023, at which seven resolutions were passed by way of poll, including the “Resolution in relation to the Work Report of the Supervisory Committee for the year 2022”, “Resolution in relation to the Annual Report of the Company and its Summary for the year 2022”, “Resolution in relation to the Financial Final Accounts Report for the year 2022”, “Resolution in relation to the Profit Distribution Plan of the Company for the year 2022”, “Resolution in relation to the Re-appointment of External Auditor for the year 2023”, “Resolution in Relation to the 2022 Internal Control Evaluation Report and the 2023 Evaluation Plan”, and “Resolution in relation to the Adjustment to the Exercise Price of Share Options of the Company”.
2. On 28 April 2023, the Company convened the second meeting of the Supervisory Committee for the year 2023, at which the “Resolution in relation to the 2023 First Quarterly Report of the Company” was passed by way of poll.
3. On 7 July 2023, the Company convened the third meeting of the Supervisory Committee for the year 2023, at which the “Resolution in relation to the Election of Supervisors of the Company” was passed by way of poll.

4. On 25 August 2023, the Company convened the fourth meeting of the Supervisory Committee for the year 2023, at which two resolutions were passed by way of poll, including the “Resolution in relation to the 2023 Interim Report of the Company and its Summary” and the “Resolution in relation to the Profit Distribution Plan of the Company for the First Half of 2023”.
5. On 26 October 2023, the Company convened the fifth meeting of the Supervisory Committee for the year 2023, at which three resolutions were passed by way of poll, including the “Resolution in relation to the 2023 Third Quarterly Report of the Company”, “Resolution in relation to the Adjustment to the Exercise Price of Share Options of the Company”, and “Resolution in relation to the Election of the Chairman of the Supervisory Committee”.

In 2023, the members of the Supervisory Committee of the Company actively attended shareholders’ general meetings, observed the meetings of the Board, and supervised the organization and decision-making processes of the said meetings. No incidents involving non-compliance were identified.

II. PERFORMANCE OF SUPERVISORY DUTIES BY THE SUPERVISORY COMMITTEE

During the Reporting Period, the Supervisory Committee of the Company conscientiously performed its supervisory duties in accordance with relevant laws, regulations, and corporate policies, by observing meetings of the Board, attending shareholders’ general meetings, convening its own committee meetings, attending the meetings of the general manager’s office and the Party Committee, conducting on-site investigations, and more, which were aimed at effectively supervising and inspecting the Company’s lawful operations, financial management, profit distribution, internal control, related party/connected transactions, external guarantees, and many other areas. These actions ensured the implementation of various resolutions passed at shareholders’ general meetings, and that operation and management activities proceeded in an orderly and compliant manner, while safeguarding the legitimate rights and interests of the Company and its Shareholders as a whole. Therefore, the Company’s continuing stable operation activities were guaranteed.

(I) Legal Compliance of Operations

In 2023, the Supervisory Committee supervised and inspected the decision-making procedures of the Board, the implementation by the Board of resolutions passed at shareholders’ general meetings, and the performance of their duties by the Directors and senior management. The Supervisory Committee is of the 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 the shareholders’ 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) Financial Conditions of the Company

In 2023, the Supervisory Committee considered and approved the Company's 2022 Annual Report, 2023 First Quarterly Report, 2023 Interim Report, and 2023 Third Quarterly Report, and effectively supervised and inspected the Company's financial conditions and results. Furthermore, written confirmation opinions on the periodic reports were signed. The Supervisory Committee believed that the Company has a sound financial system and robust internal control, and conducts its financial activities in line with regulations. 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.

(III) Profit Distribution Plan of the Company

In 2023, the Supervisory Committee considered and approved the Profit Distribution Plan for the year 2022 and the Profit Distribution Plan for the First Half of 2023, and believed 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 2023, 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 the 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 considered and approved the 2022 Internal Control Evaluation Report, and believed that such 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 2022 Internal Control Evaluation Report.

(V) Related Party/Connected Transactions

The Supervisory Committee, through observing the meetings of the Board, has received updates on related party transactions/connected transaction in respect of the capital increase agreement, as well as a series of continuing related party/connected transactions, and effectively supervised these transactions. 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/connected transactions. The Company's decision-making procedures for each related party/connected transaction were in compliance with relevant laws and regulations. The related party/connected 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 as a whole.

(VI) External Guarantees of the Company

The Supervisory Committee, through observing the meetings of the Board, has effectively supervised the estimated guarantees of the Company for the year 2023. The Supervisory Committee believed that 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.

(VII) Adjustment to the Exercise Price of Share Options

The Supervisory Committee of the Company considered and approved the resolution in relation to the adjustment to the exercise price of the share options of the Company, as it was considered that the two adjustments to the exercise prices of the Company's Share Option Incentive Scheme (Phase 1) were in compliance with the relevant provisions of the Measures for the Administration of Equity Incentive Plans of Listed Companies (《上市公司股權激勵管理辦法》) and the "Sinotrans Limited Stock Option Incentive Scheme (Phase 1)". The calculation method and determination process for adjusting the exercise price were legal and valid, without detriment to the interests of the Company and its Shareholders as a whole.

(VIII) Establishment and Implementation of the Administration Policies on Inside Information and Insiders

The Supervisory Committee of the Company effectively supervised the Company's information disclosure and the implementation of the administration policies on insiders of inside information, and considered that 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 the 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 disclosed. No relevant personnel were found to be engaged in insider trading activities by means of taking advantage of inside information.

Sinotrans Limited
The Supervisory Committee

APPENDIX III EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE

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 2023 (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 will be decreased accordingly.

6. GENERAL

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. Neither the explanatory statement nor the proposed share repurchase has any unusual features.

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 192,478,000 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.

APPENDIX III EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE

9. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares of the Company (whether on the Hong Kong Stock Exchange or otherwise) has been made by the Company in the preceding six months ending on the Latest Practicable Date.

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	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2023		
May	3.36	2.52
June	2.82	2.52
July	3.60	2.66
August	3.30	2.66
September	3.23	2.78
October	2.89	2.55
November	2.86	2.49
December	3.29	2.81
2024		
January	3.58	2.99
February	3.49	3.02
March	3.98	3.29
April	4.38	3.60
May (up to the Latest Practicable Date)	4.76	3.53

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

1. Original Article 1 is proposed to be amended as:

To safeguard the legitimate rights and interests of Sinotrans Limited (the “**Company**”), its shareholders and creditors, and to regulate the organization and activities of the Company, the Company formulated the Articles of Association in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), ~~the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (the “**Special Regulations**”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (“**Mandatory Provisions**”),~~ the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Companies, the Guidelines on Articles of Association of Listed Companies (the “**Guidelines**”) and other relevant requirements under the laws, administrative rules and regulations.

2. Original Article 2 is proposed to be amended as:

The Company is a joint stock limited company incorporated in accordance with the Company Law, the Securities Law, ~~the Special Regulations~~ and other applicable laws and administrative rules of the People’s Republic of China (the “**PRC**”).

The Company was approved by the State Economic and Trade Commission on 20 November 2002 to be established by way of promotion and was registered with the State Administration for Industry and Commerce of the PRC and a business license was obtained. The unified social credit code of the Company being 911100007109305601. The reference number of the approval is Guo Jing Mao Qi Gai [2002] No. 863.

The promoter of the Company is SINOTRANS & CSC Holdings Co., Ltd. (formerly known as China National Foreign Trade Transportation (Group) Corporation)

3. Original Article 4 is proposed to be amended as:

Address of the Company: ~~A43 Xizhimen Beidajie, Haidian District, Beijing, the PRC~~1101, 11th Floor of 101, 1st to 22nd Floor, Building 10, No. 5 Anding Road, Chaoyang District, Beijing, the PRC

Postal Code: ~~100044~~100029

Telephone No.: ~~(010) 6229 5984~~

Fax No.: ~~(010) 6229 5988~~

4. Original Article 7 is proposed to be amended as:

In accordance with the Company Law, the ~~Special Regulations, the Mandatory Provisions Securities Law~~ and other laws and administrative regulations of the State, ~~the Company convened a shareholders' general meeting on 20 November 2002. On the meeting, the original Articles of Association (the "Original Articles of Association") were amended and~~ these Articles of Association of the Company (the "**Articles of Association**") were formulated.

5. Original Article 9 is proposed to be amended as:

~~The Original Articles of Association became effective on the date of establishment of the Company.~~

These Articles of Association shall become effective upon being adopted at the shareholders' general meeting of the Company by way of a special resolution ~~and upon being approved by the relevant authorities of the State. After these Articles of Association come into effect, the original Articles of Association shall be superseded by these Articles of Association.~~

From the date on which the Articles of Association come into effect, the Articles of Association constitute the legally binding document regulating the Company's organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders.

The Articles of Association are binding on the Company and its shareholders, directors, supervisors, president and other senior management; all of whom may, according to the Articles of Association, assert their rights in respect of the affairs of the Company.

~~Subject to Chapter 22 of these Articles of Association, a~~ A shareholder may take legal action against other shareholders, the Company, directors, supervisors, president and other senior management of the Company pursuant to these Articles of Association. The Company may take action against a shareholder, directors, supervisors, president and other senior management of the Company pursuant to these Articles of Association. ~~A shareholder may also take action against another shareholder, and may take action against the directors, supervisors, president and other senior management of the Company pursuant to these Articles of Association.~~

~~The legal actions above mentioned include the legal proceedings taken in court or applications for arbitration with an arbitration body.~~

6. Original Article 10 is proposed to be amended as:

"Other senior management" referred to in these Articles of Association mean the Company's vice presidents, chief financial officer, chief digital officer, board secretary, ~~the~~ general counsel (chief compliance officer) and other senior management appointed by the Board.

7. Original Article 11 is proposed to be deleted:

~~The Company may invest in other limited liability companies and joint stock limited companies and shall be liable to the invested companies to the extent of the capital invested.~~

8. Original Article 16 is proposed to be deleted:

~~The Company shall at any time issue ordinary shares. The ordinary shares to be issued by the Company shall include domestic shares and foreign shares. The Company may only issue other types of shares where it is required by the Company and approval is obtained from the examination and approval department authorized by the State Council.~~

9. Original Article 19 is proposed to be amended as:

Subject to ~~the registration or filing with China Securities Regulatory Commission (the “CSRC”) and approval of the authority in charge of securities of the State Council competent state-owned regulatory authorities~~, the Company may issue shares to Domestic Investors and Foreign Investors.

The overseas investors aforementioned refer to investors from the overseas, Hong Kong, Macau and Taiwan who subscribe for the shares issued by the Company; Domestic investors are investors within the territory of the PRC, except for those from the aforementioned regions who subscribe for the shares issued by the Company.

10. Original Article 22 is proposed to be amended as:

Upon approval by the examination and approval departments authorized by the State Council, the total number of ordinary shares that the Company ~~may issue~~ issued as at the date hereof is 7,294,216,875 shares, including 5,255,916,875 domestic listed shares (A shares), accounting for 72.06% of total share capital, and 2,038,300,000 overseas listed foreign shares (H shares) representing 27.94% of total share capital.

11. Original Article 23 is proposed to be amended as:

~~China National Foreign Trade Transportation (Group) Corporation (as the promoter of the Company) injected part of the transportation and logistics business into the Company through asset injection on 20 November 2002, accordingly the Company issued 2,624,087,200 shares (all of which were domestic shares) to the promoters upon incorporation and after China National Foreign Trade Transportation (Group) Corporation. After the incorporation, the Company made an issue of 1,787,406,000 overseas listed foreign shares (H shares) (including 162,491,000 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 the 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.~~

~~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 approximately 33.89% of the total share capital of the Company. 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.~~

12. Original Article 25 is proposed to be deleted:

~~The Board of the Company may arrange separate implementation plans for the issuance of overseas listed foreign shares and domestic listed shares approved by securities authorities of the State Council.~~

~~Pursuant to the aforesaid provision, in making separate plans for the issuance of overseas listed foreign shares and domestic shares, the Company may implement such plans within 15 months from the date of approval granted by the CSRC.~~

13. Original Article 26 is proposed to be deleted:

~~Within the aggregate number of shares specified in the Company's issuance plan, separate issues of the overseas listed foreign shares and domestic shares shall be subscribed for in full at the same time. In the event of special circumstances where share are not fully subscribed at the same time, issues may be made on several occasions upon approval of the Securities Committee of the State Council.~~

14. New Article 24 is proposed to be added:

The Company or its subsidiaries (including the affiliates of the company) shall not provide any assistance in the form of gift, fund, guarantee, compensation, loan or others to any person who purchases or intends to purchase shares of the Company.

15. Original Article 28 is proposed to be amended as:

According to the needs of its operation and development, The Company may increase its capital by the following means in accordance with laws, regulations and these Articles of Association, subject to resolutions of shareholders' general meetings:

- (i) public offer of shares;
- (ii) non-public offer of shares;
- (iii) ~~allot new~~ distribute bonus shares to the existing shareholders;
- ~~(iv) distribute new shares to the existing shareholders;~~
- (iv) increase in capital by transfers from reserves;
- (v) in such other manners as permitted by laws, administrative regulations and the relevant competent authorities.

Upon obtaining an approval in line with the provisions of these Articles of Association, the capital enlargement and the new issue of the Company shall be handled in accordance with relevant laws and administrative regulations of the State.

16. Original Article 29 is proposed to be amended as:

Unless otherwise provided by laws and administrative regulations, shares in the Company may be transferred freely ~~and with no lien attached.~~

17. Original Article 36 is proposed to be amended as:

~~If the~~The Company ~~repurchases~~may purchase its own shares ~~due to the reasons as stated in~~ (i), (ii) or (iv) of paragraph one of Article 35 hereof, it may do so by one of the following ~~methods:~~by way of public and centralized transaction(s), or other ways allowed by the laws, administrative regulations listing rules of the place where the Company is listed or the relevant securities regulators.

- (i) ~~making a buyback offer to its shareholders for the repurchase of shares on a pro rata basis;~~
- (ii) ~~by way of public trading at the appropriate securities exchange;~~
- (iii) ~~by entering into independent agreements for the repurchase of the Company's shares outside the appropriate securities exchange; or~~
- (iv) ~~other ways allowed by the laws and administrative regulations, listing rules of the place where the Company is listed, and as approved by the relevant competent authorities.~~

If the Company repurchases its own shares due to the reasons as stated in (iii), (v) and (vi) of paragraph one of Article ~~35~~32 hereof, the transaction(s) shall be carried out in a public and centralized manner.

The Company shall perform its information disclosure obligation according to the provisions of the relevant laws and administration regulations in repurchasing its own shares.

18. Original Article 37 is proposed to be deleted:

~~Where the Company repurchases its own shares by way of agreements outside the appropriate securities exchange, it must first obtain the prior approval of the shareholders' in general meeting in accordance with these Articles of Association. The Company may rescind or vary such agreements, or waive its rights under any such agreements executed entered into if the prior approval of the shareholders in general meeting is obtained.~~

~~The agreement to repurchase shares referred to in the preceding clause includes, but is not limited to, an agreement to assume an obligation to repurchase shares of the Company or an agreement to acquire the rights to repurchase shares of the Company.~~

~~The Company shall not assign or transfer the agreement to repurchase its shares or any rights prescribed therein.~~

~~For the redeemable shares which can be repurchased by the Company, if they are not repurchased in the market or by tender, the repurchase price shall be limited to the highest price. If the shares are repurchased by tender, all shareholders shall be invited to tender on the same terms.~~

19. Original Article 39 is proposed to be deleted:

~~Unless the Company is in liquidation, it shall repurchase its issued outstanding shares in accordance with the following provisions:~~

- ~~(i) where the Company repurchases its shares at par value, payment shall be made out of the available balance of its distributable profits and/or out of the proceeds from any issuance of new shares made for the purpose of repurchasing these shares;~~
- ~~(ii) where the Company repurchases its shares at a premium, payment up to the par value of those shares may be made out of the available balance of the distributable profits of the Company and/or out of the proceeds from any issue of new shares made for the purpose of repurchasing these shares. Payment of the portion in excess of the par value of those shares shall be made as follows:
 - ~~(1) if the shares being repurchased were issued at par value, payment shall be made out of the available balance of the distributable profits of the Company; and~~
 - ~~(2) if the shares being repurchased were issued at a premium, payment shall be made out of the available balance of the distributable profits of the Company and/or out of the proceeds from any issuance of new shares made for the purpose of repurchasing those shares, provided that the amount paid out of the said proceeds do not exceed the aggregate amount of the premiums received by the Company on the issuance of the shares being repurchased nor exceed the current amount of the Company's share premium account or capital reserve fund account (including the aggregate of premiums received on the new shares issued) at the time of repurchase;~~~~
- ~~(iii) any payment made by the Company for the following purposes shall be paid out of the Company's distributable profits:
 - ~~(1) acquire the right to repurchase its own shares;~~
 - ~~(2) modify the agreement to repurchase its own shares; and~~
 - ~~(3) secure the release of any of its obligations under the agreement to repurchase its own shares.~~~~
- ~~(iv) Following the deduction of the aggregate par value of cancelled shares from the registered capital of the Company in accordance with relevant provisions, the difference of amount between the par value and the distributable profits for the repurchase of shares shall be incorporated in the share premium account or the capital reserve account of the Company.~~

20. Original Chapter 5 Financial Assistance for the Acquisition of Shares (including original Articles 40 to 42) is proposed to be deleted:

~~Chapter 5 Financial Assistance for the Acquisition of Shares~~

~~Article 40 The Company or its subsidiaries shall not at any time and in any manner provide any financial assistance to a buyer or a potential buyer, including those directly or indirectly undertake any obligations in respect of acquisition of the Company's shares.~~

~~The Company or its subsidiaries shall not at any time or in any manner provide any financial assistance for the purpose of reducing the aforesaid obligators' obligations.~~

~~The provision of this Article shall not apply to the circumstances described in Article 42 of this Chapter.~~

~~Article 41 For these purposes, "financial assistance" referred to in this Chapter includes, (without limitation), the following meanings:~~

- ~~(i) a gift, advance;~~
- ~~(ii) security (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligors), indemnity (other than indemnity against liability incurred due to the Company's own fault) or release or waiver of any rights;~~
- ~~(iii) loans, or entering into contracts under which the Company has already performed its obligations to the other; and the modification of the said loan or parties to the contract concerned or the transfer of the rights under the said loan or contract; and~~
- ~~(iv) any other forms of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.~~

~~The obligations mentioned in this Chapter include the obligations assumed by the obligator by means of entering into a contract or by making arrangements (no matter whether the contract or the arrangements is enforceable or whether the responsibility is to be assumed individually or jointly with others) or where responsibilities have arisen due to changes in the financial circumstances of the Company caused by any other means.~~

~~Article 42 The following activities shall not be deemed to be prohibited activities by Article 40 of this Chapter:~~

- ~~(i) financial assistance provided by the Company which is made in good faith in the interests of the Company, and where the main purpose of such financial assistance is not for the acquisition the shares of the Company but is an ancillary part of a larger project of the Company;~~

- ~~(ii) the lawful distribution of the Company's assets by way of dividends;~~
- ~~(iii) the allotment of bonus shares as dividends;~~
- ~~(iv) the reduction of registered capital, repurchase of shares or a reorganization of the shareholding structure of the Company effected in accordance with these Articles of Association;~~
- ~~(v) within its scope of business the provision of loans for its normal business activities (provided that this shall not lead to the reduction in the Company's net assets or, in case reduction is resulted, such financial assistance is deducted from the Company's distributable profits); and~~
- ~~(vi) the provision of funds contributed by the Company to the staff and workers' share schemes (provided that the net assets of the Company are not thereby reduced or to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits).~~

21. Original Chapter 6 Shares Certificate and Register of Shareholders (including original Articles 43 to 54) is proposed to be deleted:

~~Chapter 6 Shares Certificate and Register of Shareholders~~

~~Article 43 The Company's shares shall be issued in registered form.~~

~~The Company's share certificate shall contain the following major particulars:~~

- ~~(i) the Company's name;~~
- ~~(ii) the date of the incorporation of the Company;~~
- ~~(iii) the type, the nominal value of and the number of shares represented by the relevant share certificate;~~
- ~~(iv) the number of the share certificate;~~
- ~~(v) such other particulars as may be required by the Company Law, the Special Regulations and the stock exchanges on which the shares of the Company are listed.~~

~~The Company may issue overseas listed foreign shares in form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the listing place.~~

~~Article 44 Share certificates shall be signed by the Chairman of the Board. In the event that the signatures of other senior officers of the Company are required, they should also be signed by such senior officers. Share certificates shall become valid upon the affixing of the seal of the Company (including the securities chop of the Company). Affixing of the seal or the securities chop of the Company on share certificates shall be subject to the authorization of the Directors. The signatures of the Chairman of the Board or other senior officers on the share certificates may take the printed signatures.~~

~~Article 45 The Company shall maintain a register of shareholders as a record of the following matters:~~

- ~~(i) the name (title), address (domicile), and occupation or nature of occupation of each shareholder;~~
- ~~(ii) the class(es) and number of shares of each class held by each shareholder;~~
- ~~(iii) the amount(s) paid up or payable for the shares held by each shareholder;~~
- ~~(iv) the serial numbers of the shares held by each shareholder;~~
- ~~(v) the date on which each shareholder is registered as a shareholder; and~~
- ~~(vi) the date on which a person ceases to be a shareholder.~~

~~The Company shall keep a shareholders' register according to the vouchers provided by the securities registration authority. The shareholders' register shall be adequate proof of the shareholders' holding of the Company's shares, unless there is evidence to the contrary. Shareholders shall enjoy the rights and assume the obligations in accordance with the class of shares they hold. Shareholders holding shares of the same class are entitled to the same rights and assume the same obligations.~~

~~Article 46 The original of the shareholders' register of the Company for foreign shares listed overseas may be kept at some overseas place in accordance with such understanding and agreement between the State Council's regulatory authority for securities and the securities regulatory authority of the overseas listing place, and an agent at the overseas listing place shall be appointed for its management. The original of the Company's shareholders' register for foreign shares listed in Hong Kong shall be kept in Hong Kong.~~

~~The Company is required to keep a copy of the shareholders' register for foreign shares listed overseas at the Company's address; the appointed overseas agent shall at all times maintain the consistency between the original and the copy of the shareholders' register.~~

~~Where the original and duplicate of the register of holders of overseas listed investment shares are inconsistent, the original shall prevail.~~

~~Article 47 The Company shall keep a complete register of shareholders.~~

The register of shareholders shall comprise of the following parts:

- (i) ~~register(s) maintained at the Company's domicile shall be the register of all the shareholders other than those registered in accordance with sub-paragraphs (ii) and (iii) below;~~
- (ii) ~~register(s) of holders of foreign shares listed overseas maintained at the place(s) where the stock exchange on such shares are listed is/are located; and~~
- (iii) ~~register(s) of shareholders maintained at such other place(s) as the Board may deem necessary for listing purpose.~~

~~Article 48 There shall not be any overlapping in any parts of the shareholders' register. The transfer of shares registered in one part of the register shall not be registered in any other part of the register during the continuation of the registration of such shares.~~

~~All fully paid up overseas listed foreign shares listed in Hong Kong shall be freely transferable in accordance with the Articles of Association, subject to the right of the Board to refuse recognition of any transfer document, without providing any reason for such refusal, unless and until the following conditions are satisfied:~~

- (i) ~~payment of a fee of HK\$2.50 for each transfer document, or such larger amount as may be from time to time approved by the Hong Kong Stock Exchange, to the Company for the registration of any transfer document(s) or other document(s) relating to or affecting the ownership of the shares in question;~~
- (ii) ~~the instrument of transfer only involves overseas listed foreign H shares listed in Hong Kong;~~
- (iii) ~~the stamp duty chargeable on the instrument of transfer has been paid;~~
- (iv) ~~the relevant share certificate and, upon the reasonable request of the Board, any evidence in relation to the right of the transferor to transfer the shares shall be submitted;~~
- (v) ~~if it is intended to transfer the shares to joint holders, then the maximum number of joint holders shall not exceed four; and~~
- (vi) ~~the Company does not have any lien on the relevant shares.~~

~~The H shares of the Company shall be transferred in writing by an instrument of transfer in usual or common form or in such form as may be accepted by the Board of Directors. The instrument of transfer can only be signed by hand or affixed with a valid seal of the Company (if the Company is the transferor or the transferee). If the transferor or the transferee is a clearing house or its nominee, the instrument of transfer can be signed by hand or printed by machine. All instruments of transfer must be kept at the legal address of the Company or such other place as may be designated by the Board of Directors.~~

~~The alteration and correction of each part of the shareholders' register shall be carried out in accordance with the laws of the place where that part of the register is maintained.~~

~~Article 49 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. Upon receipt of an application for inquiry of the register of shareholders during the aforesaid period, the Company shall issue the certificate signed by the company secretary to the applicant to specify the approval authority and duration of the abovementioned period of closure.~~

~~Article 50 The Board shall specify a particular date (the record date) for ascertaining the share title of shareholders when the Company decides to hold shareholders' general meeting, distribute dividends, liquidate the Company and do other acts which require the determination of the title to shares. At the close of business of such date, the shareholder whose name appears on the shareholders' register shall be a deemed shareholder of the Company.~~

~~Article 51 Any person who queries the accuracy of the shareholders' register and requests to put his name on the register or delete his name from the register may apply to the court of jurisdiction for correction of the shareholders' register.~~

~~Article 52 Any shareholder registered in the shareholders' register or person who requests to be registered in the shareholders' register may apply to the Company for issuance of a replacement certificate in respect of the relevant shares (the "**relevant shares**") if his share certificate is lost (the "**original share certificates**").~~

~~Applications for the replacement of share certificates from holders of domestic investment shares who have lost their certificates shall be dealt with in accordance with relevant requirements of the Company Law.~~

~~Shareholders of overseas listed foreign shares who lose his share certificates shall apply for a replacement of share certificates in accordance with the law, regulations of stock exchange or other relevant rules in the place where the shareholders' register of overseas listed foreign shares are maintained.~~

~~A holder of the H Shares who loses his or her share certificates may have his or her share certificates replaced if the following requirements are satisfied:~~

- ~~(i) the applicant shall apply for a replacement of share certificate in the prescribed form accompanied by a notarial certificate or a statutory declaration setting out the reason, the incident and evidence of the loss and a statement that no other person may apply for registration as a shareholder for relevant shares.~~
- ~~(ii) the Company has not received any statement of application from any person other than the applicant seeking to be registered as a shareholder.~~

- ~~(iii) the Company should publish a public announcement of its intention to issue a replacement share certificate in newspapers prescribed by the Board at least once every 30 days during the 90-day period.~~
- ~~(iv) prior to the publication of such a public announcement, a copy of the public announcement should be submitted to the Stock Exchange on which the Company's shares are listed. The public announcement may be made upon receiving the confirmation from the stock exchange that the public announcement has been displayed in the securities exchange. The public announcement should be exhibited at such Stock Exchange for a period of 90 days.~~
- ~~The Company should send a copy of the public announcement to the registered shareholder if the application for the replacement of share certificate is not approved by such registered shareholder of the relevant shares.~~
- ~~(v) if, by the expiration of the 90-day period for the public announcement stipulated in clauses (iii) and (iv) of this article, the Company has not received any objection to the replacement from any person, the Company may issue a replacement share certificate.~~
- ~~(vi) the original share certificate shall be cancelled upon the issuance of the replacement share certificate in accordance with this article and the replacement and issuance of the share certificate shall be recorded in the shareholders' register.~~
- ~~(vii) the applicant shall be responsible for the expenses relating to the cancellation of the original share certificate and the issuance of the replacement share certificate. The Company may refuse to take any action until reasonable security is provided by the applicant.~~

~~Article 53 After the issuance of the replacement share certificate in accordance with the Articles of Association, the name of the bona fide purchaser of the replacement share certificate or the bona fide purchaser of shares to which the replacement share certificate relates and who subsequently becomes registered as the shareholder may not be removed from the register of shareholders.~~

~~Article 54 The Company is not liable for any damages sustained by any person by reason of the cancellation of the original share certificate or the issuance of the replaced share certificate unless the claimant proves fraud on the part of the Company had acted deceitfully.~~

22. Original Article 55 is proposed to be amended as:

A shareholder of the Company is a person who lawfully holds shares and who is registered in the shareholders' register. The Company shall keep a shareholders' register according to the vouchers provided by the securities registration authority, and the shareholders' register shall be adequate proof of the shareholders' holding of the Company's shares.

Shareholders enjoy rights and assume obligations according to the class and amount of shares held by them. Shareholders holding shares of the same class enjoy the same rights and assume the same obligations.

.....

23. New Article 36 is proposed to be added:

The board of directors or the convenor the shareholders' general meeting shall specify a particular date (the record date) for ascertaining the share title of shareholders when the Company decides to hold shareholders' general meeting, distribute dividends, liquidate the Company and do other acts which require the determination of the title to shares. At the close of business of such date, the shareholder whose name appears on the shareholders' register shall be a deemed shareholder of the Company.

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. Upon receipt of an application for inquiry of the register of shareholders during the aforesaid period, the Company shall issue the certificate signed by the company secretary to the applicant to specify the approval authority and duration of the abovementioned period of closure.

24. Original Article 56 is proposed to be amended as:

Each holder of ordinary shares in the Company has the following rights:

- (i) to receive dividends and other forms of distributions in accordance with the amount of his shareholding;
- (ii) to request, convene, chair, attend, or appoint a proxy to attend a shareholders' meeting, and to exercise his speaking and voting rights;

.....

25. Original Article 58 is:

In the event that any resolution of the shareholders' general meeting or the board of directors violates any laws and administrative regulations, the shareholders shall have the right to request the court to invalidate the resolution.

In the event that convening procedures or voting methods of the shareholders' general meeting or the board of directors' meeting violate any laws, administrative regulations or these Articles of Association, or if the resolution violates these Articles of Association, the shareholders may request the court to revoke the resolution within 60 days from the date on which the resolution is passed.

26. Original Article 59 is proposed to be amended as:

~~Subject to Chapter 22 of these Articles of Association, in~~In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or these Articles of Association by the directors or senior management when performing their duties, shareholders who holds more than 1% of the Shares, individually or jointly, for more than 180 consecutive days shall have the right to request the supervisory committee in writing to initiate litigation before the court; in the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or these Articles of Association by the supervisory committee when performing its duties, the shareholders may request the board of directors in writing to initiate litigation before the court.

.....

27. Original Article 61 is proposed to be amended as:

Holders of ordinary shares of the Company shall have the following obligations:

- (i) to comply with laws, administrative regulations and these Articles of Association;
- (ii) to pay subscription monies according to the amount of shares subscribed by them and the method of subscription;
- (iii) not to demand the return of capital unless under situations otherwise specified under laws and regulations;
- (iv) to refrain from causing damages to the interest of the Company or other shareholders by abusing the rights of shareholders and causing damages to the interest of the creditors of the Company by abusing its legal person status and the limited liability of the shareholders;
- (v) to undertake other obligations imposed by laws, administrative regulations and the Articles of Association.

The shareholders of the Company who abuse their rights and cause damages to the interest of the Company or other shareholders shall be liable for compensation in accordance with laws.

The shareholders of the Company who abuse the legal person status and the limited liability of shareholders to evade from debts and cause material damages to the interest of the creditors of the Company shall assume joint and several liability to the debts of the Company.

~~A shareholder is not liable to make further contribution to share capital other than as agreed by the subscriber of the relevant shares on subscription.~~

28. Original Article 64 is proposed to be deleted:

~~The term “controlling shareholder” referred to in these Articles of Association means a person who satisfies any one of the following conditions:~~

- ~~(i) he, acting alone or in concert with others has the power to elect more than half of the number of the directors;~~
- ~~(ii) he, acting alone or in concert with others has the power to exercise or to control the exercise of 30 per cent or more of the voting rights in the Company;~~
- ~~(iii) he, acting alone or in concert with others holds 30 per cent or more of the Shares of the Company;~~
- ~~(iv) he, acting alone or in concert with others in any other manner controls the Company in fact.~~

~~The definition of “acting in concert” in this Article refers to two or more persons acting in concert by way of agreement (no matter in verbal or written form) with an aim that either one acquires the voting power of the Company so as to reach the goal of or consolidate controlling of the Company.~~

29. Original Article 68 is proposed to be amended as:

Shareholders’ general meetings are divided into annual general meetings (i.e. annual general meeting, similarly hereinafter) and extraordinary general meetings. Shareholders’ general meetings shall be convened by the Board. Shareholders’ general meetings are required to be held once every year within six months after the end of the previous accounting year.

In any of the following circumstances, the Board shall convene an extraordinary general meeting within two months from the date thereof:

- (i) when the number of Directors is less than the number of directors required by the Company Law or two-thirds of the number of directors specified in the Articles of Association;
- (ii) when the unrecovered losses of the Company amount to one third of the total amount of its share capital;
- (iii) the shareholders individually or jointly holding more than ten percent (inclusive) of total voting shares issued of the Company make a written request of convening an extraordinary general meeting in writing;
- (iv) when deemed necessary by the Board or as requested by the supervisory committee;
- (v) more than half of the independent directors, which shall not be less than two, propose the convening of such meeting.;

- (vi) other cases as required by laws, administrative regulations, rules of regulatory authorities, listing rules where the Company is listed or these Articles of Association.

30. Original Article 80 is proposed to be amended as:

A notice for a shareholders' meeting shall comply with the following requirements:

- (i) be in writing;
- (ii) specifying the place, the time and the duration of the meeting;
- (iii) stating the matters and proposals to be discussed at the meeting;
- ~~(iv) providing such information and explanation as necessary to enable the shareholders to make an informed judgment on the proposals to be discussed. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction should be provided in detail together with copies of the relevant contract, if any, and the cause and effect of such transaction should be properly explained;~~
- ~~(v) containing a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, president or other senior administrative officer in the matter to be discussed, and if the effect of the matter to be discussed on them in their capacity as shareholders is different from the effect on the interests of the shareholders of the same class, such difference should be specified;~~
- ~~(vi) containing the full text of any special resolution(s) proposed to be adopted at the meeting;~~
- (ivii) containing conspicuously a statement that all shareholders are entitled to attend the general meeting. The shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on behalf of him and that a proxy need not be a shareholder; and
- (viii) specifying the time and place for lodging proxy forms for the relevant meeting.
- ~~(vi*)~~ containing the record date on which shareholders have the right to attend the shareholders' general meeting;
- (vii) containing the names and telephone numbers of permanent contact persons for the affairs of the meeting;
- ~~(viii*)~~ the voting time and voting procedures through the network or by other means.

The notice and supplementary notice of the general meeting shall fully and completely cover all the details of the proposals to be disclosed at the meeting.

In the event that independent directors are required to express their opinions on the matters to be discussed, a notice of shareholders' general meeting or a supplementary notice shall, when given, also disclose the opinions and reasons of the independent directors.

Voting at the shareholders' general meeting on the network or otherwise shall commence not earlier than 3:00 pm on the day prior to an on-site shareholders' general meeting, and not later than 9:30 am on the day of the on-site shareholders' general meeting, and shall finish not earlier than 3:00 pm on the day of closing the on-site shareholders' general meeting.

31. Original Article 81 is proposed to be amended as:

Notices of shareholders' general meeting shall be sent to 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 means of notice as provided in the Articles of Association or other means as permitted by the stock exchange(s) where the shares of the Company are listed.

~~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 of securities. 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.~~

32. Original Article 87 is proposed to be amended as:

Any shareholder entitled to attend and vote at a shareholders' general meeting of the Company shall be entitled to appoint one or more other persons (whether a shareholder or not) as his or her proxies to attend and vote on behalf of him or her. ~~and a proxy so appointed may exercise the following rights pursuant to authorization by that shareholder:~~

- ~~(i) to have the same right as the shareholder to speak at the meeting;~~
- ~~(ii) to demand or join others to demand a poll; and~~
- ~~(iii) to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.~~

If the shareholder is the recognized clearing house as defined by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (or its nominees), he may authorize corporate representatives or one or more than one representative as he may deem fit to attend any shareholders' general meeting or any meeting of the shareholders of any class or creditors' meetings on his behalf and those proxies or corporate representatives shall enjoy rights equivalent to the rights of other shareholders, including the rights to speak and vote. However, if more than one representative is appointed, the power of attorney shall specify the number and the type of the shares in respect of which each representative is authorized. An authorized representative may act on behalf of the recognized clearing house (or any of its "nominees") as if he were an individual shareholder of the Company.

33. Original Article 88 is proposed to be amended as:

A shareholder should appoint a proxy in writing under the hand of the appointer or his attorney duly authorize in writing, the appointer is a legal person, either under seal of the legal person or under the hand of a director or a senior officer or a duly authorized attorney. The power of attorney issued by a shareholder to appoint another party to attend a shareholders' general meeting shall contain the following particular:

- (i) the name of the principal and the name of his proxy;
- (ii) whether the proxy has the right to vote;
- (iii) the instructions to vote in favour of or against, or to abstain from voting on, each matter set out on the agenda of the shareholders' general meeting;
- (iv) the date and validity of the power of attorney;
- (v) the signature (or seal) of the principal. In case the principal is a corporate shareholder, it shall be affixed with the seal of the legal entity;
- ~~(vi) the portion of shares of the principal represented by the proxy;~~
- ~~(vii) in the event that several people are appointed as proxies, the proxy form shall indicate the portions of shares represented by each proxy.~~

34. Original Article 89 is proposed to be amended as:

~~The~~If the instrument appointing a proxy shall be deposited at the address of the Company or at such other place as is specified for that purpose in the notice convening the meeting, no later than 24 hours before the time for holding the meeting or 24 hours prior to the specified time for voting.

~~If such instrument~~ is signed by a person authorized by the appointer, the power of attorney and other authorizing documents shall be notarized. Both the notarized letter of the power of attorney and other authorizing documents and the instrument appointing a proxy shall be kept at the address of the Company or at such other place as is specified in the notice convening the meeting.

Where the appointer is a legal person, its legal representative or Board or other person authorized by a decision-making body shall be entitled as a representative to attend the shareholders' meeting of the Company.

35. Original Article 90 is proposed to be amended as:

~~Any~~A form issued to a shareholder by the Board for use by him for appointing a proxy shall enable the shareholder, according to his intention, to instruct the proxy to vote in favour of or against proposals, and should be able to give instruction on each resolution subject to voting at the meeting. Such a form shall contain a statement that in default of instructions, whether the proxy may vote as he thinks fit.

36. Original Article 91 is proposed to be deleted:

~~If the appointer dies prior to voting, loses his capacity to act, withdraw his appointment withdraws his authorization of his power of attorney, or the relevant shares have been transferred, the proxy vote for the shareholder shall remain valid provided that the company does not receive any written notice of these matters before the commencement of the relevant meeting.~~

37. Original Article 101 is proposed to be amended as:

A convenor shall ensure that the particulars of meeting minutes are true, accurate and complete. Directors, supervisors, secretary of the Board of Directors, convenor or his representative and the chairman of the meeting who attended the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the valid data on the signature book of shareholders physically present at the meeting, powers of attorney of proxies present, details of voting on the network and other voting methods shall be kept for a period of not less than ten years permanently.

38. Original Article 105 is proposed to be amended as:

Voting at a shareholders' general meeting shall take place by open ballot or other methods required under the listing rules of the place of listing.

~~A poll demanded on the election of the chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting decides, and any matters other than that upon which a poll has been demanded may be proceeded with. The result of the poll shall be deemed to be a resolution adopted at the meeting.~~

39. Original Article 106 is proposed to be deleted:

~~On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes for or against.~~

40. Original Article 125 is proposed to be deleted:

~~The results of counting of votes conducted in a general meeting shall be recorded in the minutes of shareholders' meeting.~~

41. Original Article 126 is proposed to be deleted:

~~Shareholders may inspect photocopies of the minutes of shareholders' meetings during office hours free of charge. If requested by shareholders the Company shall upon the receipt of reasonable fees send the copies of the minutes of shareholders' meeting to the shareholders within seven days of receiving the payment of reasonable charges.~~

42. Original Article 137 is proposed to be amended as:

Directors may request to resign before expiry of their terms of office. The directors to resign shall submit to the Board a written report in relation to their resignation. The Board shall disclose the relevant information within two (2) days.

In the event that the resignation of any director results in the number of members of the Board falling below the quorum, the existing director shall continue to perform his duties in accordance with the laws, administrative regulations, rules of regulatory authorities and the provisions of the Articles of Association until the re-elected director assumes office. His resignation report shall take into effect only upon the new director taking up the vacancy. ~~The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy left by the resignation of the director. Until the general meeting has passed a resolution on electing a director, the powers of the resigning director and the remaining directors shall be subject to reasonable restrictions.~~ Other than the circumstances referred to in the preceding paragraph, the resignation of a director shall become effective upon submission of his resignation report to the Board.

Upon a director's resignation becoming effective or at the expiry of his office, the director shall complete all handover procedures to the Board, and his fiduciary obligations to the Company and the shareholders shall not necessarily cease after the termination of tenure and shall remain effective within ~~a reasonable period stipulated under the Articles of Association~~ six (6) months after his departure from office.

The director's obligation to maintain the confidentiality of the Company's trade secrets shall survive the end of his or her term, until such secrets enter the public domain. The term of survival of his or her other obligations shall be decided upon according to the principle of fairness, the time elapsed between the director's departure from office and the occurrence of the event, and the circumstances and conditions of the termination of his or her relationship with the Company.

43. Original Article 140 is proposed to be amended as:

The Company shall have independent directors who shall act in accordance with laws, administrative regulations, and rules of regulatory authorities.

Independent director of the Company refers to a director who holds no position other than as a director of the Company, has no direct or indirect interests or any other connection with the Company and its substantial shareholders (defined as shareholders ~~severally or jointly~~ holding 5% or more interests in ~~total number of shares of the listed company in the Company with voting rights~~, or a shareholder who holds less than five percent of the shares but has significant influence on the listed company), its de facto controller or directors which might ~~hamper~~affect his independent and objective judgment, and complies with the requirements on independence as stipulated in the rules of the stock exchange(s) on which the Company's shares are listed.

.....

Independent directors shall have the following special powers in addition to those vested to directors of the Company by the Company Law and other laws, administrative regulations, rules of regulatory authorities and the Articles of Association:

- ~~(i) material related party transactions (as determined based on the criteria issued by the competent regulator from time to time) shall be submitted to the Board for deliberation after the approval of the independent directors; before rendering their judgment, independent directors may engage an intermediary organization to issue an independent financial consultant report for use as a basis for rendering their judgment.~~
- ~~(ii) proposing the engagement or dismissal of an accounting firm to the Board;~~
- (i) independently engaging intermediary to audit, consult or review on specific matters of the listed company;
- ~~(iii) proposing to the Board the calling of an extraordinary general meeting;~~
- ~~(iv) proposing the calling of meetings of the Board;~~
- (iv) openly soliciting shareholders' voting rights before the holding of a general meeting in accordance with law;
- (v) expressing independent opinions on matters that may damage the rights and interests of the listed company or minority shareholders;
- (vi) other functions and powers set out in the laws, administrative regulations, rules of China Securities Regulatory Commission and the Articles of Association.

Independent directors shall seek the consent of more than half of all the independent directors before exercising the powers under (i) to (iiiiv) above ~~and shall seek the consent of all the independent directors before exercising the power under (vi) above.~~ If the independent directors exercise the powers in paragraph 1, the Company shall disclose it in a timely manner. If the above powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

44. Original Article 141 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 members of the audit committee shall be directors who are not the senior officers of the listed company, and t~~The convener 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.

45. Original Article 142 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, external guarantee and external donation within the authorisation of the general meeting;
- (ix) to determine the establishment of the Company's internal management structure;
- (x) to determine the appointment or dismissal of the Company's president and the secretary of the Board and other senior officers and decide on their remunerations, rewards and penalties; and pursuant to the president's nominations to determine the appointment or dismissal of the vice presidents, the chief financial officer, the chief digital officer, the general counsel (chief compliance 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 all Directors, the Board resolutions in respect of all other matters may be passed by more than half of all Directors unless otherwise expressly specified in the listing rules of the jurisdiction where the Company is listed or the Articles of Association. The resolution in respect of the external guarantees shall be approved by more than half of all members of the Board and signed by more than two-thirds of all Directors present at the meeting of the Board of Directors.

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

46. Original Article 146 is proposed to be deleted:

~~The Board shall not, without the prior approval of shareholders in a general meeting, dispose or agree to dispose of, any fixed assets of the Company where the aggregate of the expected value of the proposed disposition, and the value given for any such disposition of any fixed assets of the Company that has been completed in the period of four(4) months immediately preceding the proposed disposition, exceeds 33 percent of the value of the Company's fixed assets as shown in the last balance sheet placed before the shareholders' general meeting.~~

~~The disposition of fixed assets referred to in this Article shall include the transfer of the interests in certain assets, excluding the provision of fixed assets as security.~~

~~The validity of a disposition by the Company of its fixed assets shall not be affected by the breach of the first paragraph of this Article.~~

47. Original Article 148 is proposed to be amended as:

The chairman of the Board shall exercise the following powers:

- (i) to preside over shareholders' general meetings and to convene and preside over meetings of the Board of directors;
- (ii) to supervise and review the implementation of the Board resolutions;
- ~~(iii) to sign the securities issued by the Company; and~~
- ~~(iii)~~ to exercise other powers as granted by the Board.

The Vice Chairman shall assist the Chairman in performing his duties. If the Chairman is unable or fails to perform his duties, such duties shall be performed by the Vice Chairman. If the Vice Chairman is unable or fails to perform his duties, a director shall be elected jointly by half or more of all directors to perform such duties.

48. Original Article 149 is proposed to be amended as:

Board meetings include regular meetings and extraordinary meetings. Meetings of the Board shall be held at least ~~twice~~four times every year and convened by the chairman of the Board. Notice of the regular Board meeting shall be served on all of the Directors ~~ten~~fourteen (~~10~~14) days before the date of the meeting. ~~In case of any urgent matters, upon requisition by the chairman or by more than one-third of the directors or by the president, an extraordinary meeting of the Board may be held, notwithstanding the time limit set forth in the aforesaid notice of the meeting.~~

The Chairman of the Board shall convene an extraordinary board meeting within ten (10) days if:

- (i) it is proposed by shareholders ~~holding~~representing more than one-tenth of the Company's voting shares;
- (ii) it is proposed by more than one-third of the Directors;
- (iii) it is proposed by the Supervisory Committee;
- (iv) the Chairman of the Board deems it necessary;
- (v) it is proposed by the president;
- (vi) other circumstance specified in laws, administrative regulations and these Articles of Association arises.

The Board Meetings shall be conducted in Chinese. If necessary, a translator may be present at the meeting to translate the Chinese language into the English language, or vice versa.

49. Original Article 150 is proposed to be amended as:

~~The notice of the Board meeting shall be given in the following manner:~~

- (i) ~~if the date, the time and the venue of the regular meetings of the Board have been fixed by the Board in advance in accordance with Article 149 hereof, no notice is required;~~The Board may vote by means of written resolution when holding an extraordinary board meeting, and the time limit for notice may not be subject to fourteen (14) days in advance, but the notice must be delivered to the directors and supervisors in a timely and effective manner. Except for force majeure factors, major business management matters shall not be voted by means of written resolution.
- (ii) ~~if the date, the time and the venue of a meeting have not been fixed in advance, the directors, supervisors, president and secretary of Board of Directors shall be informed of the same by telex, telegraph, fax, courier or registered post or through the persons specially assigned for this purpose at least 10 days in advance, unless otherwise provided in Article 149;~~

~~(iii) Where the circumstance is urgent and it is necessary to hold an temporary extraordinary meeting of the Board of Directors, the notice on the meeting may be circulated at any time by phone or any other oral means, but the convener shall make explanations at the meeting and relevant matters shall be recorded in the minutes of the meeting.~~

50. Original Article 151 is proposed to be amended as: A written notice of board meeting shall include:

- (i) time and venue of the meeting;
- (ii) the form of the meeting;
- (iii) duration of the meeting;
- (iv) the reasons for holding the meeting and the topics to be discussed thereat;
- (v) date on which the notice is sent, contact person and means of contact.

A notice given orally shall, at minimum, include the particulars set forth in items (1) and (2) above and an explanation to the effect that circumstances are urgent and an extraordinary board meeting needs to be held as soon as possible.

~~Notice of meetings shall be served in Chinese, with an English translation attached thereto when necessary, and in each case accompanied by a meeting agenda. Any director may waive his or her right to receive notice of a board meeting.~~

51. Original Article 152 is proposed to be amended as:

In strict compliance with the required procedures, all executive and external directors shall be notified about the material matters that shall be decided by the Board of Directors as stipulated in Article ~~150~~124 and 125, and sufficient materials shall be provided at the same time. Directors may request for supplementary information. If more than one-fourth of the directors or more than two external directors consider that the information provided is not sufficient or the supporting arguments are not clear, they may jointly propose to postpone the meeting or postpone the discussion of certain matters on the agenda of the meeting and the Board of Directors shall accept such proposal. The directors who advise postponing the vote shall put forward clear requirements of the conditions for resubmitting such proposal for review.

~~If a director attends a meeting but he does not object or before the meeting that he has not received any notice, he shall be deemed as having been given the notice of the meeting.~~

52. Original Article 153 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 ~~154~~129 herein) are present. Each Director shall have one vote. The Board may pass resolutions only upon a majority vote of all the Directors 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.

53. Original Article 155 is proposed to be amended as:

The chairperson of the meeting shall call directors participating in the meeting to make decisions promptly after the full discussion of each proposal. The decisions on the meetings shall be made by “one person, one vote” in the form of disclosed ballot or in writing. The voting intentions of the directors shall be classified as agreement, disagreement and abstention. The participating directors shall choose one of the above intentions; failing to make choice or choosing more than two intentions simultaneously, the relevant directors shall be required by the Chairman of the meeting to make a choice again; and the relevant director who refuses to make a choice shall be regarded as an abstainer. The director who leaves the meeting place halfway without making a choice shall be regarded as an abstainer.

Meetings of Board of Directors (including video conferences) shall be voted through disclosed ballot. Where directors attend meeting through teleconference or telecommunication equipment, as long as all directors participating in the meeting can hear and communicate with each other clearly, all such directors shall be deemed to be present in person at the meeting. Provided that the directors have fully expressed their views, the extraordinary meeting of Board of Directors may be convened by means of communication and resolution(s) may be made at such meeting, and the directors attending the meeting shall sign accordingly.

~~The Board may accept that a written resolution can be circulated instead of convening a meeting. When the Board votes by written resolution, However, the draft of the resolution shall be delivered to each director by hand, by mail, by cable ~~or~~, by fax or by email. If the Board has circulated the resolution to all directors and the number of directors who have signed the resolution to show their agreement has reached the quorum for making a decision, the resolution so passed shall, upon being delivered to the secretary of the Board, become a resolution of the Board ~~and no meeting shall be convened.~~~~

Where a director is related to a company involved in a resolution at the meeting of Board of Directors or shall avoid voting in accordance with the listing rules of the stock exchange where the Company is listed, the director may not exercise his or her voting right for the resolution or exercise voting right on behalf of other directors and the Board of Directors and may not resolve matters by way of written resolution ~~in lieu of the convening of a Board meeting~~. The meetings of the Board of Directors may be convened with the attendances of the majority of the unrelated directors, and the formed resolutions shall be passed by more than half of the unrelated directors. If the unrelated directors attending the meeting are less than three (3), such matters shall be submitted to the general meeting for review.

54. Original Article 156 is proposed to be amended as:

The Board of Directors shall keep minutes of all decisions on matters considered by the convened and the unconvened board meetings in the Chinese language. The opinions of the independent directors shall be specified in the resolutions of the Board meetings. The minutes of each Board meeting shall be delivered to all directors for their comments as soon as possible. Directors who wish to amend or supplement the minutes shall, within one week upon receipt of the minutes, deliver their proposed amendments to the Chairman. After the minutes have been finalized, directors who were present at the relevant meeting, secretary of the Board and the person who recorded the proceedings of the relevant meeting shall sign the minutes. The minutes of the Board meetings shall be kept at the address of the Company in the PRC. A full copy of the minutes of shall be delivered to each director as soon as possible.

Minutes of meetings of the Board of Directors shall contain the following particulars:

- (i) the date and venue of the meeting and the name of the convener;
- (ii) the names of the attending directors and the names of the directors (proxies) attending the meeting upon appointment by other directors;
- (iii) the meeting agenda;
- (iv) the gist of the statements;
- (v) the voting method for, and outcome of, each matter that was the subject of a resolution (the results of the vote shall state the number of votes for, votes against and abstentions).

The Directors shall accept responsibility for the Board resolutions. Where the Board resolutions are in breach of laws, administrative rules or the Articles of Association and resolutions of shareholders' general meetings, resulting in heavy losses to the Company, the Directors involved in the resolutions shall keep the Company indemnified, unless they have been proved to have raised objection to such resolutions, and this has been noted in the minutes.

Minutes of board meetings shall be kept as the Company's archives ~~for at least ten (10) years~~ permanently.

55. Original Article 157 is proposed to be amended as:

The Company shall have one secretary of the Board, who shall be responsible for the preparation and the preservation of documents of the shareholders' general meeting and the meeting of the board of directors, the management of the shareholders' information, and the handling of matters in relation to the information disclosure. The secretary of the Board shall be a senior officer of the Company.

The Board may, pursuant to its needs, establish the secretariat of the Board.

56. Original Article 158 is proposed to be amended as:

The secretary of the Company's Board shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed and dismissed by the Board.

~~The major responsibilities of the secretary of the Board are as follows:~~

- ~~(i) to assist the directors in handling the routine work of the Board; to continuously provide the directors with, to remind them of, and to ensure that they understand the laws and regulations, the policies and the requirements of the domestic and the overseas regulatory authorities on the business operation of the Company; to assist the directors and the president in complying with the domestic and the overseas laws and regulations, these Articles of Association and other pertinent rules and regulations when they exercise their powers;~~
- ~~(ii) to arrange and prepare the documents of the Board meetings and the general meetings of the shareholders; to keep proper records of the proceedings of those meetings; to ensure that the decisions made on those meetings will be in compliance with the legal procedure; and to oversee the execution of the resolutions of the Board meetings;~~
- ~~(iii) to arrange and coordinate the disclosure of the information; to maintain the relationship with the investors; and to enhance the transparency of the Company;~~
- ~~(iv) to participate in raising finance in the capital market; and~~
- ~~(v) to deal with and maintain a good relationship with the intermediaries, the regulatory authorities and the mass media.~~

~~The scope of the duties of the secretary of the Board is as follows:~~

- ~~(i) to arrange and prepare the board meetings and the general meetings of the shareholders; to prepare the materials of the meetings; to handle the routine work of the meetings; to record the proceedings of the meetings; to ensure the accuracy of the records; to keep the documents and the records of the meetings; to take active steps to oversee the execution of the resolutions; and to report any important issue arising out of the execution to the Board and to put forward any recommendation.~~

- ~~(ii) to ensure that the relevant procedure will be strictly followed when any important matter is decided by the Board; at the request of the Board, to participate in the consultation and the analysis of the matters to be decided by the Board and to provide opinions and recommendations; and to handle other routine work of the Board and its committee.~~
- ~~(iii) to liaise the securities regulatory authorities on the Company's behalf; to prepare and promptly deliver such documents as may be required by the regulatory authorities; and to receive and finish such tasks as may be communicated by the regulatory authorities.~~
- ~~(iv) to coordinate and arrange the disclosure of the information of the Company; to establish a sound disclosure system; to attend the meetings relating to the disclosure; and to be promptly aware of the material business operating decisions of the Company and other relevant information.~~
- ~~(v) to keep confidential the Company's price-sensitive information and establish effective confidentiality systems and measures; to take necessary remedial measures such as explanation and clarification in a timely manner in case of any divulgence of the Company's price sensitive information due to any reason, and notify the regulatory authorities in overseas jurisdictions where the Company is listed and the CSRC.~~
- ~~(vi) to be responsible for investor relation management and to improve the Company's mechanism for investor communication, reception and services.~~
- ~~(vii) to coordinate reception of visitors, maintain relationship with the media, coordinate replies to enquiries from the public, and arrange for the reporting of relevant matters to the CSRC.~~
- ~~(viii) to assist the Board in formulating the Company's capital market development strategy, planning or implementing the Company's refinancing in the capital market or mergers and acquisitions.~~
- ~~(ix) to ensure that the Company's register of shareholders is duly kept and to ensure that persons with the right to receive relevant Company records and documents receive such records and documents in a timely manner; to be responsible for the Company's equity management, including: maintenance of the shareholding information of the Company's shareholders, matters related to restricted shares, provoking the directors, supervisors, senior management and other related personnel of the Company to comply with the relevant shares trading requirements of the Company as well as other equity management matters.~~
- ~~(x) to assist the directors and the president in their compliance with domestic and foreign laws, regulations, these Articles of Association and other relevant regulations when they are exercising their functions and powers; when becoming aware that the Company has adopted or could adopt a resolution that violates relevant regulations, the secretary is under obligation to make the same known and has the right to truthfully report the same to the CSRC and other regulators.~~

- ~~(xi) to coordinate the provision of necessary information and data to the Company's Supervisory Committee and other review organizations when they are performing their monitoring functions and to assist in the investigations of the performance by the Company's Financial Controller, the Company's directors and the president of their fiduciary duties.~~
- ~~(xii) to organise trainings for directors, supervisors and senior management of the Company on relevant laws and regulations and relevant rules of the Shanghai Stock Exchange, and to assist the aforementioned personnel in understanding their respective responsibilities in information disclosure.~~
- ~~(xiii) to supervise directors, supervisors and senior management to abide by laws and regulations, relevant rules of the Shanghai Stock Exchange and these Articles of Association, and earnestly fulfill their commitments; to remind the Company, directors, supervisors and senior management and to report to the Shanghai Stock Exchange immediately and truthfully if knowing the Company, directors, supervisors and senior management have made or may make resolutions in violation of relevant regulations.~~
- ~~(xiv) to be responsible for the management of changes in the Company's shares and derivatives.~~
- ~~(xv) to perform other functions and powers granted by the Board and other functions and powers required in the place where the Company is listed overseas.~~

57. Original Article 160 is proposed to be amended as:

The secretary of the Board shall comply with the laws, administrative regulations, departmental rules and the relevant provisions of these Articles of Association ~~and shall perform his duties diligently.~~

The secretary of the Board shall assist the Company in complying with the relevant laws of the PRC and the rules of the stock exchanges on which the shares of the Company are listed.

58. Original title of the Chapter 13 is proposed to be amended as:

Chapter ~~1143~~ President and Other Senior Officers

59. Original Article 163 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, a general counsel (chief compliance officer) 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, the general counsel (chief compliance officer) and other senior officers shall be nominated by the president and appointed or dismissed by the Board.

The senior officers of the Company include the president, vice president, chief financial officer, secretary of the Board, chief digital officer, general counsel (chief compliance officer) and other senior officers.

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

.....

60. Original Article 164 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 an 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, the general counsel (chief compliance officer) and other senior officers;

.....

61. Original Article 168 is proposed to be amended as:

The president, the vice president, the chief financial officer, the board secretary, the chief digital officer, the general counsel (chief compliance officer) 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.

62. Original Article 170 is proposed to be amended as:

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

63. Original Article 173 is proposed to be deleted:

~~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 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.~~

64. Original Article 174 is proposed to be amended as:

The supervisory committee shall be composed of 5 members, of which 1 shall be the shareholder representative, 2 employee representatives of the Company and 2 independent supervisors. The employee representative supervisors shall account for at least one third of the total members of the supervisory committee, and the external supervisors (which shall refer to the supervisors who do not take any office in the Company, including independent supervisors) shall account for at least half of the members of the supervisory committee. The supervisory committee shall have one chairman, and the supervisor shall have the term of office of three years and may be re-elected if re-appointed.

The appointment or the dismissal of the chairman of the Supervisory Committee shall be passed by more than ~~2/3~~half of the members of the Supervisory Committee.

65. Original Article 175 is proposed to be amended as:

Appointment and removal of supervisors who are not appointed from employee representatives shall be subject to election at the general meeting, while appointment and removal of employee representatives in the supervisory committee shall be subject to democratic election of the staff through employee representatives' meeting, staff meeting or otherwise by democratic election.

~~The Supervisory Committee may establish an office to handle its routine work as required.~~

66. Original Article 176 is proposed to be amended as:

The chairman of the supervisory committee shall be responsible for the execution of duties of the Board. The chairman of the supervisory committee shall convene and preside over the supervisory committee meetings; where the chairman is unable or fails to fulfill his duties ~~by convening the meeting~~, one supervisor jointly appointed by more than half of supervisors shall convene and preside over the supervisory committee meeting.

The supervisory committee meetings are categorized into regular meetings and interim meetings. The supervisory committee shall hold at least one regular meeting in the first and the second half of each year respectively, which shall be convened by the chairman of the supervisory committee. Upon the nomination of any supervisor, interim supervisory committee meeting may be held.

No supervisory committee meeting may be held unless attended by more than half of supervisors. Where any supervisor refuses to or fails to attend the meeting, which results in the failure of existence of a statutory quorum in such meeting, other supervisors shall timely report the same to the general meeting or applicable state regulatory organs.

67. Original Article 177 is proposed to be amended as:

The supervisory committee shall ~~be accountable to the general meeting, and shall~~ exercise the following powers according to law:

- (i) to review and provide written opinions on the regular reports of the Company prepared by the Board;
- (ii) to examine the Company’s financial situation;
- (iii) to supervise the work of directors and senior management and to propose removal of directors and senior management who have violated laws, administrative regulations, the Articles of Association or resolutions of general meetings;
- (iv) to demand rectification from a director, ~~president or any other~~ and a senior officer when the acts of such persons are harmful to the Company’s interest;

.....

The Company shall bear the expenses necessary for the Supervisory Committee to perform the above duties.

68. Original Article 179 is proposed to be amended as:

The supervisory committee shall keep minutes of the decisions on matters discussed at the meetings and supervisors who attended the meeting shall sign the minutes of the meeting. The meeting minutes shall include the following:

- (i) numbering and session, time and venue of the meeting;
- (ii) convener and chair of the meeting;
- (iii) attendance of the meeting;
- (iv) agenda of the meeting;

- (v) the proposals considered at the meeting; the gist of speech, key opinions on relevant matters and voting intents for the proposals of supervisors;
- (vi) voting method and result in respect of each proposal (provide the number of votes of “for”, “against” and “abstain” respectively);
- (vii) other matters to be recorded in the opinion of the attending supervisors.

Meetings minutes shall be signed and confirmed by the attending supervisors. Supervisors shall have the right to request a certain statement in respect of his or her speech at the meeting recorded in the minutes. Where a supervisor holds different opinions on the minutes, written explanation may be made upon signing. If necessary, it shall be timely reported to regulatory authorities or announced through public statements.

Where a supervisor neither signs as required by the preceding paragraph nor provides the written explanation for his different opinions or reports to regulatory authorities or gives public statement, the said supervisor shall be deemed as agreeing with the minutes.

Meetings minutes of the supervisory committee shall be kept as the archives of the Company ~~for no less than ten years~~ permanently.

69. Original Article 181 is proposed to be amended as:

The onsite meetings of the supervisory committee (including video meetings) may conduct voting by a show of hands or disclosed ballot. If a Supervisor participates in the onsite meeting through telephone or similar communication equipment, as long as he can make himself heard by the other participants at the meeting and can communicate with them, the Supervisor shall be deemed to be present at the meeting in person. Subject to the protection of supervisors’ rights to sufficiently express their views, the voting on supervisory committee meetings shall be conducted and resolutions made via communication devices, which shall be signed by participating supervisors. The voting procedures via communication devices shall provide for the valid period of voting, and any supervisor failing to express his view within such specified period shall be deemed to have waived his right.

“One person one vote” principle shall be observed in the voting on the supervisory committee meetings, which voting shall be conducted via the means of vote of record or in writing or otherwise. The voting of a supervisor shall be categorized into assent, dissent and abstention. Every participating supervisor shall vote by choosing one of those options, and in the absence of such choice or in the case of choosing two or more options, the meeting chairman shall request such supervisor to make a choice again. If such supervisor refuses to do so as required, he shall be deemed to have waived his right in that regard; any participating supervisor withdrawing from the meeting without returning and without choosing any option shall be deemed to have waived his right.

Any supervisory committee meeting resolution shall be adopted by the affirmative vote of more than ~~two thirds~~ half of all supervisors.

70. Original Article 182 is proposed to be deleted:

~~Reasonable expenses incurred in exercising the functions and powers by the Supervisory Committee in the appointment of lawyers, registered accountants or practicing auditors and other professionals shall be borne by the Company.~~

71. Original Article 183 is proposed to be amended as:

Supervisors shall faithfully and diligently carry out their duties as supervisors in accordance with the laws, administrative regulations and provisions of these Articles of Association ~~and perform their duties faithfully.~~

72. Original Article 185 is proposed to be deleted:

~~The validity of an act done by a director, the president or any other senior officer on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his office, election or any defect in his qualification.~~

73. Original Article 186 is proposed to be deleted:

~~In addition to obligations imposed by laws and administrative regulations and required by listing rules of the stock exchanges on which Shares are listed, each of the Company's directors, supervisors, president and other senior officers shall be responsible to each shareholder in respect of the following duties, in the exercise of the functions and powers of the Company entrusted to him:~~

- ~~(i) not to cause the Company to exceed the scope of the business stipulated in its business license;~~
- ~~(ii) to act honestly in the best interest of the Company;~~
- ~~(iii) not to expropriate in any guise the Company's property, including (without limitation) usurpation of opportunities advantageous to the Company;~~
- ~~(iv) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights, but not including a reorganization of the Company submitted to shareholders' general meeting for approval in accordance with the Articles of Association.~~

74. Original Article 187 is proposed to be deleted:

~~Each of the Company's directors, supervisors, president and other senior officers owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.~~

75. Original Article 188 is proposed to be amended as:

Directors, supervisors, presidents and other senior officers of the Company shall be in compliance with the laws and administrative regulations and shall owe the following duties of care to the Company:

- (i) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the state's laws, administrative regulations and economic policies, not going beyond the scope of business specified in the Company's business license;
- (ii) to treat all shareholders impartially;
- (iii) to keep informed of the business operations and management of the Company;
- (iv) to sign the written confirmation with respect to the periodic reports of the Company and to ensure the information disclosed by the Company is true, accurate and complete within the scope of their duties;
- (v) to honestly provide the supervisory committee with relevant information, and not to interfere with the supervisory committee or supervisors in performing their duties and powers;
- (vi) to fulfill other fiduciary obligations stipulated by the laws, administrative regulations, rules of regulatory authorities and these Articles of Association.

76. Original Article 189 is proposed to be amended as:

Each of the Company's directors, supervisors, presidents and other senior officers shall bear the following obligations of loyalty towards the Company when exercise his powers or perform his duties ~~in accordance with the principle of fiduciary and shall not put himself in a position where his duty and his interest may conflict. This principle includes (without limitation) their performance of the following obligations:~~

- (i) ~~to act honestly in the best interests of the Company;~~
- (ii) ~~to exercise powers within the scope of his powers and not to exceed those powers;~~
- (iii) ~~to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in' general meeting, not to delegate the exercise of his discretion;~~
- (iv) ~~to treat shareholders of the same class equally and to treat shareholders of different classes fairly;~~

- ~~(vi) except in accordance with the these Articles of Association or with the informed consent of shareholders given in general meeting, not to enter into any contracts or conduct, transactions or arrangement with the Company in violation of the Articles of Association or without the approval of the shareholders' general meeting;~~
- ~~(vi) without the informed consent of shareholders given in general meeting, not to use the Company's property for his own benefit;~~
- ~~(viii) not to exploit his position to accept bribes or other illegal income or seize the Company's property by any means, including (without limitation) opportunities advantageous to the Company;~~
- ~~(viii) without the informed consent of shareholders given in the general meeting, not to accept commissions in connection with the Company's transactions;~~
- ~~(ix) to abide by these Articles of Association, faithfully execute his official duties and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;~~
- ~~(xiv) not to exploit his position to advance his own or any other person's private benefits from those business opportunities advantageous to the Company, not to self-execute or execute for others the similar business activities, not to compete with the Company in any form unless with the informed consent of shareholders given in general meeting;~~
- ~~(xiv) not to misappropriate the Company's funds and not to open accounts in his own name or other names for the deposit of the Company's assets or funds;~~
- ~~(xiv) not to lend the Company's funds to others or provide a guarantee to a shareholder of the Company or other individuals with the Company's assets in violation of the Articles of Association or without consent of the general meetings or the Board;~~
- ~~(xivii) not to use his relationship to prejudice the Company's interests with its connected relationship;~~
- ~~(xiviii) unless otherwise permitted by informed shareholders in general meeting, not to disclose the Company's secrets without authorization, to keep in confidence information acquired by him in the course of and during his tenure and not to use the information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other competent governmental authorities is permitted if: and~~
- ~~(1) the disclosure is required by laws;~~
 - ~~(2) the disclosure is required by the public interests;~~
 - ~~(3) the interests of the relevant director, supervisor, president or senior officer are required to be disclosed.~~

~~(xix)~~ to fulfill other fiduciary duty stipulated by the laws, administrative regulations, rules of regulatory authorities and the Articles of Association.

Gains obtained by the directors, supervisors, the president and other senior officers of the Company in violation of this Article shall be counted in the interest of the Company and any loss incurred to the Company shall be compensated.

77. Original Article 190 is proposed to be deleted:

~~Each director, supervisor, president or other senior officer of the Company shall not cause the following persons or institutions (“associates”) to do what he is prohibited from doing:~~

- ~~(i) the spouse or minor child of that director, supervisor, president or other senior officer;~~
- ~~(ii) a person acting in the capacity of trustee of that director, supervisor, president or other senior officer or any person referred to in the preceding paragraph (i);~~
- ~~(iii) a person acting in the capacity of partner of that director, supervisor, president or other senior officer or any person referred to in paragraphs (i) and (ii) above;~~
- ~~(iv) a company in which that director, supervisor, president or other senior officer, alone or jointly with one or more persons referred to in paragraphs (i), (ii) and (iii) above and other directors, supervisors, president and other senior officers have a de facto controlling interest; and~~
- ~~(v) the directors, supervisors, presidents and other senior officers of the controlled company referred to in the preceding paragraph (iv).~~

78. Original Article 191 is proposed to be deleted:

~~The fiduciary obligations of the directors, supervisors, president and other senior officers of the Company do not necessarily cease with the termination of their tenure. The obligation of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other obligations may continue for such period as fairness may require depending on the time lapse between the termination and the act concerned and the circumstances under which the relationships between them and the Company are terminated.~~

79. Original Article 192 is proposed to be deleted:

~~Except for those circumstances stipulated in Article 63, a director, supervisor, president or any other senior officer of the Company may be relieved of liability for specific breaches of his obligations by the informed consent of shareholders given at a general meeting.~~

80. Original Article 193 is proposed to be deleted:

~~Where a director, supervisor, president or any other senior officer of the Company has, directly or indirectly, a material interest in a contract, transaction or arrangement entered into or proposed to be entered into by the Company (other than his contract of service), he shall declare the nature and extent of his interest to the Board at the earliest opportunity, whether or not the matters in question are otherwise subject to the approval of the Board.~~

~~A director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates has a material interest nor shall he be counted in the quorum present at the meeting. A close associate has the meaning as ascribed to it under the Listing Rules.~~

~~Unless the director, supervisor, president or any other senior officer with an interest makes a disclosure to the Board in the manner just described in the paragraph above and the matter is approved by the Board at a meeting at which he was not counted in the quorum and did not vote, the Company may rescind that contract, transaction or arrangement except as against a bona fide party acting in good faith and without knowing the breach of obligation by that director, supervisor, president or other senior officer.~~

~~For the purposes of this provision, a director, supervisor, president or any other senior officer is deemed to have an interest in a contract, transaction or arrangement in which his associates have an interest.~~

81. Original Article 194 is proposed to be deleted:

~~If, prior to the date on which the Company first considered the issue of entering into the relevant contract, transaction or arrangement, the director, supervisor, president or any other senior officer gives the Board a notice in writing stating that by reason of the matters stated in the notice, he has an interest in the contract, transaction or arrangement proposed to be entered into by the Company, then that director, supervisor, president or other senior officer shall be deemed to have made a disclosure for the purpose of and in accordance with this section to the extent of the matters disclosed in that notice.~~

82. Original Article 195 is proposed to be deleted:

~~The Company shall not pay any tax for its directors, supervisors, president and other senior officers in any manner.~~

83. Original Article 196 is proposed to be deleted:

~~The Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with the making of a loan for a director, supervisor, president or any other senior officer of the Company or of the Company's parent company or any of their respective associates.~~

However, the following transactions are not subject to such prohibition:

- (i) ~~the provision by the Company of a loan or a guarantee of a loan to a subsidiary of the Company;~~
- (ii) ~~the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its directors, supervisors, president and other senior officers to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in general meeting; and~~
- (iii) ~~the Company may make a loan to, or provide a guarantee in connection with the making of a loan for, any of the relevant directors, supervisors, president and other senior officers or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.~~

84. Original Article 197 is proposed to be deleted:

~~A loan made by the Company in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.~~

85. Original Article 198 is proposed to be deleted:

~~A guarantee provided by the Company in breach of the provisions of Article 196(i) shall be unenforceable against the Company, unless:~~

- (i) ~~the guarantee was provided in connection with a loan to an associate of any of the directors, supervisors, president and other senior officers of the Company or of the Company's parent company and at the time the loan was advanced the lender did not know the relevant circumstances; or~~
- (ii) ~~the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.~~

86. Original Article 199 is proposed to be deleted:

~~For the purpose of the aforesaid provision, a guarantee includes an undertaking or provision of property by the guarantor to secure the performance of obligations by the obligor.~~

87. Original Article 200 is proposed to be deleted:

~~In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, president, or any other senior officer of the Company is in breach of his obligations to the Company, the Company has rights to:~~

- ~~(i) claim damages from that director, supervisor, president or other senior officers in compensation for losses sustained by the Company as a result of such breach;~~
- ~~(ii) rescind any contract or transaction entered into by the Company with that director, supervisor, president or other senior officers or with a third party (where such third party knows or should know that there is such a breach of obligations by that director, supervisor, president or other senior officers);~~
- ~~(iii) demand that director, supervisor, president or other senior officers to account for any and all benefits obtained from breach of his obligations;~~
- ~~(iv) recover any monies received by that director, supervisor, president or other senior officers, which should otherwise have been paid to the Company, including (without limitation) commissions;~~
- ~~(v) demand payment by that director, supervisor, president or other senior officers of the interest accrued or to be accrued on the monies that should otherwise have been paid to the Company.~~

88. Original Article 201 is proposed to be deleted:

~~The Company shall, with the prior approval of shareholders in general meeting, enter into a contract in writing with a director or supervisor wherein his emoluments are stipulated. The aforesaid emoluments include:~~

- ~~(i) emoluments in respect of his service as a director, supervisor or senior officer of the Company;~~
- ~~(ii) emoluments in respect of his service a director, supervisor or senior officer of any subsidiary of the Company;~~
- ~~(iii) emoluments in respect of the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries; and~~
- ~~(iv) payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office.~~

~~Except under a contract entered into in accordance with the foregoing, no proceedings may be initiated by a director or supervisor against the Company for anything due to him in respect of the above matters.~~

~~The compensation in relation to early dismissal of directors, supervisors and senior officers stipulated in Articles of Association or relevant contracts shall follow the principle of fairness and shall not damage the legitimate rights and interests of the Company or transfer interests.~~

89. Original Article 202 is proposed to be deleted:

~~The contract concerning the emoluments between the Company and its directors or supervisors should provide that, in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the shareholders in general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement. A "takeover of the Company" referred to in this paragraph means either:~~

- ~~(i) an offer made by any person to all the shareholders; or~~
- ~~(ii) an offer made by any person with a view to the offeror becoming a controlling shareholder.~~

~~If the relevant director or supervisor does not comply with the provisions of these articles, any sum so received by him shall belong to those persons who have sold their shares as a result of the said offer made. The expenses incurred in distributing such sum pro rata amongst those persons shall be borne by the relevant director or supervisor and not paid out of that sum.~~

90. Original Article 205 is proposed to be deleted:

~~The Board of the Company shall place before the shareholders at every annual general meeting such financial reports as are required by any laws and administrative regulations and directives promulgated by regional and central government and competent authorities.~~

91. Original Article 206 is proposed to be deleted:

~~The Company's financial reports shall be made available for shareholders' inspection at the Company twenty (20) days before the date of every shareholders' annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports mentioned in this Chapter.~~

~~The Company shall deliver the aforementioned reports to shareholders by any means as approved by the stock exchange of the place of listing (including but not limited to mail, email, facsimile, announcement, dissemination through the website of the stock exchange of the listing locations of the Company and/or shares of the Company) twenty-one days before the annual general meeting is convened. If the report is sent to each of holders of overseas listed foreign shares by prepaid mail, it shall be sent to the recipient's address shown in the register of members.~~

92. Original Article 212 is proposed to be amended as:

No dividend shall be distributed and no other distribution in the form of bonus shall be made prior to making up for the losses and allocating to the statutory reserve by the Company. ~~No interest will accrue on dividends distributed by the Company, unless the Company fails to distribute the dividends to the shareholders on the due date of dividend payment.~~

93. Original Article 214 is proposed to be amended as:

The common reserve funds can only be used to make up the loss of the Company, to expand the scale of operation of the Company or to enlarge the Company's capital. However, capital reserve shall not be applied to make up for the losses of the Company.

~~When the Company transfers the reserve funds to its capital after the shareholders have passed a resolution in the general meeting, it may issue new shares to the shareholders in proportion to their respective original shareholding or increase the nominal value of each share. However, when the statutory common reserve fund is transferred to the Company's capital, the amount of the statutory common reserve fund to be retained shall not be less than 25% of the Company's registered capital before the transfer.~~

94. Original Article 215 is proposed to be amended as:

~~The Company may distribute dividends in the following manner:~~

- ~~(i) in cash;~~
- ~~(ii) by issuing shares.~~

The Company's policies on profit distribution are set out below:

- (i) Principle of profit distribution:
 - 1. The Company will place an emphasis on the return to investors, and will pay shareholders dividends based on a percentage of distributable profits realized in the current year of the parent company;
 - 2. The sustainability and stability of the Company's profit distribution policies will be maintained, with an eye towards the long-term interests, overall shareholders' interests and sustainability of the Company;
 - 3. The Company will place a priority on the profit distribution in the form of bonus payment;

4. In the event of any of the following circumstances, the Company may not distribute profits: (1) when the Company’s audit report for the latest year is not an unqualified opinion or is a qualified opinion with a significant uncertainty paragraph related to the going concern; (2) the gearing ratio is higher than 70%; (3) the operating cash flow is negative.

(ii) The specific policies for profit distribution:

.....

(iii) The policy for differentiated cash dividend distribution

In connection with the dividend payment, the Company’s Board of Directors shall take into account the features of the industry where the Company operates, development stage, operation model, profitability, solvency and the existence of major capital expenditures and investors’ return and other factors, and put forward a policy of differentiated cash dividend distribution according to the following different circumstances, pursuant to the procedures set forth in these Articles of Association:

.....

(iv) Decision-making procedures and mechanism for Profit Distribution

1. The profit distribution plan shall, after formulated by the management of the Company, be submitted for consideration and approval to the Board of Directors and supervisory committee. The Board shall conduct sufficient discussions on the reasonableness of the profit distribution plan and form a specific proposal, which shall be submitted to the general meeting for its consideration and approval. Where the Company is profitable in the previous accounting year, however the Board determines not to conduct dividend payment in cash or the profit distribution is made less than the cash dividend payment percentage set forth in the Articles of Association, ~~the independent directors shall express their independent opinions.~~ The Company shall arrange the online voting mechanism to facilitate the participation by social shareholders in the voting at the general meeting.

2. During the formulation of the Company's details of cash bonus scheme, the Board of Directors shall earnestly study and demonstrate the timing, condition, lowest proportion, adjustment condition and its decision-making program requirement for the cash bonus of the Company. ~~The independent directors shall express their independent opinions. The independent directors may solicit the opinions of the minority shareholders to make the bonus proposal for direct submission to the Board of Directors for consideration.~~ Where independent directors consider that the detailed cash dividend plan might jeopardize the listed Company's or its minority shareholders' interests, they have the right to publish independent opinions. If the Board of Directors does not adopt or fully adopt the recommendations of the independent directors, the independent directors' opinions and specific reasons for not adopting them shall be recorded in the Board's resolution and disclosed.
3. Prior to the consideration of specific plan for cash dividend at the general meeting, active communication and exchange with shareholders, especially medium-sized and minority shareholders, through various channels (including but not limited to via telephone, fax, email and acceptance onsite) are encouraged in order to fully collect views and demands of medium-sized and minority shareholders. The concerns of medium-sized and minority shareholders shall also be addressed and replied to promptly;
4. Where the Company determines not to conduct the cash dividend payment due to any special circumstances, the Board of Directors shall provide special explanation on the details of causes for no cash dividend payment, the accurate use of the retained profits, estimated investment return, etc., which shall, ~~after commented by the independent directors,~~ be submitted to the general meeting, and be disclosed in such media designated by the Company.

.....

95. Original Article 216 is proposed to be amended as:

Cash dividends or other payments declared by the Company to be payable to holders of domestic shares shall be declared in RMB. Cash dividends and other amounts payable to holders of foreign shares can be calculated and declared in RMB, and paid in Hong Kong Dollars, or paid in RMB. For payments in foreign currencies to holders of foreign shares, the amount of foreign currency needed shall be obtained in accordance with the State's provisions in relation to foreign exchange.

96. Original Article 217 is proposed to be amended as:

Unless the pertinent laws and administrative rules otherwise provide, the dividend and other sums to be distributed in Hong Kong Dollars shall adopt the ~~average of the selling~~ central parity rates quoted from the People's Bank of China ~~during the calendar week on the trading day~~ before the date of the declaration of the dividend and the distribution of other monies.

97. Original Article 218 is proposed to be amended as:

Subject to the satisfaction of the above conditions for cash dividend payment, the Company shall distribute dividends in cash once each year in principle, and under the authorization of the shareholders' general meeting, the Board of the Company may submit a proposal for interim cash dividend payment to the Company based on the profitability and capital needs of the Company.

98. Original Article 220 is proposed to be amended as:

The Company shall appoint receiving agents on behalf of the overseas listed foreign Shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of their shares, and hold such payment on behalf of the Shareholders pending payment to them.

The receiving agent appointed by the Company shall comply with the laws of the place of listing or the relevant requirements of the relevant stock exchange.

~~The receiving agents appointed on behalf of holders of the overseas listed foreign Shares listed in Hong Kong shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.~~

99. Original Article 221 is proposed to be deleted:

~~Any amount paid up in advance of calls on any of the Company's shares may carry interest, but shall not entitle the holder of such share(s) to participate in respect thereof in a dividend subsequently declared.~~

~~In accordance with the relevant laws and regulations of the PRC, the Company may exercise its power to forfeit any unclaimed dividends, provided that such power may only be exercised after the expiry of the effective period set for the relevant dividends declared.~~

100. Original Article 222 is proposed to be deleted:

~~The Company may exercise the power to cease sending dividend warrants by post if such warrants have been left uncashed on two consecutive occasions, provided that the Company may do so on the first occasion on which such undelivered warrants are returned.~~

~~The Company shall not exercise the power to sell the shares of a holder who is untraceable unless each item set forth below has been satisfied:~~

- ~~(i) dividends have been declared in relation to the relevant shares for at least three times within a period of twelve years, and the dividends were unclaimed within that period;~~

- ~~(ii) upon the expiry of the twelve-year period, the Company has published an announcement on one or more newspapers of the listing locations expressing its intention to sell the shares and notified the stock exchange on which such shares are listed.~~

101. Original Article 223 is proposed to be amended as:

~~Upon a resolution on the profit distribution proposal is passed at the general meeting, †The Directors of the Company shall complete the distribution of dividends (or shares) within two months after the general meeting a resolution on the profit distribution proposal is passed at the general meeting or the formulation by the Board of Directors of a specific plan based on the next year's interim dividend conditions and cap considered and approved at the annual general meeting.~~

102. Original Article 225 is proposed to be amended as:

The Company shall appoint an ~~independent~~ accounting firm which is qualified under the relevant provisions of the Securities Law to ~~audit the Company's annual financial report and verify the Company's other financial reports~~ conduct the auditing of the financial statements, examination of net assets and other relevant consultation services. Their period of appointment is one year which can be renewed.

103. Original Article 226 is proposed to be amended as:

The appointment of accountants' by the Company shall be determined at a shareholders' general meeting, and the Board shall not engage an accounting firm before any resolution adopted at a shareholders' general meeting. ~~The accounting firm shall be effective from the conclusion of the current annual general meeting until the conclusion of the next annual general meeting. At the expiry of the term of office of the accounting firm, the appointment may be renewed.~~

104. Original Article 227 is proposed to be deleted:

~~The accounting firm appointed by the Company shall have the right to:~~

- ~~(i) inspect the books, records or vouchers of the Company, and to require the Directors, the president or other senior officers to provide any relevant information and explanations;~~
- ~~(ii) require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanations as are necessary for the accounting firm to perform his duties; and~~
- ~~(iii) attend shareholders' general meetings, obtain all notices of, and other information relating to, such meetings which shareholders are entitled to receive, and to present its views at any shareholders' general meetings on matters that are of his concern as the accounting firm of the Company.~~

105. Original Article 229 is proposed to be deleted:

~~If there is a vacancy or the position of the accounting firm of the Company, the board may entrust a certified public accountants' firm to fill such position prior to the holding of the shareholders' general meeting. During this period of vacancy, if there is another certified public accountants' firm providing accounting services to the Company, then that certified public accountants' firm may still handle such matters.~~

106. Original Article 230 is proposed to be deleted:

~~The shareholders in general meeting may, by ordinary resolution, remove the accounting firm before the expiration of its term of office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.~~

107. Original Article 231 is proposed to be amended as:

~~The remuneration of audit fee for the accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders' in general meeting. The remuneration of the accounting firm appointed by the Board shall be determined by the Board.~~

108. Original Article 232 is proposed to be deleted:

~~The Company's appointment of, removal of and non-reappointment of an accounting firm shall be resolved by shareholders in general meeting. The resolution of the shareholders' general meeting shall be filed with the State Council authorities in charge of securities for the record.~~

~~Where it is proposed that any resolution be passed at a shareholders' general meeting concerning the appointment of an accounting firm which is not an incumbent firm to fill a casual vacancy in the office of the accounting firm or re-appointment of a retiring accounting firm which was appointed by the Board to fill a casual vacancy, or removal of the accounting firm before the expiration of its term of office, the following provisions shall apply:~~

- ~~(i) A copy of the proposal shall be sent before notice of meeting is given to the shareholders to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post (leaving includes leaving by removal, resignation and retirement) during the relevant fiscal year.~~
- ~~(ii) If the firm leaving its post makes representations in writing and requests the Company to notify such representations to the shareholders, the Company shall (unless the representations are received too late):~~
 - ~~(1) in any notice of the resolution given to shareholders, state the fact of the representations having been made; and~~

- ~~(2) attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.~~
- ~~(iii) If the firm's representations are not sent in accordance with the preceding paragraph (ii), the relevant accounting firm may require that the representations be read out at the meeting and may lodge further complaints.~~
- ~~(iv) An accounting firm which is leaving its post shall be entitled to attend:~~
- ~~(1) the shareholders' general meeting at which its term of office would otherwise have expired;~~
 - ~~(2) any shareholders' general meeting at which it is proposed to fill the vacancy caused by his removal; and~~
 - ~~(3) any shareholders' general meeting convened on its resignation;~~

~~and to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former accounting firm of the Company.~~

109. Original Article 233 is proposed to be amended as:

Where the accounting firm is removed or not re-appointed, prior notice should be given to the accounting firm fifteen days in advance, and the accounting firm is entitled to state its opinion at the shareholders' general meeting. Where the accounting firm resigns, it shall make clear to the shareholders' meeting whether there has been any impropriety on the part of the Company.

~~Any accounting firm may resign its office by depositing a resignation notice at the Company's legal residence. Such notice shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following:~~

- ~~(i) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or~~
- ~~(ii) a statement of any such circumstances.~~

~~Such notifications shall come into effect on the date when they are placed at the legal address of the Company or such a later date as stated in the said notifications.~~

~~Upon receipt of the deposited notice as referred to in the preceding paragraph (1), the Company shall within fourteen (14) days send a copy of the notice to the relevant competent authority. If the notice contains a statement under the preceding paragraph (1) (ii), a copy of such statement shall be placed at the Company's residence for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to each shareholder who is entitled to receive the report regarding financial conditions of the Company at the address registered in the register of shareholders.~~

~~Where the accounting firm's notice of resignation contains a statement as referred to in the preceding paragraph (1) (ii) which should be brought to the notice of the shareholders or creditors of the Company, it may require the Board to convene a shareholders' extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.~~

110. Original Article 234 is proposed to be deleted:

~~Proposal for the merger or division of the Company shall be put forward by the Board of the Company to be adopted in accordance with the procedures provided by these Articles of Association, and the relevant examination and approval procedures shall be carried out in accordance with law. Shareholders objecting to the merger or division proposal are entitled to demand that their shares be purchased by the Company or shareholders agreeing to the merger or division at a reasonably fair price.~~

~~Details of the merger or division resolution shall be converted into special papers for the inspection by the shareholders. The aforesaid document shall also be delivered by any means permitted by the stock exchange(s) on which shares of the Company are listed (including, but not limited to, by post, email, facsimile, announcement or by publication on the Company's website and/or the website(s) of the stock exchange(s) on which the shares of the Company are listed) to shareholders. If delivered by post, the addresses of recipients shall be the registered addresses recorded in the register of members.~~

111. Original Article 240 is proposed to be deleted:

~~In the event the Board decides to carry out a liquidation (other than as a result of the Company's declaration of bankruptcy), a statement shall be made in the notice to convene a shareholders' general meeting for such purpose that the Board has conducted a comprehensive investigation as to the affairs of the Company and that it is of the view that the Company will be able to repay all the liabilities of the Company within 12 months from the start of the liquidation.~~

~~Upon the passing of the resolution for the liquidation of the Company, the functions and powers of the Board of the Company shall cease forthwith.~~

~~The liquidation committee shall adhere to the instructions of the shareholders' general meeting and report to the shareholders' general meeting at least once a year as to the income and expenditure of the committee and the business and the progress of the liquidation. It will also have to make a final report to the shareholders' general meeting at the conclusion of the liquidation.~~

112. Original Article 245 is proposed to be amended as:

After the liquidation of the Company, the liquidation committee should prepare a liquidation report and ~~statements of income and expenditure as well as books of financial accounts during the liquidation period, which, upon the certification by a PRC Certified Public Accountant, they~~ it shall be presented to the shareholders' general meeting or the People's Court for confirmation.

~~The liquidation committee should, within 30 days after the confirmation by the shareholders' general meeting or the People's Court, deliver it for registration with the company registration authority for the cancellation of the registration of the Company, and make a public announcement concerning the termination of the Company.~~

113. Original title of Chapter 21 is proposed to be amended as:

~~Chapter 21~~ Chapter 19 Notice and Announcement

114. New Article 202 is proposed to be added:

The Company designates the website of the Hong Kong Stock Exchange, the website of the Shanghai Stock Exchange, the Company's website and the media accredited by the CSRC and the Hong Kong Stock Exchange as the media to publish the Company announcements and other information that required to be disclosed.

115. Original Chapter 22 Resolving of Disputes (including Article 255) is proposed to be deleted:

~~Chapter 22 Resolving of Disputes~~

~~Article 255 The Company will comply with the following dispute resolutions set out below:~~

- (i) ~~Whenever any disputes or claims involving the affairs of the Company arising between shareholders of the overseas listed foreign shares and the Company, shareholders of the overseas listed foreign shares and the Company's directors, supervisors, president or other senior officers, or shareholders of the overseas listed foreign shares and shareholders of domestic shares, based on the Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations, such disputes or claims shall be referred by the relevant parties to arbitration. Article 163 of the Mandatory Provisions; Article 11 of "Zheng Jian Hai Han"~~

~~Where a dispute or claim of rights is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration provided that such person is the Company or a shareholder, director, supervisor, the president or any other senior officer of the Company. Disputes in relation to the identification of shareholders and disputes in relation to the share register need not be referred to arbitration.~~

- ~~(ii) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant. If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for carrying out the arbitration in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.~~
- ~~(iii) If any disputes or claims of rights arising from (i) above are to be resolved by arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided by laws and administrative regulations.~~
- ~~(iv) The award of an arbitration body shall be final and conclusive and binding on all parties.~~

116. Original Article 259 is proposed to be amended as:

“Controlling shareholder” referred to herein shall mean any person who is or group of persons who are together entitled to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the applicable regulations on the supervision of securities of the place where the Company is listed as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over the Company) or more of the voting power at general meetings of the Company or who is or are in a position to control the composition of a majority of the Board.

“Connected relationship” referred to herein shall mean the relationship between a controlling shareholder, de facto controller, director, supervisor or senior officer of the Company and its directly or indirectly controlled enterprise and other relationships which may result in the transfer of the Company’s interests. However, state- owned enterprises may have connected relationships not merely because they are under common control of the State.

~~For the purpose of these Articles, an “accounting firm” shall have the same meaning as the “auditors”.~~

“The above”, “within”, “the following” shall be inclusive of the stated figure; while “other than”, “lower than”, “more than” are not inclusive of the stated figure.

Notes:

1. Due to addition and removal of certain articles, the serial number of relevant articles and cross references of the Articles of Association have been adjusted accordingly without separate explanation.
2. The English version of the proposed amendments to the Articles of Association is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

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

1. Original Article 1 is proposed to be amended as:

To protect the legitimate rights and interests of Sinotrans Limited (the “**Company**”), make clear of the duties and authorities of the general meeting, ensure that the general meeting operates in a standard, efficient and stable manner and exercise its authorities pursuant to the laws and that shareholders effectively exercise their authorities, and safeguard the legitimate rights and interests of the shareholders, these Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), the Code of Corporate Governance for Listed Companies, the Rules for the General Meetings of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange ~~(the “**SSE Listing Rules**”)~~, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ~~(the “**SEHK Listing Rules**”)~~ (collectively the ~~“**Listing Rules**”~~), the Articles of Association of Sinotrans Limited (the “**Articles of Association**”) and other laws and regulations as well as relevant regulations of the stock exchange where the Company’s shares are listed.

2. Original Article 4 is proposed to be amended as:

The general meeting include the ~~annual meeting of the shareholders (i.e. annual general meeting, similarly hereinafter)~~ and the extraordinary general meeting. Annual general meeting shall be called once a year and shall be held within six months after the end of the preceding accounting year. The Company shall convene extraordinary meetings from time to time and shall call an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

- (i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;
- (ii) the losses of the Company that have not been made up reach one-third of its total paid-in share capital;
- (iii) a shareholder alone or shareholders together holding at least 10 percent (inclusive) of the Company’s outstanding voting shares make a request in writing of convening an extraordinary general meeting;
- (iv) the Board of Directors considers it necessary or the Supervisory Committee proposes;
- (v) more than half of the independent Directors, which shall not be less than two, propose to hold such a meeting;
- (vi) other circumstances as specified in laws, administrative regulations, departmental rules, the Listing Rules of the place where the Company is listed or the Articles of Association.

If the Company is unable to hold a general meeting in the aforesaid period, it shall report to the branch office of China Securities Regulatory Commission (the “CSRC”) at the place where the Company is located and the stock exchange where the Company’s shares are listed (the “stock exchange”) explaining the reason and issue an announcement.

3. Original Article 16 is proposed to be amended as:

The notice of general meeting and the supplementary notice shall fully disclose the details of all proposals, as well as all information or explanations required for shareholders to make reasonable judgments on matters to be discussed. ~~Where opinions by independent directors are required for the matters to be discussed, such opinions as well as the reasons thereof shall be disclosed in the notice and the supplementary notice of the general meeting.~~ The notice of a general meeting shall:

- (i) be made in writing;
- (ii) specify the place, the date and the time of the meeting;
- (iii) explain the matters and proposals submitted to the meeting for consideration;
- ~~(iv) provide the shareholders with the information and explanations necessary to make informed decisions on the matters to be discussed; without limiting the generality of the foregoing, when the Company proposes a merger, buyback of shares, restructuring of share capital or other reorganization, it shall provide the specific conditions and contract (if any) of the transaction contemplated and explain the cause and effect of the transaction;~~
- ~~(v) disclose the nature and extent of the material interests, if any, of any director, supervisor, president or other senior officer in any matter to be discussed; and an explanation of the difference, if any, between the way in which the matter to be discussed would affect such director, supervisor, the president or other senior officer in his capacity as shareholder and the way in which such matter would affect other shareholders of the same class;~~
- ~~(vi) contain the full text of any special resolution proposed to be resolved at the meeting;~~
- (vii) contain conspicuously a statement that all shareholders are entitled to attend and vote, and shareholders who have the right to attend and vote at the general meeting may appoint one or more proxies to attend and vote at such meeting on their behalf and that proxies need not be shareholders of the Company;
- ~~(viii)~~ state the time and place for serving the proxy forms for the meeting;
- ~~(ix)~~ state the date of record for the shareholders who are entitled to attend the meeting;
- ~~(x)~~ state the name and telephone number of the contact person for the meeting;

(~~¶viii~~) state the voting time and voting procedures through the network or by other means.

The notice of general meeting and the supplementary notice shall fully disclose the details of all proposals.

The notice of general meeting shall set out the date of record. The interval between the date of record and the meeting date shall be not more than 7 working days. Once the date of record is determined, it shall not be changed.

If the independent directors are required to express their opinions on a matter to be discussed, such opinion and the reasons shall be disclosed when the notice or supplementary notice of the general meeting is issued.

4. Original Article 25 is proposed to be amended as:

~~The instrument appointing a voting proxy shall be deposited at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time of voting.~~

If the instrument appointing a voting proxy is signed by another person authorized by the principal, the power of attorney or other authorized documents shall be notarized. The notarized power of attorney or other authorizing document shall be deposited together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

If the principal is a legal person, its legal representative or the person authorized by a resolution of its board of directors or other decision-making body shall attend the general meeting of the Company as the representative of such legal person.

5. Original Article 26 is proposed to be amended as:

~~Any form issued by the Board of Directors of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted on in connection with each item to be discussed in the meeting. The instrument of appointment shall specify that in the absence of instructions from the shareholder, whether the proxy may vote as he or she thinks fit.~~

6. Original Article 27 is proposed to be deleted:

~~A vote made in accordance with the terms of an instrument of appointment shall be valid notwithstanding the death or loss of capacity of the principal, revocation of the proxy or of the authority under which the proxy was executed or the transfer of the relevant shares before the voting, as long as the Company does not receive written notice of such event before the relevant meeting commences.~~

7. Original Article 31 is proposed to be amended as:

If a general meeting is convened by the Board of Directors, the Chairman of the Board shall preside over the meeting. If the Chairman of the Board fails or is unable to perform his or her duties, the meeting shall be presided over by the Vice Chairman of the Board ~~jointly elected by at least one half of the directors (if the Company has a vice chairman)~~. If the both of the Chairman and the Vice Chairman of the Board fails or is are unable or fail to perform his or her their duties, the meeting shall be presided over by the director jointly elected by at least one half of the directors.

At a general meeting convened by the Supervisory Committee, the chairman of the Supervisory Committee shall preside over the meeting. If the chairman of the Supervisory Committee fails or is unable to perform his or her duties, the meeting shall be presided over by the supervisor jointly elected by at least one half of the supervisors.

If a general meeting is convened by a shareholder himself or shareholders themselves, the meeting shall be presided over by the representative selected by the convener(s).

When a general meeting is held, if the chairman of the meeting violates the rules of procedure, due to which the general meeting may not proceed, with the consent of shareholders holding more than one half of the voting rights present at the meeting, the general meeting may elect a person to serve as chairman of the meeting and the meeting shall continue.

8. Original Article 36 is proposed to be amended as:

The convener shall ensure that the meeting minutes are true, accurate and complete. The directors, supervisors and Secretary to the Board who attended the meeting, the convener or his representative and the chairman of the meeting shall sign the minutes. The meeting minutes shall be kept together with the register of the shareholders present at the meeting, the instruments of appointment of proxies and valid information on votes cast online or by other means ~~for a period of not less than 10 years permanently~~.

9. Original Article 49 is proposed to be amended as:

Before a proposal is voted at the general meeting, two shareholder representatives shall be elected to participate in the vote counting and vote scrutiny. When a shareholder has interests in a matter being considered, he or she and his or her proxies may not participate in the vote counting or vote scrutiny.

When a proposal is being voted at the general meeting the attorney, shareholders' representatives and supervisors' representatives shall be jointly responsible for counting the votes and scrutinizing the vote count, and shall announce the voting results on the spot. The voting results of resolutions shall be recorded in the minutes.

Shareholders or their proxies who cast their votes online or by other means shall have the right to check the results of their votes through the respective voting system.

10. Original Article 53 is proposed to be amended as:

The Secretary to the Board shall be responsible for the recording the minutes for the general meeting. The meeting minutes shall record the following particulars:

- (i) the date, venue and agenda of the meeting and the name of the convener;
- (ii) the names of the chairman of the meeting, the Directors, Supervisors, the president and other senior officers in attendance or present in a non-voting capacity;
- (iii) number of shareholders and proxies present at the meeting, number of shares carrying voting rights held by them and the percentage of such shares in the total shares of the Company;
- (iv) the process of considering each proposal, key points of remakes and voting results for each proposal;
- (v) the queries and suggestions of the shareholders and the relevant replies or explanations;
- (vi) the names of the attorney, vote counter and scrutineer; and
- (vii) other particulars which are required by the Articles of Association to be recorded in the minutes.

The Directors and Secretary to the Board who attended the meeting, the convener or his/her representative and the chairman of the meeting shall sign the minutes and shall ensure that the meeting minutes are true, accurate and complete. ~~The meeting minutes shall be kept together with the signature book of the shareholders present at the general meeting in person, the instruments of appointment of proxies and valid information on votes cast online or by other means for a period of not less than 10 years.~~

11. Original Article 72 is proposed to be amended as:

Any matters not stipulated in these Rules shall be treated in accordance with the laws, regulations, other normative rules and the Articles of Association. If provisions of these Rules conflict with the national laws, regulations and normative documents as amended, the said laws, regulations and normative documents shall prevail; and these Rules shall be amended in time and submitted by the Board of Directors for the consideration and approval of the general meeting.

Notes:

1. Due to addition and removal of certain articles, the serial number of relevant articles and cross references of these rules have been adjusted accordingly without separate explanation.
2. The English version of the proposed amendments to these rules is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

Details of proposed amendments to the Procedural Rules for Meetings of the Board of Directors of Sinotrans Limited are set out as follows, with amendments underlined:

1. Original Article 5 is proposed to be amended as:

The Board of Directors shall set up the audit committee, the remuneration committee and the nomination committee, and to meet needs, the strategy committee and relevant specialized committees. The specialized committees shall be responsible to the Board of Directors and shall perform their duties as authorized by the Board of Directors.

All members of the special 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 members of the audit committee shall be directors who are not the senior officers of the listed company, and 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 special committees to regulate their operations.

2. Original Article 9 is proposed to be amended as:

The chairman shall exercise the following functions and powers:

- (i) To host the general meeting and convene and host the meeting of Board of Directors;
- (ii) To supervise and inspect the implementation of the resolutions of the Board of Directors;
- (iii) To sign material documents of the Board of Directors and other documents which shall be signed by the legal representative of the Company;
- ~~(iv) To sign the securities to be issued by the Company;~~
- (v) Other functions and powers granted by the Board of Directors.

3. Original Article 12 is proposed to be amended as:

The meeting of Board of Directors includes regular meeting and extraordinary meeting. The Board of Directors shall at least convene ~~24~~ meetings each year. The meeting of Board of Directors shall be convened by the chairman, and the notice of regular Board meeting shall be provided to all the directors and supervisors ~~104~~ days prior to the meeting date. ~~In case of any urgent matters, upon the proposal by the chairman or by more than one third of the directors or by the president, an extraordinary meeting of the Board may be held, notwithstanding the time limit set forth in the aforesaid notice of the meeting.~~

The Company shall deliver meeting materials to the directors as soon as possible before the meeting of the Board of Directors (in principle, 3 days before the meeting of the Board of Directors) so that the directors have sufficient time to review.

4. Original Article 16 is proposed to be amended as:

~~The notice of the Board meeting shall be given in the following manner:~~

- ~~(i) if the date, the time and the venue of the regular meetings of the Board have been fixed by the Board in advance in accordance with the Articles of Association, no notice is required;~~
- ~~(ii) Where the Board of Directors does not make prior notice about the date and venue of the meeting, the chairman should notify the directors, supervisors, president and the secretary of the Board of the date and venue of the board meeting via telex, telegraph, fax, express mail service or registered mail or by person, unless otherwise specified in Article 12 herein.~~

The Board may vote by means of written resolution when holding an extraordinary board meeting, and the time limit for notice may not be subject to 14 days in advance, provided that the notice must be delivered to the directors and supervisors in a timely and effective manner. Except for force majeure factors, major business management matters shall not be voted by means of written resolution.

- ~~(iii) Where the circumstance is urgent and it is necessary to hold an extraordinary meeting of the Board of Directors, the notice of the meeting may be circulated at any time by phone or any other oral means, but the convener shall make explanations at the meeting and relevant matters shall be recorded in the minutes of the meeting.~~

5. Original Article 19 is proposed to be amended as:

The meeting of Board of Directors shall ~~only~~ be held ~~until~~ only if more than half of the directors (including the directors who entrust other directors through written proxy to attend on their behalf) are present. If a quorum is not constituted to hold the meeting because the relevant directors refuse or fail to attend the meeting, the chairman and the secretary of the board shall report to the supervisory department in time.

The supervisors may be present at the meeting of Board of Directors. The president or secretary of the board who does not serve as a director shall be present at the board meeting. When the meeting chairman considers necessary, he may notify other relevant personnel to be present at the board meeting.

6. Original Article 22 is proposed to be amended as:

In principle, the meeting of Board of Directors shall be held on site. However, when necessary, under the premise that the opportunity for the director to fully express his opinion is guaranteed, the extraordinary meeting of Board of Directors can also be held by means of videoconference, teleconference and communication voting (the voting statement signed by the director and the votes shall be delivered within specified time through fax, mail and email) when approved by the convener (host) and proposer. The meeting of Board of Directors may also be held in the combination of onsite meeting and other means. For the meetings held through videoconference or teleconference, the number of directors attending the meeting shall be counted based on the number of directors present as displayed in the video or the number of directors expressing opinions in case of teleconference. For the meeting held by means of communication voting, the number of directors attending the meeting shall be counted based on the number of valid votes actually received.

7. Original Article 23 is proposed to be amended as:

The chairman of the meeting shall ask the directors attending the meeting of Board of Directors to express clear opinions on each proposal. ~~For the proposals that shall be approved by independent directors in advance according to the applicable regulations, the chairman of the meeting shall designate an independent director to read out the written approval opinions of the independent directors before the relevant proposals are discussed.~~ If a director makes repetitive speech for the same proposal, or the speech exceeds the scope of proposal, to the effect that the speech of other directors or the normal proceeding of the meeting is adversely affected, the chairman of the meeting shall promptly stop it.

Unless having obtained unanimous consent of all the attending directors, the meeting of Board of Directors shall not vote on the proposals not included in the meeting notice. The director attending the meeting on behalf of other directors shall not vote on the proposal not included in the meeting notice on behalf of the other director.

8. Original Article 27 is proposed to be amended as:

If any director needs to withdraw from voting because he is affiliated with the enterprise involved in the proposal discussed at the meeting of Board of Directors or for compliance with the listing rules of the stock exchange where the securities of the Company are listed, the director shall not exercise the voting right on the relevant proposal or exercise the voting right on behalf of other directors and the Board of Directors may not resolve matters by way of written resolution in lieu of the convening of a Board meeting.

The meetings of the Board of Directors may be convened with the attendances of more than half of the unaffiliated directors, and the formed resolutions shall be passed by more than half of the unaffiliated directors. If the unaffiliated directors attending the meeting are less than three (3), such matters shall be submitted to the general meeting for consideration.

“Unaffiliated directors” refers to directors other than affiliated directors, and “affiliated directors” are determined according to the listing rules of the relevant listed stock exchange. If there is any conflict, the stricter provisions shall prevail.

9. Original Article 29 is proposed to be amended as:

When the Board of Directors needs to make a resolution on the profit distribution scheme of the Company, it may first notify the CPA of the distribution plan submitted to the Board according to the listing rules of the places where the Company is listed, and ask the CPA to issue the draft audit report based on the distribution plan (provided that all the financial information except for those involved in distribution are determined). After the Board makes a resolution on the profit distribution scheme, it shall submit to the general meeting for consideration and ask the CPA to issue the official audit report (if needed) according to the listing rules of the places where the Company is listed, and then the Board shall make a resolution on other relevant matters in the periodic reports according to the official audit report issued by the CPA.

10. Original Article 37 is proposed to be amended as:

The directors shall be liable for the resolutions of the meeting of the Board of Directors. In case the resolutions of the meeting of the Board of Directors breach the laws, administrative regulations ~~or, the Articles of Association or resolutions of general meetings~~, and cause severe loss to the Company, the directors participating in the resolution shall be liable for indemnifying the Company, provided that the director who has raised objection upon voting, as indicated by the meeting minutes, shall be released from the relevant liability.

11. Original Article 40 is proposed to be amended as:

The board meeting archives, including the meeting notices and meeting materials, meeting attendance book, proxy forms for attendance, audio-records of the meeting, votes, meeting minutes, meeting summaries, resolution records and resolution announcements signed by the attending directors shall be maintained by the secretary of the board. The meeting minutes of the Board of Directors shall be maintained as the Company archive ~~for a period no less than 10 years~~ permanently.

Notes:

1. Due to addition and removal of certain articles, the serial number of relevant articles and cross references of these rules have been adjusted accordingly without separate explanation.
2. The English version of the proposed amendments to these rules is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

**APPENDIX VII DETAILS OF THE PROPOSED AMENDMENTS TO
THE PROCEDURAL RULES FOR MEETINGS OF
THE SUPERVISORY COMMITTEE**

Details of proposed amendments to the Procedural Rules for Meetings of the Supervisory Committee of Sinotrans Limited are set out as follows, with amendments underlined:

- 1. Original Article 2 is proposed to be deleted:

~~The Supervisory Committee shall be responsible to the general meeting. It is a permanent supervisory body of the Company, responsible for supervising the Board of Directors and its members, the president, deputy president, chief financial officer, secretary of the Board, the chief digital officer, the general counsel and other senior management, in order to prevent them from abusing their power and infringing the legal rights and interests of the shareholders, the Company and the employees, and to maintain the legal rights and interests of the Company and shareholders.~~

- 2. Original Article 6 is proposed to be amended as:

~~The Supervisory Committee is responsible to the general meeting and~~ exercises the following functions and powers ~~according to law:~~

- (i) To review the securities issuance documents and periodical reports of the Company and provide written review opinions. The supervisors shall sign the written confirmation. The supervisors shall guarantee the timeliness and fairness of the information disclosure of the Company, and the truthfulness, accuracy and completeness of the information disclosed. If the supervisors cannot guarantee the truthfulness, accuracy and completeness of such securities issuance documents and periodical reports, or hold a different opinion, such opinion and the reason thereof shall be included in their written confirmation, which shall also be disclosed by the Company. If the Company has failed to make such disclosure, such supervisor may apply to disclose directly;
- (ii) To check the financial affairs of the Company;
- (iii) To supervise the performance of duties by the directors and senior executives, and make proposal to remove the director or senior executive who has breached the laws, administrative regulations, the Articles of Association and the resolutions of the general meeting;
- (iv) To ask the director, ~~president~~ and ~~other~~ senior executives of the Company to make correction if their behaviors damage the interests of the Company;

.....

- 3. Original Article 8 is proposed to be amended as:

The Supervisory Committee has 1 chairman. The appointment and removal of the chairman of the Supervisory Committee shall be voting through by more than ~~2/3~~ half of the members of the Supervisory Committee.

APPENDIX VII DETAILS OF THE PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR MEETINGS OF THE SUPERVISORY COMMITTEE

4. Original Article 11 is proposed to be deleted:

~~The Supervisory Committee may establish the executive office to handle the daily affairs of the Supervisory Committee according to business needs.~~

5. Original Article 28 is proposed to be amended as:

The meeting of the Supervisory Committee adopts the voting system of one vote for one person, and the voting can be made by disclosed ballot or written ballot.

The voting intentions of the supervisors are dividend into for, against and abstain. The attending supervisors shall select one of these intentions. If he fails to make selection or select 2 or more intentions, the chairman of the meeting shall ask the relevant supervisor to reselect; if he refuses, he is deemed to abstain. Any supervisor who does not make selection because he walked out of meeting and did not return is deemed to abstain.

The resolution of the Supervisory Committee shall be voted through by more than ~~2/3~~ half of the members of the Supervisory Committee.

6. Original Article 34 is proposed to be amended as:

The meeting minutes of the Supervisory Committee and the meeting notices, meeting materials, meeting attendance book, power of attorney for attendance, audio-records of the meeting, and votes shall be maintained at the executive office of the Supervisory Committee or by the chairman of the Supervisory Committee as the Company archive ~~for a period no less than 10 years~~ permanently.

7. Original Article 38 is proposed to be deleted:

~~The executive office of the Supervisory Committee, under the leadership of the Supervisory Committee and its chairman, shall actively collect the information on the execution of the relevant resolutions and report the important issues in the implementation to the Supervisory Committee and its chairman and provide suggestions in time.~~

Notes:

1. Due to addition and removal of certain articles, the serial number of relevant articles and cross references of the Articles of Association have been adjusted accordingly without separate explanation.
2. The English version of the proposed amendments to the Articles of Association is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

APPENDIX VIII DETAILS OF PROPOSED AMENDMENTS TO THE WORKING MANUAL FOR THE INDEPENDENT DIRECTORS

Details of proposed amendments to the Working Manual for the Independent Directors of Sinotrans Limited are set out as follows, with amendments underlined:

1. Original Article 1 is proposed to be amended as:

This Manual is hereby stipulated by Sinotrans Limited (hereinafter the “Company” or “listed company”) under the relevant provisions of the “Company Law of the People’s Republic of China” (hereinafter “Company Law”), the “Administrative Rules for Independent Directors of Listed Companies” (hereinafter “Administrative Rules for Independent Directors”), the “Code of Corporate Governance for Listed Companies in China”, the “Stock Listing Rules of the Shanghai Stock Exchange” (hereinafter “Shanghai Stock Exchange Rules”), “The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (hereinafter “Listing Rules”), ~~the Guidelines on the Duty Performance of Independent Directors of Listed Companies~~ and the “~~a~~Articles of ~~a~~Association of Sinotrans Limited” (hereinafter “~~a~~Articles of ~~a~~Association”), with the purpose of further improving the governance structure of the Company, promoting the standardized operation of the Company and ensuring that independent directors of the Company (hereinafter “Independent Directors”) perform their duties.

2. Original Article 2 is proposed to be amended as:

Independent Directors means Directors who hold no position in the Company other than directorship and have no direct or indirect interests or any other relationships with the Company or its major shareholders (meaning shareholders who individually or jointly hold more than 5% of the total number of shares with voting rights in the Company) or its actual controllers that may affect his or her independent and objective judgment, and is in full compliance with the listing rules of the stock exchange local to the Company’s listing.

3. Original Article 4 is proposed to be amended as:

At least one-third of the members of the Company’s board of directors shall be Independent Directors and the number of Independent Directors shall be no less than three; otherwise the Company shall promptly make up the number of Independent Directors as required.

The Board of Directors of the Company shall set up special committees such as audit, nomination, remuneration ~~and appraisal~~, and strategy committees. Among them, the Independent Directors shall be the majority in the audit committee, nomination committee, remuneration ~~and appraisal~~ committee and shall serve as conveners. The members of the audit committee shall be the directors who do not serve as the senior officers of the listed company, and the Independent Director who is an accounting professional shall serve as the convener.

4. Original Article 6 is proposed to be deleted:

~~Independent Directors of the Company, and persons with the intent to serve as independent directors, shall take training courses organized by the China Securities Regulatory Commission and its authorized agencies as required.~~

5. Original Article 7 is proposed to be deleted:

~~Candidates for Independent Directors shall have fundamental knowledge of the operation of listed companies, be familiar with relevant laws, administrative regulations, department rules and other regulatory documents, have more than five years' experience in legal, economics, finance, management areas or other working experience required to perform the duties of an independent director, and have obtained the Qualification Certificate of Independent Directors in accordance with the relevant provisions under the Guidelines on the Training of the Senior Management Personnel of Listed Companies issued by the China Securities Regulatory Commission.~~

~~If the Qualification Certificate of Independent Directors has not been obtained by the Independent Directors at the time of their nomination, such Independent Directors shall undertake in writing to take the next independent director qualification training course and obtain the aforesaid qualification certificate.~~

6. Original Article 8 is proposed to be amended as:

Independent Directors appointed shall meet the following basic requirements:

- (1) With the qualifications to be a director of a listed company in accordance with provisions of laws, administrative regulations and other relevant regulations;
- (2) Being independent as required ~~by the Rules for Independent Directors in Article 7 of this Manual;~~
- (3) With the basic knowledge of the operations of listed companies and familiarity with relevant laws, administrative regulations, rules and regulations;
- (4) With a minimum of five years' working experience in legal, accounting or economics areas, ~~or other working experience~~ as required for performing the duties of independent director;
- (5) ~~With sufficient time and energy to effectively perform the duties of independent Director.~~ Having good personal morality without bad records such as material acts of bad faith;
- (6) Other requirements provided in the laws, regulations and the ~~a~~Articles of ~~a~~Association.

Appointment qualifications of ~~h~~Independent ~~d~~Directors candidates shall comply with the following laws, administrative regulations and departmental rules:

- (1) Requirements in the Company Law for the qualifications of serving as a director;
- (2) Requirements in the Civil Servant Law of the People's Republic of China for civil servants holding concurrent posts;

- (3) Requirements in the Notice on Regulating State Official's Service as Independent Directors and Independent Supervisors of Listed Companies and Fund Management Companies after Resignation or Retirement issued by CPC Central Commission for Discipline Inspection and Organization Department of the CPC Central Committee;
 - (4) Requirements in members of leader team of colleges and universities holding concurrent positions stipulated in the Opinions on Strengthening the Combat against Corruption and Promotion of Clean Conduct in Colleges and Universities issued by CPC Central Commission for Discipline Inspection, the Ministry of Education and the Ministry of Supervision;
 - (5) Requirements in other laws, administrative regulations and department rules.
7. Original Article 9 is proposed to be amended as:

The Independent Directors shall keep independent. The following persons shall not serve as Independent Directors:

- (1) the employees ~~(other than independent directors)~~ of the Company or its subsidiaries and their ~~lineal relatives, spouses, parents, children or~~ major social connections ~~(lineal relatives shall mean spouses, parents, children, etc.; major social connections refer to siblings, parents in law, spouses of children, spouses of siblings, or siblings of spouses, etc.);~~
- (2) Natural person Shareholders ~~or their lineal relatives~~ who directly or indirectly hold more than 1% of the Company's issued shares, or are among the Company's top ten shareholders or their spouses, parents or children;
- (3) Persons ~~or their lineal relatives~~ who are employed by the corporate Shareholders that directly or indirectly hold more than 5% of the Company's issued shares or the Company's top five Corporate Shareholders or their spouses, parents or children;
- (4) Persons who are employed by the ~~Company's actual controller or its subsidiaries of the~~ Company's controlling shareholders or actual controllers, and their spouses, parents or children;
- (5) Persons who provide financial, legal, consulting, sponsoring or other services to the Company and its controlling shareholders, actual controllers or their respective subsidiaries ~~or their directors, supervisors, chief executives, substantial shareholders or any close associates of such persons. This includes, including but not limited to all staff of the project teams of intermediaries that provide services, reviewers at all levels, personnel who sign reports, partners, directors, senior officers, and principal persons in charge and directors;~~

- (6) Persons who ~~are employed as directors, supervisors or senior managers by entities that have substantial business relationships with the Company and the Company's controlling shareholders or actual controllers or their respective subsidiaries, or employed by the controlling shareholders of such entities with substantial business relationships or their controlling shareholders or actual controllers;~~
- (7) Persons in any of the above six circumstances in the ~~previous year~~ last 12 months;
- (8) Other persons specified by laws, administrative regulations and departmental rules;
- (9) Other persons specified by the ~~a~~Articles of ~~a~~Association;
- (10) Other persons ~~identified by~~ as stipulated in the relevant rules of the China Securities Regulatory Commission and the stock exchanges on which the Company is listed.

The subsidiaries of the controlling shareholders and actual controllers of the listed company mentioned in items (4) to (6) of the preceding paragraph do not include the enterprises which are controlled by the same state-owned assets management institution together with the Company and do not have related relationship with the Company according to the relevant regulations.

Independent Directors shall conduct an annual self-examination of their independence and submit the self-examination results to the Board of Directors. The Board of Directors shall annually evaluate the independence of the incumbent Independent Directors and issue special opinions, which shall be disclosed together with the annual report.

Independent ~~a~~Director candidates shall have good personal morality, and shall not be prohibited from being nominated as directors of listed companies, and shall not have the bad records as follows:

- (1) Subjected to administrative ~~penalties of punishment by~~ the China Securities Regulatory Commission or criminal punishment by judicial authorities due to securities and futures crimes in the past ~~three years~~36 months;
- (2) ~~Within a period of time during which the stock exchange publicly recognized as being unfit to serve as a director of listed companies~~Investigated by the China Securities Regulatory Commission or investigated by the judicial authorities for suspected violations of securities and futures laws and regulations, for which a specific conclusion has not yet been made;
- (3) Publicly condemned ~~by the stock exchange~~ or criticized by the stock exchange for more than three times~~twice or more~~ in the ~~past three years~~36 months;
- (4) Other material bad records such as dishonesty~~Failure to attend board meetings twice consecutively while serving as an independent director, or failure to personally attend more than one thirds of the total board meetings in one year;~~

- (5) Removed from his/her position by the Board at a general meeting proposed to be convened by the Board due to his/her failure to attend two consecutive Board meetings in person or by proxy for another independent Director during his/her term of office as an independent Director for less than 12 months~~Expressed independent opinion that is apparently inconsistent with the facts while serving as an independent director;~~
- (6) Other conditions as determined by the Shanghai Stock Exchange.

8. Original Article 10 is proposed to be amended as:

Independent Directors may only hold independent directorship with a maximum of ~~five~~three domestic listed companies ~~concurrently~~, and shall ensure the sufficient time and energy to perform his or her duties in an effective manner.

9. Original Article 11 is proposed to be amended as:

The Company's Board of Directors, Board of Supervisors or Shareholders individually or jointly hold more than 1% of the issued shares of the Company are entitled to nominate Independent Directors to be elected at the general meetings.

The investor protection institution established by law may publicly request the shareholders to entrust it with the exercise of the right to nominate Independent Directors on behalf of them.

The nominator set out in paragraph 1 shall not nominate any person with an interest or a close relationship who may affect the independent performance of his or her duties as an Independent Director candidate.

Nominator(s) of Independent Directors shall obtain the consent of the nominee prior to any nomination. The nominator shall fully understand the conditions of his or her nominee's occupation, education, job position, detailed working experience, ~~and~~ all part-time jobs, and whether he/she has any bad records such as material acts of bad faith, and give an opinion on ~~his or her nominee's qualifications~~other conditions and independence of the nominee for the position of Independent Directors. The nominee shall make a public declaration that ~~no relationship affecting his or her independence and objective judgment exists between himself or herself and the Company~~he/she meets the independence requirements and other conditions for serving as an Independent Director.

Prior to convening the general meetings for the election of Independent Directors, the Company's Board of Directors shall make an announcement regarding the above matters pursuant to the regulations.

10. Original Article 12 is proposed to be amended as:

~~If the Company's Board of Directors, Board of Supervisors, or a Corporate Shareholder entitled to nominate Independent Directors intend to nominate any Independent Director, the Company shall submit all relevant information of the Independent Director nominee to the stock exchange within two trading days from the date of the nomination pursuant to the relevant regulations of the stock exchange. In the event that the Board of Directors of the Company has any objection to the relevant information of the nominee, the written opinion of the Board of Directors shall be submitted together. Nominees objected by the stock exchange can be elected as Directors but may not be candidates for Independent Directors.~~

~~At the general meeting for the election of Independent Directors, the Board of Directors of the Company shall declare whether the Independent Director candidates have been objected by the stock exchange.~~

The nomination committee shall review the qualifications of the nominees and formulate clear review opinions.

The Company shall, prior to the holding of the general meeting for the election of Independent Directors, disclose the relevant contents in accordance with the provisions of Article 9 of this Manual and the preceding paragraph, and submit the relevant materials of all the Independent Director candidates to the stock exchange, ensuring that the relevant materials submitted are true, accurate and complete.

The stock exchange will, in accordance with the relevant regulations, review the relevant materials of the Independent Director candidates, prudently judge whether the Independent Director candidates meet the qualifications for office and have the right to raise objections. If the stock exchange raises any objection, the Company shall not submit it to the general meeting for election.

11. New Article 11 is proposed to be added:

Where two or more Independent Directors are elected at the general meeting, a cumulative voting system shall be implemented.

The votes of minority shareholders shall be counted separately and disclosed.

12. Original Article 14 is proposed to be amended as:

Independent Directors shall attend the meetings of Board of Directors in person. If for some reason he/she is unable to attend the meeting in person, the Independent Director shall review the meeting materials in advance, formulate a clear opinion, and entrust other Independent Directors to attend on his/her behalf in writing. If an Independent Director fails to attend the ~~Board~~ meeting of Board of Directors in person for ~~three~~two consecutive times and does not entrust other Independent Directors to attend on his/her behalf, the Board of Directors shall, within 30 days from the date of such occurrence, propose to ~~replace such Independent Directors at the~~ hold a general meeting to dismiss the Independent Director. ~~The Company may dismiss such Independent Director from his or her office in accordance with legal procedures before the expiration of his or her term(s) of office. In the event that an Independent Director is dismissed from office before such expiry, the Company shall disclose the same as a special matter for disclosure.~~

Before the expiration of the term of office of an Independent Director, the Company may remove him or her through legal procedures. In case of early dismissal, the Company shall disclose the specific reasons and basis in a timely manner. If the Independent Director has any objection, the Company shall disclose it in a timely manner.

If an Independent Director fails to meet the requirements of item 1 or item 2 of paragraph 1 of Article 6 of this Manual, he/she shall immediately stop performing his/her duties and resign from his/her post. If the Independent Director fails to resign, the Board of Directors shall, upon becoming aware of or when it should have become aware of the fact, immediately remove him/her from office as required.

If the Independent Directors resign or are dismissed due to the circumstances specified in the preceding paragraph, resulting in the proportion of Independent Directors on the Board of Directors or its special committee not conforming to the provisions of relevant laws and regulations or the Articles of Association or the lack of an accounting professional among the Independent Directors, the Company shall complete the by-election within 60 days from the date of the occurrence of the aforesaid facts.

13. Original Article 15 is proposed to be amended as:

Independent Directors may resign before the expiry of his or her term of office. Independent Director shall submit a written resignation report to the Board of Directors with an explanation on any circumstances relating to his or her resignation or what such Independent Directors considers to be necessary to draw to the attention of the Shareholders and the Company's creditors. ~~The Company shall disclose the reason for the resignation of the Independent Director and the matters in need of attention.~~

~~In the event of failure to satisfy the qualification requirements for Independent Directors after assuming office, such Independent Directors shall resign within one month from the date of occurrence of such circumstances. If such resignation is not tendered as required, the Board of Directors shall start the decision-making process within two days to remove such Independent Directors from their duties as an independent director.~~

If the number of Independent Directors falls below three or the proportion of Independent Directors in members composition of the Board of Directors falls below one-thirds ~~or there is no accounting professional among the existing Independent Directors~~ due to the resignation of the Independent Directors, the resigned Independent Director shall continue to perform his or her duties until new ~~Independent~~ Director is appointed, except that the Independent Director resigns due to loss of independence or is dismissed according to law. ~~The nominee of such Independent Director or the Board of Directors shall nominate a new Independent Director within three months from the date of resignation of the aforesaid Independent Director.~~ The listed company shall complete the by-election within 60 days from the date on which the Independent Director tenders his/her resignation.

14. Original Article 16 is proposed to be deleted:

~~In the occurrence of failure to meet the independence requirement or otherwise unfit to perform the duties of Independent Directors, resulting in the Company's independent directors fail to meet quorum of the Rules for Independent Directors and the Listing Rules, the Company shall elect the Independent Directors as soon as possible to enable the number of Independent Directors to meet the quorum, and notify the Shanghai Stock Exchange and the Hong Kong Stock Exchange at the same time, as well as making an announcement and engaging independent directors.~~

15. Original Article 17 is proposed to be amended as:

Independent Directors shall attend Board meetings on time, understand the Company's production operations and operating situations, and take the initiative to investigate and obtain information necessary for making decisions. Independent Directors shall submit to the general meeting of the Company their annual work report to clarify their performance of duties. The annual work report shall include the following contents:

- (1) The number of times he/she attended the meetings of Board of Directors, the manner and the voting situation, and the number of times he/she attended the general meetings;
- (2) His/her participation in the work of special committees of the Board of Directors and special meetings of Independent Director;
- (3) His/her review of the matters listed in Articles 20, 25, 26 and 27 of this Manual and his/her exercise of the special powers of the Independent Director listed in paragraph 1 of Article 17 of this Manual;
- (4) The major matters, methods and results of his/her communication with the internal audit institution and the accounting firm undertaking the Company's audit business on the Company's financial and business conditions;
- (5) His/her communication with the minority shareholders;
- (6) The time and content of his/her on-site work in the Company;

(7) Other circumstances in the performance of duties.

The annual work report of the Independent Directors shall be disclosed at the latest when the Company issues the notice of the annual general meeting.

16. New Article 16 is proposed to be added:

The Independent Directors shall perform the following duties:

- (1) To participate in the decision-making of the Board of Directors and express clear opinions on the items discussed;
- (2) To supervise the potential major conflicts of interest between the listed company and its controlling shareholders, actual controllers, directors and senior officers as set out in Articles 19, 20, 25, 26 and 27 of this Manual, promote the Board of Directors to make decisions in line with the whole interests of listed company and protect the legitimate rights and interests of minority shareholders;
- (3) To provide professional and objective suggestions on the operation and development of the listed company, and promote the improvement of the decision-making level of the Board of Directors;
- (4) Other responsibilities set out in the laws, administrative regulations, rules of China Securities Regulatory Commission and the Articles of Association.

17. Original Article 18 is proposed to be amended as:

~~In addition to the duties and powers granted by the Company Law and other relevant laws, regulations, and the articles of association, The Independent Directors shall also have exercise~~ the following special powers:

~~(1) Prior confirmation of material related party transactions (i.e. the related party transactions intended to be concluded between the listed company and related parties with a total amount of more than RMB3 million or 5% of the latest audited net assets of the listed company). Prior to Independent Directors form their judgment, intermediaries may be appointed to issue independent financial adviser reports as the basis for such judgment;~~

- (1) Independently engage intermediary to provide auditing, consulting or reviewing services on specific matters of the listed company;
- ~~(2) Propose the appointment or dismissal of accounting firm to the Board of Directors;~~
- ~~(3) Request to the Board of Directors to convene extraordinary general meetings;~~
- ~~(4) Propose to convene Board meetings;~~

- (54) Publicly solicit ~~voting the rights from Shareholders prior to a general meeting of~~
shareholders from shareholders in accordance with law;
- (65) ~~Independently engage external auditor firms and consulting firms to audit and consult~~
~~on specific matters of the Company~~Express independent opinions on matters that may
damage the rights and interests of the listed company or minority shareholders.
- (6) Other powers set out in the laws, administrative regulations, rules of China Securities
Regulatory Commission and the Articles of Association.

Independent Directors shall seek the consent of ~~more than half of all the~~ a majority of
Independent Directors before exercising the powers under item (1) to item (53) above ~~and~~
~~shall seek the consent of all Independent Directors before exercising the power under (6)~~
~~above.~~

~~The consent of more than half of the Independent Directors shall be obtained before the~~
~~matters under (1) and (2) are submitted to the Board of Directors for discussion.~~

~~In the event that the proposals referred to in Clause 1 of this Article are not adopted or the~~
~~above powers cannot be exercised normally, the Company shall disclose the relevant~~
~~circumstances.~~

~~Where the laws, administrative regulations and the China Securities Regulatory Commission~~
~~have provisions otherwise, such provisions shall prevail.~~

If the Independent Directors exercise the powers in paragraph 1, the Company shall disclose
it in a timely manner. If the above powers cannot be exercised normally, the Company shall
disclose the specific circumstances and reasons.

18. New Article 18 is proposed to be added:

Prior to the meeting of the Board of Directors, the Independent Directors may communicate
with the secretary of the Board to inquire about the matters to be considered, request
supplementary materials, and put forward opinions and suggestions. The Board of Directors
and relevant personnel shall carefully study the questions, requirements and opinions raised
by the Independent Directors, and provide timely feedback to the Independent Directors on
the implementation of the amendments of the proposal.

19. Original Article 19 is proposed to be deleted:

~~In addition to performing the above duties, the Independent Directors shall give independent opinions to the Board of Directors of the Company or general meetings in respect of the following matters:~~

- ~~(1) Provision of guarantees (excluding guarantees provided for subsidiaries consolidated in the statements), entrusted financial management, provision of financial assistance, use of proceeds, investment in stocks and derivatives thereof, and other material events;~~
- ~~(2) The nomination, appointment and dismissal of Directors;~~
- ~~(3) The appointment or dismissal of senior management personnel;~~
- ~~(4) The remuneration of Directors and senior management personnel;~~
- ~~(5) Change in the use of proceeds;~~
- ~~(6) Excess proceeds used for permanent replenishment of working capital and the repayment of bank borrowings;~~
- ~~(7) Formulate plan for conversion of capital reserve fund into share capital;~~
- ~~(8) Formulate profit distribution policy, profit distribution plan and cash distribution plan;~~
- ~~(9) Changes in accounting policies and accounting estimates or correction of significant accounting errors resulting from reasons other than changes in accounting standards;~~
- ~~(10) Issuance of modified audit opinions by certified public accountants on the financial reports and internal control of the listed company;~~
- ~~(11) The appointment and dismissal of the accounting firm;~~
- ~~(12) Material asset restructuring proposal, acquisition by the management, equity incentive plan, employee stock ownership plan, share repurchase plan, the scheme of repaying debts with non-cash assets by the related parties;~~
- ~~(13) Internal control evaluation report;~~
- ~~(14) Plan for change of undertakings made by the undertaking parties of the listed company;~~
- ~~(15) Effect of the issuance of preference shares on the rights and interests of each class of shareholders of the Company;~~
- ~~(16) The Company that its shares will no longer be transacted on the stock exchanges on which the Company is listed;~~
- ~~(17) Other matters required by laws, administrative regulations, the China Securities Regulatory Commission and Articles of Association;~~
- ~~(18) Other matters deemed by the Independent Directors as may damage the rights and interests of the listed company and its medium and small shareholders.~~

~~The Board of Directors shall carefully conduct research and discussion about the timing, conditions, minimum ratio, adjustment conditions, and requirements for its decision-making procedures when formulating a specific cash dividend plan of the Company, and the Independent Directors shall express clear and express opinion on such plans. Independent Directors may solicit the opinions of medium and small Shareholders, propose dividend proposals, and submit such proposals directly to the Board of Directors for deliberation.~~

~~In case of actual needs to adjust or change the profit distribution policy and shareholder dividend return plan in response to production and operation conditions, investment planning and long-term development needs, the protection of Shareholders' rights shall be the starting point for consideration and the opinions of Independent Directors shall be fully heard. The Independent Directors shall explicitly express their opinions on whether the profit distribution policy, especially the cash dividend policy adjustment or change of the bill, will damage the legitimate rights and interests of medium and small shareholders.~~

~~The Independent Director shall express their opinions on the above matters in one of the following manners: agree; reserved opinions and its reasons; object and its reasons; unable to give an opinion and its obstacles. In the event that the related matters are discloseable, the Company shall announce the opinions of the Independent Directors. In case of diversified opinions among the Independent Directors and no consensus can be reached, the Board of Directors shall separately disclose the opinions of each Independent Directors. Before expressing their independent opinions on the voluntary delisting of the listed company, the Independent Directors shall sufficiently consult the medium and small shareholders on whether the matter is conducive to the long-term development of the company and the interests of all shareholders, and the opinions of the Independent Directors formed on this basis shall be announced in conjunction with the notice of the general meeting.~~

20. New Article 19 is proposed to be added:

The following matters shall be submitted to the Board of Directors for deliberation upon the consent of a majority of all the Independent Directors of the listed company:

- (1) The connected transactions that should be disclosed;
- (2) The scheme where the listed company and the relevant parties change or waive commitments;
- (3) Decisions made and measures taken by the Board of Directors in relation to the acquisition when the listed company is acquired;
- (4) Other matters set out in the laws, administrative regulations, rules of China Securities Regulatory Commission and the Articles of Association.

21. New Article 20 is proposed to be added:

Where an Independent Director votes against or abstains from voting on a proposal of the Board of Directors, he/she shall state the specific reasons and basis, the legal compliance of the matters involved in the proposal, the possible risks, and the impact on the rights and interests of the Company and minority shareholders. When disclosing the resolutions of the Board of Directors, the listed company shall disclose the dissenting opinions of the Independent Directors at the same time, and set it out in the resolutions of the Board of Directors and the minutes of the meeting.

22. New Article 21 is proposed to be added:

The Independent Directors shall pay constant attention to the implementation of the resolutions of the Board of Directors related to the matters listed in Articles 19, 24, 25 and 26 of this Manual. If they find that there is any violation of laws, administrative regulations, rules of China Securities Regulatory Commission, business rules of the stock exchange and the Articles of Association, or violation of the resolutions of the general meeting and the Board of Directors, they shall report to the Board of Directors in a timely manner, and may require the Company to make a written explanation. Where matters for disclosure are involved, the Company shall make timely disclosure.

If the Company fails to make an explanation or a timely disclosure in accordance with the provisions of the preceding paragraph, the Independent Directors may report to China Securities Regulatory Commission and the stock exchange.

23. New Article 22 is proposed to be added:

The listed company shall regularly or irregularly hold meetings exclusively attended by the Independent Directors (hereinafter the “Special Meetings of Independent Directors”). The matters set out in items 1 to 3 of paragraph 1 of Article 17 and Article 19 of this Manual shall be deliberated at the Special Meetings of Independent Directors.

Special Meetings of Independent Directors may study and discuss other matters of the Company as needed.

A Special Meeting of Independent Directors shall be convened and presided over by an Independent Director jointly elected by a majority of the Independent Directors. If the convenor fails to perform his/her duties or is unable to perform his/her duties, two or more Independent Directors may convene the meeting themselves and elect a representative to preside over it.

The Company shall provide convenience and support for the holding of Special Meetings of Independent Directors.

24. New Article 23 is proposed to be added:

The Independent Director shall perform his/her duties in the special committee of the Board of Directors of the Company in accordance with laws, administrative regulations, rules of China Securities Regulatory Commission, business rules of the stock exchange and the Articles of Association. The Independent Director shall attend the meeting of the special committee in person. If for some reason he/she is unable to attend the meeting in person, such Independent Director shall review the meeting materials in advance, formulate a clear opinion, and entrust other Independent Directors to attend on his/her behalf in writing. The Independent Director may, in the course of performing his/her duties, bring to the attention of the special committee important matters of the Company within the scope of the responsibilities of the special committee for discussion and deliberation in a timely manner in accordance with the procedures.

25. New Article 24 is proposed to be added:

The audit committee of the Board of Directors of the Company shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board of Directors for consideration upon the consent of more than half of all members of the audit committee:

- (1) Disclosure of financial information and internal control evaluation reports in financial accounting reports and periodic reports;
- (2) Engagement or removal of accounting firm that provides audit services for the Company;
- (3) Appointment or dismissal of the financial controller;
- (4) To make changes in accounting policies, accounting estimates or correct major accounting errors due to reasons other than changes in accounting standards;
- (5) Other matters set out in the laws, administrative regulations, rules of China Securities Regulatory Commission and the Articles of Association.

The audit committee shall meet at least once a quarter. An extraordinary meeting may be convened on the proposal of two or more members, or if the convenor deems it necessary. A meeting of the audit committee may be held only when more than two-thirds of the members are present.

26. New Article 25 is proposed to be added:

The nominating committee of the Board of Directors of the Company shall be responsible for formulating the criteria and procedures for the selection of directors and senior officers, selecting and reviewing the candidates for directors and senior officers and reviewing their qualifications for office, and making recommendations to the Board of Directors on the following matters:

- (1) Nomination or appointment and removal of directors;
- (2) Appointment or dismissal of senior officers;
- (3) Other matters set out in the laws, administrative regulations, rules of China Securities Regulatory Commission and the Articles of Association.

If the Board of Directors fails to adopt or fully adopt the recommendations of the nomination committee, the Board of Directors shall record in its resolution the opinions of the nomination committee and the specific reasons for not adopting such opinions, and make corresponding disclosure.

27. New Article 26 is proposed to be added:

The remuneration committee of the Board of Directors of the Company shall be responsible for formulating evaluation standards of directors and senior officers, carrying out evaluations, formulating and reviewing the remuneration policies and programs of directors and senior officers, and making recommendations to the Board of Directors on the following matters:

- (1) Remunerations of directors and senior officers;
- (2) Formulation or change of the equity incentive plans and employee stock ownership plans, and the conditions for the incentive objects to be granted with options and exercise options;
- (3) The arrangement of shareholding plans of directors and senior officers in subsidiaries to be spun off;
- (4) Other matters set out in the laws, administrative regulations, rules of China Securities Regulatory Commission and the Articles of Association.

If the Board of Directors fails to adopt or fully adopt the recommendations of the remuneration committee, the Board of Directors shall record in its resolution the opinions of the remuneration committee and the specific reasons for not adopting such opinions, and make corresponding disclosure.

28. New Article 27 is proposed to be added:

The on-site working time of an Independent Director in the listed company shall not be less than 15 days per year.

In addition to attending the general meeting, the meetings of the Board of Directors and its special committees, and Special Meetings of Independent Directors as required, Independent Directors can perform their duties by regularly obtaining information about the operation of the listed company, debriefing from the management, communicating with the head of the internal audit institution, the accounting firm undertaking the Company's audit business and other intermediaries, conducting on-site inspection, communicating with minority shareholders and other means.

29. New Article 28 is proposed to be added:

Meeting minutes shall be prepared for the meetings of Board of Directors and its special committees and special meetings of Independent Directors in accordance with regulations, and the opinions of Independent Directors shall be stated in the meeting minutes. The Independent Directors shall sign and confirm the meeting minutes.

Independent Directors shall make work records to record in detail the performance of their duties. Information obtained by Independent Directors in the course of performing their duties, the relevant meeting minutes, communication records with the staff of the Company and intermediaries, shall form a part of the work records.

The Independent Directors may require the secretary of the Board of Directors and other relevant personnel to sign and confirm the important contents of the work records, and the listed company and relevant personnel shall cooperate.

The work records of the Independent Directors and the information provided by the Company to the Independent Directors shall be kept for at least ten years.

30. Original Article 20 is proposed to be deleted:

~~The Company shall ensure that Independent Directors are entitled to the same right of access to information as other Directors.~~

31. Original Article 21 is proposed to be amended as:

The Company shall provide Independent Directors with the necessary working conditions and personnel support to ensure the effective exercise of their powers.

(1) The Company shall ensure that Independent Directors have the same right to know as other directors. The Company shall designate the office of the Board of Directors, the secretary of the Board and other specialized departments and personnel to assist the Independent Directors in performing their duties.

- (2) To ensure the effective exercise of the powers of the Independent Directors, the Company shall regularly inform the Independent Directors of the operation of the Company, provide information, organize or cooperate with the Independent Directors to carry out on-site inspection and other work.
- (3) Before the Board of Directors considers major and complex matters, the Company may organize Independent Directors to participate in the research and demonstration process, fully listen to the opinions of Independent Directors, and provide timely feedback to the Independent Directors on the adoption of opinions.
- (4) The Company shall promptly issue the notice of meeting of Board of Directors to the Independent Directors, provide relevant meeting materials no later than the notice period of the Board meeting stipulated by laws, administrative regulations, rules of China Securities Regulatory Commission or the Articles of Association, and provide effective communication channels for the Independent Directors. If the special committee of the Board of Directors holds a meeting, in principle, the Company shall provide relevant materials and information no later than three days before the meeting of the special committee. The Company shall keep the above-mentioned meeting materials for at least ten years.
- ~~(+5) Where a major issue is to be decided by the Board of Directors, the Company shall inform the Independent Director in advance according to the statutory time and provide sufficient information at the same time. Supplemental materials can be requested in case the Independent Directors considers the information provided is insufficient. In the event that two or more than two Independent Directors consider that the meeting materials are incomplete, information is insufficient or the argument is unclear, or the information is not provided in a timely manner, the written joint proposal can be submitted by such Independent Directors, and shall be adopted by the Board of Directors, to the Board of Directors to postpone the Board meeting or postpone the deliberation of such matters.~~
- (6) In principle, the meetings of Board of Directors and special committees shall be held on the spot. Under the premise of ensuring that all the participating directors can fully communicate and express their opinions, the meeting can be held by video conference, teleconference or other means in accordance with the procedures when necessary.

- (27) ~~The company shall provide the working conditions necessary for the Independent Directors to perform their duties. The secretary to the Board of Directors of the Company shall actively assist the Independent Directors to perform their duties, including but not limited to introduction of circumstances and provision of materials, etc., and regularly report the Company's operation and organize on-site inspection for the Independent Directors if necessary.~~ ensure the smooth flow of information among Independent Directors and other directors, senior officers and other relevant personnel, and ensure that the Independent Directors are provided with adequate resources and necessary professional advice when performing their duties. ~~The Company shall assist in dealing with the relevant matters in respect of the announcement of independent opinions, proposals and written explanations of the Independent Directors that are required to be announced in a timely manner.~~
- (38) When the Independent Directors exercise their powers, the relevant staff of the Company, such as the directors and senior officers, shall cooperate positively and shall not refuse, obstruct or conceal the relevant information or interfere with the Independent Directors to exercise their powers independently.
- (4) ~~Documents and materials provided to the Independent Directors by the Company and its relevant employees shall be kept by the Company and the relevant Independent Directors for at least five years.~~
- (59) Where professional opinions shall be issued by intermediary parties for the Independent Directors to resolve the substantial connected transactions and deliberate specific issues, the Company may provide a list of intermediaries for Independent Directors to choose from. The Company shall bear the fees incurred by the Independent Directors to engage professional institutions~~intermediary parties~~ and exercise their other powers.

In case of obstructions while exercising the power endowed by laws and regulations, the Independent Directors may explain the relevant situation to the Company's Board of Directors, require the relevant personnel, such as the directors and senior officers, ~~management or the secretary of the Board~~ to offer cooperation and record the fact of encountering obstructions and solutions into work records;. If the obstacle still cannot be eliminated, the Independent Directors ~~and~~ may report to ~~the branch office of the~~ China Securities Regulatory Commission ~~or~~ and the stock exchange where the securities are listed.

Where the performance of the duties of an Independent Director involves information that should be disclosed, the Company shall promptly make disclosure. If the Company does not make disclosure, the Independent Director may directly apply for disclosure, or report to China Securities Regulatory Commission and the stock exchange where the securities are listed.

32. Original Article 22 is proposed to be amended as:

The Company shall pay ~~appropriate allowance to~~ the Independent Directors allowances commensurate with their responsibilities, unless otherwise stipulated by regulations and policies. The standard of such allowances shall be ~~proposed~~ formulated by the Board of Directors, approved at the general meeting, and shall be disclosed in the annual report of the Company.

Other than the above allowance, Independent Directors shall not obtain ~~additional undisclosed~~ other benefits from the Company, its subsidiaries, substantial shareholders, actual controllers or other interested parties.

33. Original Article 23 is proposed to be amended as:

Reasonable expenses incurred by the Independent Directors in the course of performance of their duties shall be borne by the Company. The Independent Directors shall have the right to ask for advance on reasonable fees required to perform their duties from the listed company.

~~The Independent directors shall be entitled to require the listed company to purchase liability insurance for them to perform their duties as Independent Directors. The Company may establish an independent director liability insurance system to reduce the risks that may arise from the normal performance of duties by Independent Directors.~~

34. New Article 32 is proposed to be added:

The Company shall improve the communication mechanism between the Independent Directors and the minority shareholders, so that the Independent Directors can verify the issues raised by investors with the Company in a timely manner.

35. Original Article 24 is proposed to be amended as:

Independent Directors shall bear the fiduciary duties and obligation of due diligence to the Company and all of its Shareholders, and shall comply strictly with the Company Law, the Administrative Rules for Independent Directors, the Listing Rules of SSE, the Listing Rules of the Stock Exchange and other laws, administrative regulations, normative documents, and regulations concerning directors in the articles of association. Independent Directors shall also follow this Manual, maintain independence, earnestly perform their duties, faithfully fulfill their obligations, play a role in decision-making, supervision and balance, professional consultation in the Board of Directors and safeguard the interests of the Company and all of its Shareholders.

36. New Article 41 is proposed to be added:

Independent Directors shall strengthen the study of securities laws, regulations and rules, and constantly improve their ability to perform their duties.

37. Original Article 32 is proposed to be amended as:

~~Unless otherwise specified, Meaning of the terms used in this Manual shall have the same meaning as those in the articles of association.~~

- (1) “Major shareholder” refers to a shareholder who holds 5% or more of the shares of the listed company, or a shareholder who holds less than 5% of the shares but has significant influence on the listed company;
- (2) “Minority shareholders” refer to the shareholders who individually or collectively hold less than 5% of the shares of the listed company and do not serve as the directors, supervisors or senior officers of the listed company;
- (3) “Subsidiary” refers to the enterprise under the direct or indirect control of the relevant entity;
- (4) “Major social connections” refer to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, parents of children’s spouses, etc.

Notes:

1. Due to addition and removal of certain articles, the serial number of relevant articles and cross references of these rules have been adjusted accordingly without separate explanation.
2. The English version of the proposed amendments to these rules is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

Details of proposed amendments to the Policy for the Management of Connected Transactions of Sinotrans Limited are set out as follows, with amendments underlined:

1. Original Article 6 is proposed to be amended as:

Connected legal persons (or other entities) of the Company shall include any legal persons (or other entities) which:

- (i) directly or indirectly control the Company;
- (ii) are directly or indirectly controlled by the entities referred to in Section (i) above (other than the Company and its subsidiaries and other controlled entities);
- (iii) are controlled, directly or indirectly, by the connected natural persons of the Company as listed in Article 8, or any connected natural person serves as a director (excluding independent directors who concurrently serve for both parties) or senior officer in (other than the Company and its subsidiaries and other controlled entities);
- (iv) hold over 5% of the shares in the Company and persons acting in concert with them;
- (v) are regarded by China Securities Regulatory Commission, the stock exchange on which the shares of the Company are listed and the Company, in accordance with the principle of “substance over form”, as having special connection with the Company and are likely to be or have been treated favorably by the Company.

2. Original Article 9 is proposed to be amended as:

Any legal person, ~~(or other entity)~~ or natural person shall be ~~deemed as~~ a related person of the Company if ~~it or he~~ one of the circumstances set forth in Article 6 or Article 8 exists during the past twelve months or during twelve months after relevant agreement or arrangement takes effect.

- ~~(i) becomes a connected legal person or connected natural person of the Company set forth in Article 6 or Article 8 pursuant to any agreement or arrangement entered into with the Company or its related person after such agreement or arrangement takes effect or in twelve months; or~~
- ~~(ii) was a connected legal person or connected natural person of the Company set forth in Article 6 or Article 8 during the past twelve months.~~

3. Original Article 10 is proposed to be amended as:

A connected transaction of the Company shall refer to any arrangement between the Company, any of its subsidiaries and other controlled entities and a related person of the Company that results in any transfer of resources or obligations, including:

.....

~~(xviii) others which might arrangements that China Securities Regulatory Commission, the stock exchange on which the shares of the Company are listed or the Company determines, in accordance with the principle of “substance over form”, to be likely to result in a transfer of resources or obligations through agreement, including the provision of financial funding and security to a company in which the Company and the related person jointly invest that is greater than its shareholding or investment percentage, or waiver of the right to increase capital in a company in which the Company and the related person jointly invest at the same percentage as that of the related person or right of first refusal to purchase.~~

4. Original Article 21 is proposed to be amended as:

Where the Company proposes to waive the right to increase capital in a company in which the Company and the related person jointly invest at the same percentage as that of the related person or right of first refusal to purchase which does not lead to any change to the scope of the consolidated financial statements of the Company but the percentage of the Company’s equity in such company declines as compared to the time before waiving the right, the amount related to the waived right to increase capital or waived right of first refusal to purchase shall be deemed as the transaction value and relevant financial indicators shall be calculated according to the percentage of equity change, and Articles 16, 17 and Article 18(i) shall apply.

In case of any change to the scope of the consolidated financial statements of the Company as a result of such waiver by the Company of right to increase capital or the right of first refusal to purchase, ~~the value of the net assets at the end of the most recent period of the Company in respect of which the Company proposes to waive the right to increase capital or the right of first refusal to purchase shall be deemed as the transaction value, and Articles 16, 17 and Article 18(i) shall apply.~~ Articles 16, 17 and Article 18(i) shall apply to the amount related to the right to increase capital or right of first refusal to purchase proposed to be waived by the Company and the relevant financial indicators of such company.

Where the Company waives part of the rights, Articles 16, 17 and Article 18(i) shall also apply to the amounts and indicators set forth in the two paragraphs above and the amounts actually transferred or increased.

5. Original Article 22 is proposed to be amended as:

~~Where the Company conducts a connected transaction in the form of “provision of financial funding” or “entrusted wealth management”, the actual amount concerned shall be deemed as the transaction price, and Articles 16, 17 and Article 18(i) shall apply.~~

For entrusted wealth management between the Company and its related person, if it is difficult to perform the deliberation procedures and disclosure obligations for each investment transaction due to the frequency of transactions and time-limitation requirements, the investment scope, investment quota and period shall be reasonably estimated. With such quota as the basis of calculation, Article 16, Article 17 and Article 18(i) shall apply respectively.

6. Original Article 25 is proposed to be amended as:

Where the Company conducts any of the following connected transactions, the connected transaction price shall be computed on an aggregate basis for consecutive 12 months, and Article 16, Article 17 and Article 18(i) shall apply respectively:

- (i) connected transaction with the same related person; or
- (ii) any transaction with ~~the same type of~~related subject matters under the same type of transactions with different related persons;

The “same related person” referred to above shall include parties who are under the common control, directly or indirectly, of the same legal person or other entity or natural person, or who has a cross shareholding relationship with each other; and a legal person or other entity in which the same related natural person serves as the director or senior officer.

Where any party has been counted on an accumulative basis and the general meeting decision-making procedures are complied with, such party will not be included in the computation on the accumulative basis.

7. Original Article 26 is proposed to be amended as:

Where the Company proposes to enter into a ~~major~~ discloseable connected transaction with a related person, it shall be submitted to the Board of Directors for consideration with the consent of more than half of all independent directors of the listed company~~independent directors shall issue their approval in advance and submit the transaction to the Board of Directors for its consideration~~. The independent directors may, prior to their decision, engage independent financial consultants to issue a report which shall serve as the basis for the decision.

~~The audit committee of the Company shall also conduct a review of such connected transaction and form a written decision, and submit the transaction to the Board for its consideration as well as report the same to the Supervisory Committee. The audit committee may engage independent financial consultants to issue a report which shall serve as the basis for the decision.~~

8. Original Article 29 is proposed to be deleted:

~~The Supervisory Committee of the Company shall supervise the consideration, voting, disclosure and implementation of the connected transactions and shall issue its opinion in the annual report.~~

9. Original Chapter 6 Items Required to be Disclosed for a Connected Transaction (including original Articles 34 to 41) is proposed to be deleted:

~~Chapter 6 Items Required to be Disclosed for a Connected Transaction~~

~~Article 34 Any connected transaction conducted by the Company or any of its subsidiaries or branches with a related person which is required hereunder to be disclosed shall be disclosed in the form of an interim report.~~

~~Article 35 In connection with any disclosure of a connected transaction by the Company, the following documents shall be filed with Shanghai Stock Exchange:~~

- ~~(i) Text of the publication;~~
- ~~(ii) Agreement or letter of intent related to the transaction; board resolution, text of the announcement for the resolution; approval from a competent authority for the transaction (if applicable); professional report issued by a securities service agency (if applicable);~~
- ~~(iii) Written consent to such transaction issued by independent directors;~~
- ~~(iv) Opinion of independent directors;~~
- ~~(v) Opinion of audit committee of the Board of Directors (if applicable);~~
- ~~(vi) Other documents required by the stock exchange.~~

~~Article 36 The announcement regarding the connected transaction disclosed by the Company shall contain the following items:~~

- ~~(i) Summary of the connected transaction;~~
- ~~(ii) Information on the related person;~~
- ~~(iii) Basic information on the subject matter of the connected transaction;~~
- ~~(iv) Major terms and pricing policy for the connected transaction;~~
- ~~(v) Purpose and impact of the connected transaction on the Company;~~
- ~~(vi) Prior consent and independent opinion issued by the independent directors;~~

- ~~(vii) Opinion of independent financial consultants, if applicable;~~
- ~~(viii) Opinion of audit committee of the Board of Directors, if applicable;~~
- ~~(ix) Previous connected transactions;~~
- ~~(x) Undertaking by controlling shareholders, if any;~~
- ~~(xi) Other items required by the stock exchange to be disclosed.~~

~~Article 37 The Company shall disclose in the annual reports and interim reports all material connected transactions that occurred during the reporting period in accordance with the requirements under Articles 38 to 41 hereunder for different types of connected transactions.~~

~~Article 38 Disclosure by the Company of any connected transactions related to daily operation shall contain the following items:~~

- ~~(i) related persons;~~
- ~~(ii) terms of transaction;~~
- ~~(iii) pricing policy;~~
- ~~(iv) transaction price: if a market price for a comparable transaction is available, the reference market price shall be disclosed; where the actual transaction price is substantially different from the reference market price, the reason thereof shall be stated;~~
- ~~(v) transaction value and the percentage of it in the transaction value of a transaction of the same type, and the settlement manner;~~
- ~~(vi) details for a large amount of sales return, if any;~~
- ~~(vii) necessity and continuity of the connected transaction, the reason for the selection of the related person (instead of other counterparties in the market), the impact of the transaction on the independence of the Company, the degree of reliance of the Company on the related person and the corresponding solutions, if any; and~~
- ~~(viii) where the value of daily connected transactions to be conducted in the current year are estimated on an accumulative basis by transaction types, the actual implementation status of daily connected transactions during the reporting period, if any.~~

~~Article 39 Disclosure by the Company of material connected transactions related to the purchase and sale of assets shall contain the following items:~~

- ~~(i) related persons;~~
- ~~(ii) details of transaction;~~

- ~~(iii) pricing policy;~~
- ~~(iv) book value and appraised value, fair market value and transaction price of assets; where the transaction price is substantially different from the book value, appraised value or fair market value, the reason thereof shall be stated; and~~
- ~~(v) impact of the settlement method and the transaction on the operation results and financial position of the Company.~~

~~Article 40 Disclosure by the Company of any connected transaction as a result of co-investment by the Company and a related person shall contain the following items:~~

- ~~(i) the co-investor;~~
- ~~(ii) name, main business, registered capital, total assets, net assets and net profit of the investee; and~~
- ~~(iii) progress of major projects under construction (if any).~~

~~Article 41 Where the Company or any of its subsidiaries or branches has any obligation owed or security provided or otherwise to or from a related person, the reason for the occurrence of such obligation or security and the impact of the same on the Company shall be disclosed.~~

10. Original Article 43 is proposed to be amended as:

~~¶The Company and a related person shall enter into a daily connected transaction agreement for any daily connected transaction between them. Such agreement shall provide:~~

- ~~(i) pricing policy and basis;~~
- ~~(ii) transaction price;~~
- ~~(iii) the range of total transaction amount or the method for determining the total transaction amount;~~
- ~~(iv) payment time and manner;~~
- ~~(v) comparison with the actual amount of daily connected transactions of the same type during the past three years; and~~
- ~~(vi) Other major terms required to be disclosed.~~

11. Original Article 45 is proposed to be amended as:

Deliberation and disclosure requirements for connected transactions may be waived for the following connected transactions entered into between the Company and its related persons:

- (i) transaction in which the Company unilaterally obtains benefits without any consideration or obligation, including receiving cash assets as gifts, obtaining debt relief, accepting guarantees and financial assistance without consideration;
- (ii) provision of unsecured funds by a related person to the Company at an interest rate not exceeding the loan interest rate prevailing in the market;
- (iii) transaction in which either party subscribes for the publicly issued shares, company bonds or corporate bonds, convertible company bonds or other types of derivatives of the other party in cash;
- (iv) transaction in which either party, as a member of the underwriters, underwrites the publicly issued shares, company bonds or corporate bonds, convertible company bonds or other types of derivatives of the other party;
- (v) transaction in which either party receives dividend, bonus or reward in accordance with the resolutions passed at the general meeting of the other party;
- (vi) transaction in which either party participates in the public tender or auction of the other party, except where the tender or auction is unlikely to establish a fair price;
- (vii) transaction in which the Company provides products and services to related natural persons as defined in items (ii) to (iv) of Article ~~7(1)~~ 8 hereunder on the same trading conditions as non-related persons;
- (viii) connected transaction in which the price is fixed by the state;
- (ix) other transactions as identified by Shanghai Stock Exchange.

12. Original Article 48 is proposed to be amended as:

The Company shall not provide funds, directly or indirectly, to any controlling shareholder or other related persons in any of the following manners:

- (i) ~~offering any capital of the Company to any controlling shareholder or other related person with or without compensation; advancing wages, benefits, insurance, advertising and other expenses and bearing costs and other expenses for controlling shareholders, de facto controllers and other related parties;~~

- (ii) offering any capital of the Company (including entrusted wealth management) to any controlling shareholder or other related person with or without compensation, and providing entrusted loans to any related person through a bank or non-banking institute, except for the associates of the Company (excluding the companies controlled by controlling shareholders and actual controllers) whose other shareholders provide funds in proportion to their shareholding percentage thereof;
- (iii) entrusting any controlling shareholder or other related person with investment activities;
- (iv) issuing to any controlling shareholder or other related person any commercial acceptance invoices without ~~true~~ real transactions background, and providing funds by payment of procurement, asset transfer payments and prepayments without consideration for goods and services or in circumstances that are obviously not commercially reasonable;
- (v) repaying the obligations of any controlling shareholder or other related person; or
- (vi) any other manner as provided by laws and regulations, the China Securities Regulatory Commission and the stock exchanges where its shares are listed.

Notes:

1. Due to addition and removal of certain articles, the serial number of relevant articles and cross references of these rules have been adjusted accordingly without separate explanation.
2. The English version of the proposed amendments to these rules is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

Details of proposed amendments to the Policy for the Management of External Guarantees to be Provided by Sinotrans Limited are set out as follows, with amendments underlined:

1. Original Article 3 is proposed to be amended as:

The “controlled subsidiary” referred to herein shall mean a company that the Company directly or indirectly holds more than 50% of its shares, or can decide the election of more than half of its board members, or can actually control the company by agreement or other arrangements.

~~The acts of the Company’s controlled subsidiary shall be regarded as the acts of the listed company, and the controlled subsidiary shall also strictly abide by the requirements of the Company’s external guarantee in this Policy.~~

This Policy applies to the Company and its controlled subsidiaries. The external guarantees provided by the controlled subsidiaries of the Company shall be governed by this Policy.

2. Original Article 6 is proposed to be amended as:

~~This Policy applies to the Company and its controlled subsidiaries. The external guarantees provided by the controlled subsidiaries of the Company shall be governed by this Policy. The “total amount of external guarantees provided by the Company and its controlled subsidiaries” shall means the sum of the total amount of external guarantees provided by the Company and total amount of external guarantees provided by the controlled subsidiaries of the Company.~~

3. Original Article 7 is proposed to be amended as:

Whenever the Company provides any external guarantee to controlling shareholders, de facto controllers and their related parties, provides any over-proportion guarantee to non-wholly-owned controlled subsidiaries and provides any guarantee to participating enterprises, it must request the other party to provide counter guarantee, and the counter guarantee provider shall have actual ability to undertake the counter guarantee. The counter-guarantor shall be the cooperate that possesses good credit standard, robust financial status, has the ability to perform the obligations under the counter guarantee contract. Provide counter guarantee in which the book value of net assets audited by their relevant auditors at the beginning of the year is more than twice of the counter guarantee amount. If the counter guarantee is in the form of surety, the counter-guarantor shall not be any government agency, public welfare institution, branch of corporate corporation, department or office or natural person. If the counter guarantee is in the form of mortgage or pledge, the collateral shall be fully owned by the counter-guarantor and free of any third party rights and its market value shall be more than twice of the counter guarantee amount during the guarantee period. The counter-guarantor shall complete the mortgage or pledge registration or transfer procedures for the collateral, and purchase sufficient insurance from insurance company, with the guarantor being the beneficiary. If the market value of the collateral is

lower than twice of the guarantee amount in any time during the mortgage or pledge period, the guarantor shall immediately ask the counter guarantor to provide additional collateral to cover the difference.

For the guarantee business provided by the non-wholly-owned controlled subsidiary, the Company will provide guarantee based on the investment proportion in principle. If it is necessary for the Company to provide guarantee beyond its investment proportion, the Company shall request the other corporate shareholders of the non-wholly-owned controlled subsidiary to provide counter guarantee to the Company in advance. The Company shall not provide over-proportion guarantees to its participating subsidiaries.

4. Original Article 20 is proposed to be amended as:

Where the controlled subsidiary of the Company is required to provide guarantee to others due to business needs, the controlled subsidiary shall first conduct an investigation and analysis of the basic information of the guaranteed party and submit an application report, setting forth its opinion of approval or disapproval. After obtaining the consent and signed by the legal representative of such controlled subsidiary, the application report shall be submitted to the guarantee review and management departments of the Company, which will, after receipt of such application report, review and approve or disapprove such proposed external guarantee pursuant to Article ~~20-12~~ of this Policy, and thereafter submit to the Board of Directors or to the Shareholders at the General Meeting for consideration in accordance with the approval authority set out in this Policy.

Notes:

1. Due to addition and removal of certain articles, the serial number of relevant articles and cross references of these rules have been adjusted accordingly without separate explanation.
2. The English version of the proposed amendments to these rules is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

APPENDIX XI BIOGRAPHICAL DETAILS OF THE CANDIDATES FOR THE DIRECTORS OF THE FOURTH SESSION OF THE BOARD

Wang Xiufeng, born in 1970. Mr. Wang Xiufeng is the Chairman of the Company, the chairman of the Strategy Committee and a member of the Nomination Committee of the Board. Mr. Wang currently serves as Vice President of China Merchants. He is a senior accountant and a senior engineer, graduated from the Northeastern University with a bachelor degree in Industrial Accounting and then obtained a master's degree in Business Administration from Tsinghua University. From November 2018 to August 2021, Mr. Wang has served as Chairman of China Merchants Expressway Network & Technology Holdings Co., Ltd. (Stock code: SZ001965). Mr. Wang has served as Chief Executive Officer and Vice Chairman of China Merchants Port Group Co., Ltd. (Stock code: SZ001872) from August 2021 to July 2023, and served as Executive Director and Managing Director of China Merchants Port Holdings Company Limited (Stock code: HK00144) from August 2021 to November 2021, and Vice Chairman and Chief Executive Officer from November 2021 to July 2023. Besides, Mr. Wang has served as Director of Liaoning Port Group Limited from October 2021 to September 2023, Directors of China Merchants Taipingwan Development & Investment Co., Ltd and China Merchants Northeast Asia Development & Investment Co., Ltd. from February 2022 to July 2023, and Vice Chairman of Shanghai International Port (Group) Co., Ltd. (Stock code: SZ600018) since June 2022. Mr. Wang was appointed as the non-executive Director and Chairman of the Company in July 2023.

Song Rong, born in 1972. Mr. Song Rong is the executive Director and President of the Company and also a member of the Strategy Committee of the Board. Mr. Song graduated from University of International Business and Economics with a bachelor degree in economics, and then obtained an MBA degree from Olin Business School of Washington University. Mr. Song joined China National Foreign Trade Transportation (Group) Corporation in 1995. From August 2006 to January 2008, Mr. Song served as Deputy General Manager of Sinotrans Container Lines Co., Ltd. From January 2008 to June 2012, Mr. Song served as General Manager of Operation Department of the Company. From June 2012 to August 2016, Mr. Song was appointed as the General Manager of Sinotrans Shandong Co., Ltd. From December 2015 to April 2019, Mr. Song was appointed as the Vice President of the Company. From September 2017 to August 2018, Mr. Song served as the General Manager of China Merchants Logistics Holding Group Co., Ltd. (renamed as "Sinotrans Logistics Ltd.", hereinafter referred to as "Sinotrans Logistics"). Mr. Song served as the Chairman of Sinotrans Logistics from August 2018. Mr. Song was appointed as the executive Director of the Company in June 2018. Mr. Song was appointed as President of the Company in April 2019. Mr. Song was appointed as Secretary of the Communist Party Committee of the Company in September 2021. In June 2022, Mr. Song was appointed as the chairman of DHL-Sinotrans International Air Courier Ltd. As at the Latest Practicable Date, Mr. Song held 100,000 A Shares and 1,186,800 shares options (A Shares) granted by the Company under the share option scheme of the Company, representing approximately 0.02% of the total issued Share.

APPENDIX XI BIOGRAPHICAL DETAILS OF THE CANDIDATES FOR THE DIRECTORS OF THE FOURTH SESSION OF THE BOARD

Liu Zhenhua, aged 51, is currently the Head of Transportation and Logistics Division of China Merchants Group Limited, and a Director, General Manager, and Secretary of the Communist Party Committee of Sinotrans & CSC Holdings Co., Ltd. (Group Beijing Headquarters). Mr. Liu graduated from the University of International Business and Economics with bachelor's degree in economics, majoring in International Transportation in the Department of International Trade, and then obtained a master's degree in Business Administration for Senior Executives from the China Europe International Business School. From March 2004 to January 2007, Mr. Liu served as the Assistant General Manager and the Deputy General Manager of the Logistics Department of Sinotrans Limited. From January 2007 to January 2010, he served as the Deputy General Manager of China Marine Shipping Agency Co., Ltd. From January 2010 to December 2017, he served as the General Manager of the Strategic Development Department of Sinotrans & CSC Holdings Co., Ltd. From December 2017 to March 2019, he served as the Deputy General Manager and member of Communist Party Committee of China Yangtze Shipping Group Co., Ltd. Mr. Liu successively served as the Deputy Director of the Office of China Merchants Group Limited, the Deputy Director of the Group Office, and the Deputy Director of the Party Committee Office from March 2019 to September 2021, during which he also held the positions of the Deputy Director of the Board Office, the Deputy Head of the Party Committee Propaganda Department/Corporate Culture Department, the Deputy Director of the Policy Research Office, and the Deputy Director of the Confidentiality Office. From September 2021 to February 2023, he served as the General Manager and the Vice Secretary of the Communist Party Committee of China Yangtze Shipping Group Co., Ltd. From February 2023 to September 2023, he served as the Head of the Transportation and Logistics Division/Beijing Headquarters of China Merchants Group Limited, and also served as an Executive Director, the General Manager, and the Secretary of the Communist Party Committee of Sinotrans & CSC Holdings Co., Ltd.

Luo Li, born in 1983. Ms. Luo Li is the non-executive Director of the Company. Ms. Luo is a member of Certified Management Accountant, a Senior Practitioner of the Hong Kong Securities and Investment Institute and a Senior Economist. Ms. Luo graduated from school of economics in Central University of Finance and Economics with a master degree in economics. She currently serves as the Deputy of the Finance Department (Property Rights Department) of China Merchants Group Limited. Ms. Luo successively served as the Chief of Fund of the Financial Department of Sinotrans & CSC Holdings Co., Ltd., General Manager of Settlement Department, Assistant to General Manager, the member of the Party Committee of the Sinotrans& CSC Finance Co., Ltd. (now known as China Merchants Group Finance Co., Ltd.), Assistant to General Manager of the Finance Department (Property Rights Department) of China Merchants Group Limited and Deputy General Manager of China Merchants International Finance Co., Ltd. From November 2022 to October 2023, she has served as a Director of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (Stock Code: SZ001979). Ms. Luo was appointed as the non-executive Director of the Company in September 2022.

APPENDIX XI BIOGRAPHICAL DETAILS OF THE CANDIDATES FOR THE DIRECTORS OF THE FOURTH SESSION OF THE BOARD

Yu Zhiliang, born in 1968. Mr. Yu Zhiliang, is the non-executive Director of the Company and a member of the Strategy Committee of the Board. Mr. Yu is the professional external Director appointed by China Merchants Group Limited. Mr. Yu is a senior engineer, and graduated from South China University of Technology with a doctorate degree in Management. Mr. Yu has successively served as Director of the Planning and Development Division of the State-owned Assets Supervision and Administration Commission of Guangdong Province, Deputy General Manager of Guangdong Steel Group Company Limited, Director, General Manager and Chairman of Guangdong Guangye Assets Management Company Limited, Chairman of Guangdong Guangye Group Company Limited. From January 2019 to December 2020, Mr. Yu has served as Head of the Environmental Industry Preparatory Division (with Head of Department ranking) of China Merchants Group. From December 2020 to June 2023, Mr. Yu has served as Vice President (with President ranking) of China Merchants Industry Holdings Co., Ltd. Mr. Yu has served as the Chairman of the Board and Chief Executive Officer of CMIC Ocean En-Tech Holding Co., Ltd. (Stock Code: HK00206) from December 2022 to August 2023. Since July 2023, he has been serving as a Director of China Merchants Energy Shipping Company (Stock Code: SH601872). Since November 2023, he has been serving as a Director of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (Stock Code: SZ001979). Mr. Yu was appointed as the non-executive Director of the Company in July 2023.

Tao Wu, born in 1966. Mr. Tao Wu is the non-executive Director of the Company. Mr. Tao is the professional external Director appointed by China Merchants. Mr. Tao graduated from Southwestern University of Finance and Economics with a bachelor degree in Economics. Mr. Tao has served as Assistant General Manager and Deputy General Manager of Finance Department of China Merchants Shekou Industrial Zone Co., Ltd., Deputy General Manager, Senior Deputy General Manager of Capital Department of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (Stock Code: SZ001979). From November 2016 to January 2019, Mr. Tao successively served as General Manager of Finance & Planning Department, Finance Department and Capital Department of China Merchants Financial Leasing Co., Ltd. Mr. Tao has served as Deputy Chief Financial Officer from January 2017 to January 2019 and Chief Financial Officer from February 2019 to June 2023 of China Merchants Financial Leasing Co., Ltd. Since July 2023, he has been serving as a Director of China Merchants Energy Shipping Company (Stock Code: SH601872). Since November 2023, he has been serving as a Director of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (Stock Code: SZ001979). Mr. Tao was appointed as the non-executive Director of the Company in July 2023.

APPENDIX XI BIOGRAPHICAL DETAILS OF THE CANDIDATES FOR THE DIRECTORS OF THE FOURTH SESSION OF THE BOARD

Jerry Hsu, born in 1950. Mr. Jerry Hsu is the non-executive Director of the Company. Mr. Jerry Hsu is the Advisor to Global Management Board of DHL Express. Mr. Hsu is responsible to provide management advice to the Global Management Board on strategic issues of DHL Express worldwide network. Before December 2015, Mr. Hsu was CEO of DHL Express Asia Pacific and a member of the DHL Express Global Management Board responsible for Mainland China, HKSAR, Taiwan, China, Japan, Korea, South East Asia, India and South Asia, Oceania and other markets and regions. Before September 2002, Mr. Hsu was the International Area Director of DHL responsible for Hong Kong, Singapore, Taiwan, South Korea, Mongolia and North Korea and other countries or regions. Prior to joining DHL in January 2001, Mr. Hsu held various senior management positions in Daimler Chrysler Corporation. Mr. Hsu holds BA/MA degree in International Economics and Politics. Mr. Hsu also holds directorships in various companies within the DPWN Group. Mr. Hsu was appointed as the non-executive Director of the Company in June 2003.

- Mr. Jerry Hsu is representative nominated by our Strategic Investors pursuant to the strategic placing agreements entered into at the time of the listing of the Company’s H shares in February 2003 between the Company and DHL (the “**Strategic Investor**”).
- DHL Worldwide Express BV (“**DHL**”) is a member of the Deutsche Post World Net Group (“**DPWN Group**”) whose business operations are global mail, express delivery, logistics and financial services serving both in Europe and around the world. The DPWN Group’s express delivery business in China operated through DHL, which formed a 50/50 joint venture named DHL-Sinotrans International Air Courier Ltd. with Sinoair in 1986. This joint venture has helped to establish a business relationship between our Group and the DPWN Group.
- For the purposes of the Listing Rules, the Strategic Investor’s nominee director above has interests (by way of minority equity interests or stock options or directorships) in competing businesses (i.e. those of the Strategic Investors, each being a major international company in the transportation and logistics industry), and the Company has been and continues to carry on its own businesses that are independent of and at arms-length from, those businesses and also deal with businesses through its joint ventures and cooperation arrangements with those Strategic Investors.

Wang Xiaoli, born in 1962, is a full-time undergraduate with a bachelor degree in Agriculture and a senior accountant. Ms. Wang started her career in 1983 and has more than 30 years of substantial economic management experience. Ms. Wang joined The People’s Insurance Company (Group) of China Limited (Stock Code: HK01339 and SH 601319) in March 2016, and successively served as the Deputy General Manager (in charge) of the Audit Department of PICC Capital Investment Management Co., Ltd., the Deputy General Manager (manager level) of the Supervision Department/Audit Department, the Senior Expert and Deputy General Manager, and the General Manager of the Audit Department/Office of the Board of Supervisors of PICC Property and Casualty Company Limited. From May 2020 to July 2022, Ms. Wang served as an employee representative supervisor of PICC Property and Casualty Company Limited (Stock Code: HK02328) and a shareholder supervisor of PICC Life Insurance Company Limited.

APPENDIX XI BIOGRAPHICAL DETAILS OF THE CANDIDATES FOR THE DIRECTORS OF THE FOURTH SESSION OF THE BOARD

Ning Yaping, born in 1959, graduated from the Business School of the University of Queensland, Australia with a Ph.D. degree in Management Accounting. From July 2002 to February 2019, Ms. Ning served as an associate professor in the Accounting Department at the Peking University's Guanghua School of Management. Ms. Ning served as an independent director of listed companies such as Tangshan Jidong Cement Co., Ltd. (Stock Code: SZ000401), Dawning Information Industry Co., Ltd. (Stock Code: SH603019), and Baoxiniao Holding Co., Ltd. (Stock Code: SZ002154).

Cui Xinjian, born in 1962, graduated from the Central University of Finance and Economics with a Ph.D. degree in Economics. Mr. Cui currently serves as a professor, doctoral supervisor and member of the Academic Committee, and the Director of the International Business Research Center (國際企業研究中心) at the School of Business of the Central University of Finance and Economics. He also serves as the Vice President of the Chinese Institute of Business Administration, a member of the National Enterprise Management Modernization and Innovations Certification Committee (全國企業管理現代化創新成果審定委員會) and an external director of Beijing Automotive Group Co., Ltd. In 2023, he was appointed as a counselor to the People's Government of Beijing Municipality. From 2003 to 2016, Mr. Cui served as the Associate Dean of the School of Business of Central University of Finance and Economics.

Cui Fan, born in 1972, graduated from The London School of Economics and Political Science in the United Kingdom with a Ph.D. degree in Economics and a master degree in International Business Law. Currently, Mr. Cui serves as a professor and doctoral supervisor in the International Trade Department at the School of International Trade and Economics, and the Chief Expert of the Hainan Research Institute of the University of International Business and Economics. He also serves as the Director of the Research Department (研究部) at the China Society for World Trade Organization Studies, an expert of the Global Value Chain Expert Group of the Advisory Committee for Economic & Trade Policy (經貿政策諮詢委員會全球價值鏈專家組) of the Ministry of Commerce of the PRC, the Executive Lead of the Expert Committee on International Financial Studies (國際財經研究專家工作室) of the Ministry of Finance of the PRC, the Chairman of the Compliance Working Committee (合規工作委員會) of the China Entry-Exit Inspection & Quarantine Association, an arbitrator of the China International Economic and Trade Arbitration Commission, and the Senior Advisor of Beijing Dacheng Law Offices, LLP.

Fu Bulin, born in 1971. Mr. Fu Bulin is the Supervisor of the Company. Mr. Fu is an intermediate accountant, and graduated from Shanghai Maritime University majoring in accounting with a bachelor degree in Economics, and then obtained an MBA degree from the University of South Australia. Mr. Fu is Deputy Head of Audit Department of China Merchants. From July 1995 to September 2021, Mr. Fu successively served as Head of Accounting Section of China Merchants Zhangzhou Development Zone Co., Ltd., and Deputy Head, Manager, Senior Manager, Assistant General Manager of Audit Department, Assistant General Manager of Risk Management Department, and Deputy Head of Audit Center of China Merchants Group Limited. Mr. Fu has been serving as Supervisor of China Merchants Sharing Service Co., Ltd. since April 2021, Supervisor of China Merchants Port Group Co., Ltd. (Stock code: SZ001872) since April 2022, Supervisor of China Merchants Investment Development Co., Ltd. since October 2022 and Supervisor of China Yangtze Shipping Group Co., Ltd. since June 2023. He was appointed as the Supervisor of the Company since July 2023.

Zhou Fangsheng, born in 1949. Mr. Zhou Fangsheng is the independent Supervisor of the Company. Mr. Zhou graduated from Hunan University majoring in engineering management in 1985 and completed post graduate course from the Renmin University of China in Enterprise Management of Industrial Economics Department in 1996. Mr. Zhou obtained rich enterprise practice during his long-term service in enterprises. From 1991 to 1997, Mr. Zhou served as Deputy Division Director and Division Director in the State-owned Assets Administration Bureau, and Deputy Director in the Stated-owned Assets Administration Research Institute. From 1997 to 2001, Mr. Zhou worked as Deputy Director in difficulty relief working office for stated-owned enterprises of the State Economic and Trade Commission. From 2001 to 2003, Mr. Zhou served as Director in Stated-owned Assets Administration Research Section of Research Institute for Fiscal Science of Ministry of Finance. From 2003 to 2009, Mr. Zhou worked as Vice Counsel in the Enterprise Reform Bureau of the State-owned Assets Supervision and Administration Commission of the State Council. Mr. Zhou served as an independent non-executive director of Hengan International Group Company Limited (Stock Code: HK01044) and an independent director of Chenguang Biotech Group Co., Ltd. (Stock Code: SZ300138). He currently serves as an independent non-executive director of China National Building Material Co., Ltd. (Stock Code: HK03323). Mr. Zhou was appointed as the independent Supervisor of the Company in December 2011.

Fan Zhaoping, born in 1954. Mr. Fan Zhaoping is the independent Supervisor of the Company. Mr. Fan graduated from the Institute of Financial Science under the Ministry of Finance with a master degree in Economics. Mr. Fan served as the assistant manager and manager of the finance department of Shenzhen Chiwan Petroleum Supply Base Company Limited, manager of the finance department and financial investment department in and assistant general manager of China Nanshan Development (Group) Incorporation. From 1998 to 2014, Mr. Fan served as vice president of China Nanshan Development (Group) Incorporation and has now retired from such position. Mr. Fan also served as CFO and director of Shenzhen Chiwan Wharf Holdings Limited, supervisor and chairman of Shenzhen Chiwan Petroleum Supply Base Company Limited, chairman of Shenzhen BLOGIS Holdings Limited, vicechairman of China Association of Warehouses and Storage, chairman of Shenzhen Chiwan Oriental Logistics Company Limited, chairman of Hefei Baowan International Company Limited and the chairman of executive committee of the board and vice-chairman of Shenzhen Chiwan Sembawang Engineering Co., Ltd. Mr. Fan was appointed as an independent director of CIMC Vehicles (Group) Co., Ltd. (Stock Code: HK01839) in June 2019. Mr. Fan was appointed as the independent Supervisor of the Company in June 2018.

NOTICE OF 2023 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 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 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 11:00 a.m. on 7 June 2024 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

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(d) 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. **“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 2024.

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

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ORDINARY RESOLUTIONS

6. To consider and approve the resolution in relation to the Work Report of the Board for the year 2023.
7. To consider and approve the resolution in relation to the Work Report of the Supervisory Committee for the year 2023.
8. To consider and approve the resolution in relation to the Final Financial Accounts Report of the Company for the year 2023.
9. To consider and approve the resolution in relation to the Annual Report of the Company and its summary for the year 2023.
10. To consider and approve the resolution in relation to the financial budget of the Company for the year 2024.
11. To consider and approve the resolution in relation to the profit distribution plan of the Company for the year 2023.
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 2024.
13. To consider and approve the resolution in relation to the re-appointment of auditor for the year 2024.
14. To consider and approve the resolution in relation to the provision of a loan to a holding subsidiary.
15. To consider and approve the resolution in relation to the renewal of Liability Insurance for Directors, Supervisors and senior management members of the Company.
16. To consider and approve the resolution in relation to the proposed amendments to certain internal policies of the Company (including the Procedural Rules for General Meetings, the Procedural Rules for Meetings of the Board of Directors, the Procedural Rules for Meetings of the Supervisory Committee, the Working Manual for the Independent Directors, the Policy for the Management of Connected Transactions and the Policy for the Management of External Guarantees to be Provided by the Company).

ORDINARY RESOLUTIONS (CUMULATIVE VOTING)

17. To consider and approve the resolution in relation to the election of following executive Director and non-executive Directors with a term of office from the approval of the Shareholders at the AGM to the date of conclusion of the fourth session of the Board:
 - 17.1 Mr. Wang Xiufeng be elected as a non-executive director of the Company;
 - 17.2 Mr. Song Rong be elected as an executive director of the Company;

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- 17.3 Mr. Liu Zhenhua be elected as a non-executive director of the Company;
- 17.4 Ms. Luo Li be elected as a non-executive director of the Company;
- 17.5 Mr. Yu Zhiliang be elected as a non-executive director of the Company;
- 17.6 Mr. Tao Wu be elected as a non-executive director of the Company;
- 17.7 Mr. Jerry Hsu be elected as a non-executive director of the Company.
18. To consider and approve the resolution in relation to the election of following independent non-executive Directors with a term of office from the approval of the Shareholders at the AGM to the date of conclusion of the fourth session of the Board:
- 18.1 Ms. Wang Xiaoli be elected as an independent non-executive director of the Company;.
- 18.2 Ms. Ning Yaping be elected as an independent non-executive director of the Company;
- 18.3 Mr. Cui Xinjian be elected as an independent non-executive director of the Company;
- 18.4 Mr. Cui Fan be elected as an independent non-executive director of the Company.
19. To consider and approve the resolution in relation to the re-appointment of following Supervisors with a term of office for three years commencing from the date of the approval of the Shareholders at the AGM:
- 19.1 Mr. Fu Bulin be re-appointed as a supervisor of the Company;
- 19.2 Mr. Zhou Fangsheng be re-appointed as a supervisor of the Company;
- 19.3 Mr. Fan Zhaoping be re-appointed as a supervisor of the Company.

Shareholders will listen to the 2023 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
17 May 2024

As at the date of this notice, the board of directors of the Company comprises Wang Xiufeng (Chairman), Song Rong (executive director), Luo Li (non-executive director), Yu Zhiliang (non-executive director), Tao Wu (non-executive director), Jerry Hsu (non-executive director), and four independent non-executive directors, namely Wang Taiwen, Meng Yan, Song Haiqing and Li Qian.

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Notes:

1. Unless otherwise specified, details of the resolutions are set out in the circular of the Company in relation to the AGM dated 17 May 2024 (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 4 June 2024 to 7 June 2024 (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 3 June 2024, 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, Wan chai, Hong Kong, not later than 4:30 p.m. on 3 June 2024, 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 5 June 2024.
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 RMB0.145 per share (tax inclusive), subject to passing of the resolution to declare and pay the annual dividend for 2023 by shareholders at the AGM. The recommended annual dividend will be paid on or before 22 July 2024 to the shareholders as registered at the close of business on 20 June 2024. The record date for the recommended annual dividend is at the close of business on 20 June 2024. For determining the entitlement to the recommended annual dividend, the register of members of the Company will be closed from 14 June 2024 to 20 June 2024, 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 13 June 2024, 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 (16 March 2024 to 22 March 2024) preceding the date 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=RMB0.9224. Accordingly, the amount of annual dividend for each H Share of the Company is HK\$0.1572.

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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 nonforeign 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.

9. The cumulative voting method shall be adopted for the voting of Resolutions No. 17 to No. 19. The cumulative voting method refers to the voting for the election of directors, independent non-executive directors or supervisors at the general meetings where each share is entitled to the same number of votes which equals to the total number of directors, independent non-executive directors or supervisors to be elected, and shareholders may consolidate their voting rights when casting a vote or disperse the votes among several candidates.

NOTICE OF 2024 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 2024 FIRST H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2024 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 12:00 noon on 7 June 2024 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 resolution:

SPECIAL RESOLUTION

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

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(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.”

By order of the Board
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, China
17 May 2024

As at the date of this notice, the board of directors of the Company comprises Wang Xiufeng (Chairman), Song Rong (executive director), Luo Li (non-executive director), Yu Zhiliang (non-executive director), Tao Wu (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 17 May 2024 (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 4 June 2024 to 7 June 2024 (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 3 June 2024 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 3 June 2024, 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 5 June 2024.
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 2024 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.