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中國外運股份有限公司
SINOTRANS LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0598)

CONNECTED TRANSACTION
ACQUISITION OF 45% EQUITY INTERESTS OF NANJING COMPANY

ACQUISITION OF 45% EQUITY INTERESTS OF NANJING COMPANY

The Board hereby announced that, on 25 March 2022, Sinotrans Logistics Investment, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Hongda Wuhua, pursuant to which, Sinotrans Logistics Investment agreed to purchase and Hongda Wuhua agreed to sell 45% equity interests of Nanjing Company for a consideration of RMB188,889,625.38.

As at the date of this announcement, the Company, through Sinotrans Logistics, indirectly holds 45% equity interests of Nanjing Company. Upon completion of the above transaction under the Equity Transfer Agreement, the Company will, through Sinotrans Logistics and Sinotrans Logistics Investment, indirectly hold 90% equity interests of Nanjing Company, and Nanjing Company will become a subsidiary of the Company and its financial results will be consolidated into the accounts of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the general partner of Hongda Wuhua, being No.1 Equity Investment Fund, is an associate (as defined under the Listing Rules) of China Merchants (the ultimate controlling shareholder of the Company), Hongda Wuhua is therefore a connected person of the Company. As such, the entering into of the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the entering into of the Equity Transfer Agreement and the transaction contemplated thereunder is more than 0.1% but

less than 5%, such transaction is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Equity Transfer Agreement and the transaction contemplated thereunder, and therefore they are not required under the Listing Rules to abstain from voting on the relevant Board resolution. Nonetheless, as Mr. Wang Hong, Mr. Song Dexing, Mr. Liu Weiwu, Mr. Deng Weidong and Mr. Jiang Jian, all being Directors of the Company, are concurrently holding positions in China Merchants, they have abstained from voting on the relevant Board resolution in accordance with the relevant PRC laws and regulations.

I. BACKGROUND

The Board hereby announced that, on 25 March 2022, Sinotrans Logistics Investment, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Hongda Wuhua, pursuant to which, Sinotrans Logistics Investment agreed to purchase and Hongda Wuhua agreed to sell 45% equity interests of Nanjing Company for a consideration of RMB188,889,625.38.

As at the date of this announcement, the Company, through Sinotrans Logistics, indirectly holds 45% equity interests of Nanjing Company. Upon completion of the above transaction under the Equity Transfer Agreement, the Company will, through Sinotrans Logistics and Sinotrans Logistics Investment, indirectly hold 90% equity interests of Nanjing Company, and Nanjing Company will become a subsidiary of the Company and its financial results will be consolidated into the accounts of the Company.

II. EQUITY TRANSFER AGREEMENT

Major terms of the Equity Transfer Agreement are summarized as follows:

Date

25 March 2022

Parties

- (i) Hongda Wuhua, as the transferor;
- (ii) Sinotrans Logistics Investment, as the transferee; and
- (iii) Nanjing Company, as the target company

Subject matter

Sinotrans Logistics Investment agreed to purchase and Hongda Wuhua agreed to sell 45% equity interests of Nanjing Company.

Consideration and payment

Pursuant to the Equity Transfer Agreement, the consideration payable by Sinotrans Logistics Investment for the acquisition of 45% equity interests of Nanjing Company is RMB188,889,625.38.

The consideration was determined after arm's length negotiation by all parties with reference to, among others, the appraisal value of the total shareholders' equity of Nanjing Company as at the valuation benchmark date (i.e. 30 September 2021) as set out in the asset evaluation report prepared by China Enterprise Appraisals Co., Ltd.* (北京中企華資產評估有限責任公司), an independent asset appraiser, based on the income approach, as well as the nature of business, future development plan of Nanjing Company.

The consideration shall be paid by instalments. RMB94,444,812.69 as the first instalment representing 50% of the consideration shall be paid by Sinotrans Logistics Investment to Hongda Wuhua within 5 business days commencing from the date when the Equity Transfer Agreement is signed; and the remaining 50% of the consideration shall be paid by Sinotrans Logistics Investment to Hongda Wuhua within 5 business days upon completion. The consideration will be satisfied by the self-owned capital of the Group.

As the income approach was applied in the asset evaluation report for Nanjing Company, taking into account the discounted future estimated cash flows, the calculation of the appraised value thereof is regarded as a profit forecast under Rule 14.61 of the Listing Rules. The followings are the details of the principal assumptions, including commercial assumptions, upon which the asset evaluation report was based:

- (1) Assuming that there are no material changes in the relevant prevailing laws, regulations and policies or macro-economic situations of the PRC, and there will be no material changes in the political, economic and social environment of the region where the parties to this transaction are located;
- (2) It is assumed that the evaluated entity will operate on a going-concern basis according to the actual situation of the assets on the valuation benchmark date;
- (3) It is assumed that the interest rate, exchange rate, tax base, tax rate, policy collection fee and other related to the evaluated entity will not change significantly after the appraisal valuation benchmark date;

- (4) It is assumed that the management of the evaluated entity is responsible and stable, and is capable of assuming its position after the valuation benchmark date;
- (5) Unless otherwise stated, it is assumed that the evaluated entity fully complies with all relevant laws and regulations;
- (6) It is assumed that there are no force majeure and unforeseeable factors that have a significant adverse impact on the evaluated entity after the valuation benchmark date;
- (7) It is assumed that the accounting policies adopted by the evaluated entity after the valuation benchmark date are consistent with those adopted in the preparation of this asset evaluation report in important aspects;
- (8) It is assumed that the business scope and mode of the evaluated entity are consistent on the basis of the existing management mode and management level after the valuation benchmark date;
- (9) It is assumed that the cash inflow of the evaluated entity is the average inflow and the cash outflow is the average outflow after the valuation benchmark date;
- (10) It is assumed that the evaluated entity can successfully apply for the high-tech enterprise certificate and continue to enjoy the income tax rate of 15% within the validity period of the high-tech enterprise certificate;
- (11) It is assumed that the evaluated entity will keep the current method of the revenue obtainment and credit policy unchanged and will not encounter major fund recovery problems after the valuation benchmark date.

ShineWing Certified Public Accountants LLP, the auditor of the Company, has reviewed the calculations of the discounted future estimated cash flows in connection with the evaluated value of total shareholders' equity of Nanjing Company. The Board confirmed that the profit forecast has been made after due and careful enquiry. The report issued by ShineWing Certified Public Accountants LLP and the letter issued by the Board are set out in Appendix I and Appendix II to this announcement, respectively. The qualifications of the experts who have given their opinions or advices which are contained in this announcement are as follows:

Name	Qualifications	Date of conclusion or advice
ShineWing Certified Public Accountants LLP	PRC Certified Public Accountant	25 March 2022
China Enterprise Appraisals Co., Ltd.	Asset Appraiser	28 January 2022

As at the date of this announcement, so far as the Directors are aware, none of the experts above has any beneficial interests in the share capital of the members of the Group, nor has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares, convertible securities, warrants, options or derivative securities carrying voting rights in any member of the Group.

The above experts have given and have not withdrawn their written consent to the issue of this announcement and the references to their names in the letter(s) included in the announcement and/or the context herein.

Completion

The equity transfer under the Equity Transfer Agreement shall comply with the applicable laws and the articles of association of Nanjing Company and shall be approved by the board of directors and shareholders of Nanjing Company. All parties agree to cooperate closely and try their best to satisfy the aforementioned condition precedent within 3 business days commencing from the date when the Equity Transfer Agreement is signed. Upon the aforementioned condition precedent having been satisfied, the equity transfer under the Equity Transfer Agreement shall be delivered in accordance with the terms of the Equity Transfer Agreement, including that Nanjing Company has been registered in the name of the transferee and the new articles of association of Nanjing Company has been filed with the registration authority.

Termination

Subject to other terms of the Equity Transfer Agreement, the Equity Transfer Agreement may be terminated by the transferee if the equity delivery under the Equity Transfer Agreement fails to commence within 7 business days or complete within 45 business days after signing of the Equity Transfer Agreement due to the reasons of the transferor.

III. REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

The Directors, after deliberate consideration, are of the view that the acquisition of the equity interests of Nanjing Company will further enhance the Company's control over Nanjing Company, support its business expansion, and it will be conducive to the Company's regional layout and brings satisfactory economic benefits.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are fair and reasonable, and are on normal commercial terms or better and the transaction contemplated under the Equity Transfer Agreement is in the interests of the Company and the Shareholders as a whole, although not conducted in the ordinary or usual course of business of the Group due to its nature.

IV. INFORMATION OF THE PARTIES

The Group and China Merchants

The Group is a leading integrated logistics service provider and integrator in the PRC, and its principal businesses include logistics, forwarding and related business and e-commerce business.

China Merchants is the ultimate controlling shareholder of the Company, and a wholly state-owned enterprise established under the laws of the PRC under direct control of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. China Merchants is an integrated enterprise with diversified businesses. At present, China Merchants' business is focused on three core industries, namely integrated transportation, specialty finance, and integrated urban and industrial park development and operation. It is in the process of transforming from three main businesses to three major platforms, namely industrial operation, financial services and investment and capital operation.

Sinotrans Logistics Investment

Sinotrans Logistics Investment is a limited liability company incorporated in the PRC and its principal businesses include infrastructure investments in transportation industry, real estate investment for industrial and commercial purposes, investment in enterprises, industrial investment and venture capital, asset management, warehouse management, leasing operation, development, consultation and service of logistics application technology. As at the date of the announcement, Sinotrans Logistics Investment is a direct wholly-owned subsidiary of the Company.

Hongda Wuhua

Hongda Wuhua is a limited partnership incorporated in the PRC and its principal businesses include investment management, equity investment and investment in non-publicly traded equity and related advisory services. As at the date of the announcement, Hongda Wuhua is invested by Shenzhen China Merchants International Association No.1 Equity Investment Fund Management Co., Ltd.* (深圳市招商國協壹號股權投資基金管理有限公司, “**No.1 Equity Investment Fund**”) (as a general and executive partner) as to 0.0625% and Shenzhen Guoxie Phase I Equity Investment Fund Partnership (LLP)* (深圳市國協一期股權投資基金合夥企業(有限合夥), “**Phase I Equity Investment Fund**”) as to 99.9375%. No.1 Equity Investment Fund is indirectly wholly owned by China Merchants Capital Co., Ltd.* (招商局資本投資有限責任公司, “**China Merchants Capital**”) which is a company indirectly owned as to 50% by China Merchants (the ultimate controlling shareholder of the Company) and as to 50% by GLP Capital Investment 5 (HK) Limited (a private company incorporated in Hong Kong). According to the prospectus for public issuance of corporate bonds (phase VII) to professional investors by China GLP Holdings Co., Ltd. * (普洛斯中國控股有限公司, “**China GLP Holdings**”) in 2021, GLP Capital Investment 5 (HK) Limited is a subsidiary within the

consolidation scope of China GLP Holdings, and the controlling shareholder as well as the actual controller of China GLP Holdings is GLP Pte. Ltd. (“GLP Group”); GLP Group was listed on the main board of Singapore Stock Exchange on 19 October 2010 and completed privatization and delisted from the Singapore Stock Exchange in January 2018. Phase I Equity Investment Fund is a limited partnership incorporated in the PRC and it is invested by (i) No.1 Equity Investment Fund (as a general and executive partner) as to 0.0083%; (ii) Jianxin (Beijing) Investment Fund Management Co., Ltd.* (建信(北京)投資基金管理有限責任公司, ultimately owned as to 67% by China Construction Bank Corporation, a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange (stock code: 601939.SH; 00939.HK) and as to 33% by State-owned Assets Supervision and Administration Commission of Hefei Municipal People’s Government (合肥市人民政府國有資產監督管理委員會)) (as a limited partner) as to 74.9763%; (iii) China Merchants Capital (as a limited partner) as to 24.9921%; and (iv) Shenzhen Kunda Investment Partnership (LLP)* (深圳昆達投資合夥企業(有限合夥)), a limited partnership invested by Mr. Wang Yigang and Mr. Han Yu, both of whom are employees in the companies controlled by China Merchants) (as a limited partner) as to 0.0233%.

Nanjing Company

Nanjing Company is a limited company incorporated in the PRC and its principal businesses mainly include ordinary freight, hazardous chemicals storage business, cargo storage and packaging, loading and unloading, handling, tally, container unpacking and LCL, international cargo transportation agency business and transportation consulting business for the import and export goods by sea, land and air, logistics information and management consulting, and liquor retail.

As at the date of this announcement, Nanjing Company is held as to 45% by Sinotrans Logistics, as to 45% by Hongda Wuhua and as to 10% by Nanjing Port (Group) Co., Ltd.* (南京港(集團)有限公司). Nanjing Port (Group) Co., Ltd.* is held as to 55.0007% by Jiangsu Port Group Co., Ltd.* (江蘇省港口集團有限公司) and as to 44.9993% by China Changjiang Shipping Group Co., Ltd.* (中國長江航運集團有限公司). China Changjiang Shipping Group Co., Ltd.* is an indirect wholly-owned subsidiary of China Merchants, the ultimate controlling shareholder of the Company. Based on public information available to the Company after making reasonable enquires, Jiangsu Port Group Co., Ltd.* is held by (i) Jiangsu Communications Holdings Co., Ltd.* (江蘇交通控股有限公司, a company ultimately controlled by Jiangsu Government) as to 29.6353%; (ii) Lianyungang Municipal People’s Government State-owned Assets Supervision and Administration Commission (連雲港市人民政府國有資產監督管理委員會) as to 27.0824%; (iii) Suzhou Urban Construction Investment Development Co., Ltd.* (蘇州市城市建設投資發展有限責任公司, a company ultimately controlled by Suzhou State-owned Assets Management Committee (蘇州市人民政府國有資產監督管理委員會)) as to 12.1818%; (iv) Nanjing Communications Construction & Investment Holdings (Group) Co., Ltd.* (南京市交通建設投資控股(集團)有限責任公司, a company ultimately controlled by Nanjing State-owned Assets Management Committee (南京市人民政府國有資產監督管理委員會)) as to 11.8958%; (v) Nantong State-owned Assets Investment

Holding Co., Ltd.(南通國有資產投資控股有限公司, a company ultimately controlled by State-owned Assets Supervision and Administration Commission of Nantong Municipal People's Government (南通市人民政府國有資產監督管理委員會)) as to 11.8852%; and (vi) five other shareholders as to 7.3197% (none of them being interested in 5% or more equity interest in Jiangsu Port Group Co., Ltd.*).

According to the financial statements prepared by Nanjing Company in accordance with the China Enterprise Accounting Standards, the unaudited total assets and net assets of Nanjing Company as at 30 June 2021 are RMB204,095,882.80 and RMB173,136,213.85, respectively. The appraised value of total shareholders' equity of Nanjing Company as at the base date of evaluation (i.e. 30 September 2021) as set out in the asset evaluation report prepared by China Enterprise Appraisals Co., Ltd., an independent asset appraiser, using the income approach, is RMB428.0058 million. According to the financial statements prepared by Nanjing Company in accordance with the China Enterprise Accounting Standards, the net profit before and after tax of Nanjing Company for the two financial years ended 31 December 2020 and 31 December 2019, respectively, are as follows:

	For the financial year ended	
	31 December 2020	31 December 2019
	(audited)	(audited)
	(RMB)	(RMB)
Net profit before tax	48,993,815.79	44,049,886.41
Net profit after tax	44,399,264.00	40,926,087.30

According to the information provided by Hongda Wuhua, the original acquisition cost of Hongda Wuhua's 45% equity interests of Nanjing Company was approximately RMB152 million.

V. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the general partner of Hongda Wuhua, being No.1 Equity Investment Fund, is an associate (as defined under the Listing Rules) of China Merchants (the ultimate controlling shareholder of the Company), Hongda Wuhua is therefore a connected person of the Company. As such, the entering into of the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the entering into of the Equity Transfer Agreement and the transaction contemplated thereunder is more than 0.1% but less than 5%, such transaction is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Equity Transfer Agreement and the transaction contemplated thereunder, and therefore they are not required under the Listing Rules to abstain from voting on the relevant Board resolution. Nonetheless, as Mr. Wang Hong, Mr. Song Dexing, Mr. Liu Weiwu, Mr. Deng Weidong and Mr. Jiang Jian, all being Directors of the Company, are concurrently holding positions in China Merchants, they have abstained from voting on the relevant Board resolution in accordance with the relevant PRC laws and regulations.

VI. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions 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
“Board”	the board of Directors of the Company
“China Merchants”	招商局集團有限公司 (China Merchants Group Limited*), a wholly state-owned enterprise established under the laws of the PRC under direct control of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC and the ultimate controlling shareholder of the Company which holds approximately 57.64% of the total issued shares of the Company as of the date of this announcement
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 25 March 2022 entered into among Sinotrans Logistics Investment, Hongda Wuhua and Nanjing Company, pursuant to which Sinotrans Logistics Investment agreed to purchase and Hongda Wuhua agreed to sell the 45% equity interests of Nanjing Company

“Group”	the Company and its subsidiaries
“Hongda Wuhua”	靖安洪大物華投資合夥企業(有限合夥) (Jing’an Hongda Wuhua Investment Partnership (LLP)*), a limited partnership incorporated in the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed share(s) 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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Nanjing Company”	中外運物流南京有限公司 (Sinotrans Logistics Nanjing China Ltd.*), a limited liability company incorporated in the PRC indirectly owned as to 45% by the Company as at the date of this announcement
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	H Share(s) and A Share(s)
“Shareholder(s)”	the shareholder(s) of the Company
“Sinotrans Logistics”	中外運物流有限公司 (Sinotrans Logistics Co., Ltd.*), a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“Sinotrans Logistics Investment”	中外運物流投資控股有限公司 (Sinotrans Logistics Investment Holding Co., Ltd.*), a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent

* *For the purpose of identification only*

By Order of the Board
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, 25 March 2022

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

APPENDIX I – REPORT FROM THE AUDITOR

The following is the text of a report received from the auditor of the Company, ShineWing Certified Public Accountants LLP, for the purpose of incorporation in this announcement

Assurance Report on the calculation of Discounted Future Estimated Cash Flows related to Total Shareholders' Equity of Sinotrans Logistics Nanjing China Ltd. by Independent Reporting Accountants

To the board of directors of SINOTRANS LIMITED:

We have completed the assurance and made the report on the calculation of discounted future estimated cash flows, on which the Valuation Report of the Market Value of the Total Shareholders' Equity of Sinotrans Logistics Nanjing China Ltd. (formerly known as China Merchants Logistics Holding Nanjing Co., Ltd., hereinafter referred to as the **"Target Company"**) as at 30 September 2021 issued by China Enterprise Appraisals Co., Ltd. on 28 January 2022 (hereinafter referred to as the **"valuation"**) is based. The valuation is set out in the announcement of SINOTRANS LIMITED (hereinafter referred to as **"your Company"**) dated 25 March 2022 (hereinafter referred to as the **"Announcement"**) in relation to the acquisition of 45% equity in the Target Company. According to Rule 14.61 of the Listing Rules of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the **"Listing Rules"**), the valuation based on the discounted future estimated cash flows is regarded as a profit forecast.

Directors' responsibility for discounted future estimated cash flows

The directors of your Company are responsible for the preparation of discounted future estimated cash flows based on the basis and assumptions determined by the directors as set out in the Announcement. This responsibility includes implementing appropriate procedures related to the preparation of discounted future estimated cash flows and applying the appropriate basis of preparation, as well as making estimates that are reasonable under the circumstances.

Responsibilities of the reporting accountants

Our responsibility is to report on the calculation of the discounted future estimated cash flows on which the valuation report is based in accordance with Rule 14.62(2) of the Listing Rules. We do not report on the appropriateness and validity of the basis and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Target Company.

We have conducted our work in accordance with the Chinese Institute of Certified Public Accountants' Standard on Other Assurance Engagements No. 3101 – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (Chinese Standard on Assurance Engagements No. 3101). This standard requires that we comply with ethical requirements and plan and perform the work to obtain reasonable assurance about whether the calculations of discounted

future estimated cash flows have been properly prepared based on the basis and assumptions contained in the Announcement. We have reviewed the mathematical calculation and presentation of the discounted future estimated cash flows based on the basis and assumptions.

The discounted cash flows do not involve the adoption of any accounting policies. Discounted cash flows depend on future events and assumptions that cannot be determined and verified in the same way as historical results, and not all events and assumptions can be maintained in effect throughout the period. We have performed our work solely for the purpose of reporting to you pursuant to Rule 14.62(2) of the Listing Rules and for no other purpose. We do not accept any liability to any other person in respect of our work or matters arising out of or in relation to our work.

Opinion

In our opinion, based on the foregoing, in relation to the method of calculation, the discounted future estimated cash flows have been properly prepared, in all material respects, on the basis and assumptions made by the directors of your Company as set out in the Announcement.

ShineWing Certified Public Accountants LLP
Beijing, the PRC
25 March 2022

APPENDIX II – LETTER FROM THE BOARD

To: The Stock Exchange of Hong Kong Limited
Listing Division
12/F, Two Exchange Square,
8 Connaught Place, Central,
Hong Kong

Dear Sir/Madam,

Company: Sinotrans Limited (the “**Company**”)

Re: Profit Forecast-Letter of Confirmation under Rule 14.62(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)

Reference is made to the announcement of the Company dated 25 March 2022 mentioning the asset evaluation report of Sinotrans Logistics Nanjing China Ltd.* (中外運物流南京有限公司) (“**Nanjing Company**”) dated 28 January 2022 (the “**Asset Evaluation Report**”) prepared by China Enterprise Appraisals Co., Ltd.* (北京中企華資產評估有限責任公司) (the “**Asset Appraiser**”) using the income approach.

The board of directors of the Company (the “**Board**”) has reviewed the bases and assumptions of the Asset Evaluation Report and discussed the same with the Asset Appraiser. The Board has also considered the report issued by ShineWing Certified Public Accountants LLP, the auditor of the Company, on 25 March 2022 in relation to the calculations of the profit forecast in the Asset Evaluation Report.

In accordance with Rule 14.62(3) of the Listing Rules, the Board confirmed that the profit forecast used in the aforementioned Asset Evaluation Report has been made after due and careful enquiry.

Sinotrans Limited
The Board

25 March 2022

* *For the purpose of identification only*