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)

CONNECTED TRANSACTIONS
ENTERING INTO THE CAPITAL INCREASE AGREEMENTS

CAPITAL INCREASE AGREEMENTS

The Board is pleased to announce that, on 18 May 2023, (i) the Company and Sinotrans Changjiang, a wholly-owned subsidiary of the Company, entered into the Sinotrans Changjiang Capital Increase Agreement with Shanghai Changjiang Shipping and Yangtze River Shipping, pursuant to which, Shanghai Changjiang Shipping (as the investor) intended to subscribe for the incremental registered capital of Sinotrans Changjiang to take 11% equity interests in Sinotrans Changjiang upon completion of the capital increase, with its 100% equity interests in Yangtze River Shipping at a consideration of RMB362 million; and (ii) Sinotrans Eastern, Chongqing Bulk Shipping, Hubei Bulk Shipping and Jiangsu Shipping Agency, four wholly-owned subsidiaries of the Company, entered into the CSC Cargo Capital Increase Agreement with Shanghai Changjiang Shipping and CSC Cargo, pursuant to which, Sinotrans Eastern (as the investor) intended to subscribe for the incremental registered capital of CSC Cargo to take 13% equity interests in CSC Cargo upon completion of the capital increase, with its 100% equity interests in Chongqing Bulk Shipping, 100% equity interests in Hubei Bulk Shipping and 49% equity interests in Jiangsu Shipping Agency at a consideration of approximately RMB394 million. Upon completion of the Sinotrans Changjiang Capital Increase, the Company and Shanghai Changjiang Shipping will hold 89% and 11% equity interests in Sinotrans Changjiang, respectively. Sinotrans Changjiang will remain as a subsidiary of the Company, and therefore its financial results will remain to be included into the consolidated financial statements of the Company. Upon completion of the CSC Cargo Capital Increase, Sinotrans Eastern and Shanghai Changjiang Shipping will hold 13% and 87% equity interests in CSC Cargo, respectively.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Shanghai Changjiang Shipping, Yangtze River Shipping and CSC Cargo are subsidiaries of China Merchants, the ultimate controlling Shareholder, therefore, each of them is a connected person of the Company, thus the entering into of the Capital Increase Agreements constitutes the connected transactions for the Company under Chapter 14A of the Listing Rules.

The entering into of the Capital Increase Agreements involves both acquisition and disposal by the Company. Pursuant to the relevant requirements under the Listing Rules, the Company classifies the transactions contemplated thereunder with reference to the higher of the acquisition and the disposal in terms of size test percentage ratios after taking into account the aggregated calculations, and complies with the applicable requirements of the Listing Rules accordingly. As the highest applicable percentage ratio in respect of the entering into of the Capital Increase Agreements exceeds 0.1% but is less than 5%, the entering into of the Capital Increase Agreements is subject to reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Capital Increase Agreements and the transactions thereunder, and therefore they are not required under the Listing Rules to abstain from voting on the relevant Board resolution. Nonetheless, as Mr. Feng Boming, Mr. Song Dexing, Mr. Deng Weidong, Mr. Jiang Jian, and Ms. Luo Li, all being related Directors, they have abstained from voting on the relevant Board resolution in accordance with the relevant PRC laws and regulations.

Completion of the transactions under the Capital Increase Agreements is conditional upon completion of the related closing procedures and industrial and commercial registration procedures. Accordingly, the transactions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

I. BACKGROUND

The Board is pleased to announce that, on 18 May 2023, (i) the Company and Sinotrans Changjiang, a wholly-owned subsidiary of the Company, entered into the Sinotrans Changjiang Capital Increase Agreement with Shanghai Changjiang Shipping and Yangtze River Shipping, pursuant to which, Shanghai Changjiang Shipping (as the investor) intended to subscribe for the incremental registered capital of Sinotrans Changjiang to take 11% equity interests in Sinotrans Changjiang upon completion of the capital increase, with its 100% equity interests in Yangtze River Shipping at a consideration of RMB362 million; and (ii) Sinotrans Eastern, Chongqing Bulk Shipping, Hubei Bulk Shipping and Jiangsu Shipping Agency, four wholly-owned subsidiaries of the Company, entered into the CSC Cargo Capital Increase Agreement with Shanghai Changjiang Shipping and CSC Cargo, pursuant to which, Sinotrans Eastern (as the investor) intended to subscribe for the incremental registered capital of CSC Cargo to take 13% equity interests in CSC Cargo upon completion of the capital increase, with its 100% equity interests in Chongqing Bulk Shipping, 100% equity interests in Hubei Bulk Shipping and 49% equity interests in Jiangsu Shipping Agency at a consideration of approximately RMB394 million. Upon completion of the Sinotrans Changjiang Capital Increase, the Company and Shanghai Changjiang Shipping will hold 89% and 11% equity interests in Sinotrans Changjiang, respectively. Sinotrans Changjiang will remain as a subsidiary of the Company, and therefore its financial results will remain to be included into the consolidated financial statements of the Company. Upon completion of the CSC Cargo Capital Increase, Sinotrans Eastern and Shanghai Changjiang Shipping will hold 13% and 87% equity interests in CSC Cargo, respectively. On the same day, Sinotrans Eastern, Shanghai Changjiang Shipping and CSC Cargo entered into a shareholders agreement of CSC Cargo, while the Company, Shanghai Changjiang Shipping and Sinotrans Changjiang entered into a shareholders agreement of Sinotrans Changjiang, each of the parties agreed upon, among others, shareholders rights and corporate governance upon completion of the capital increase.

Before entering into the Capital Increase Agreements, the Group and CSC Group had consolidated their respective assets in relation to container business and bulk cargo business along the Yangtze River (the "**Internal Assets Consolidation**"), mainly including (i) the Group consolidating the container business along the Yangtze River into Sinotrans Changjiang, consolidating the dry bulk cargo business along the Yangtze River into Chongqing Bulk Shipping and Hubei Bulk Shipping, and consolidating the shipping agency business along the Yangtze River into Jiangsu Shipping Agency; and (ii) CSC Group consolidating the container business along the Yangtze River into Yangtze River Shipping, and consolidating the dry bulk cargo business along the Yangtze River into CSC Cargo.

II. SINOTRANS CHANGJIANG CAPITAL INCREASE AGREEMENT

Major terms of the Sinotrans Changjiang Capital Increase Agreement are summarized as follows:

Date

18 May 2023

Parties

(1) the Company (as the existing shareholder of Sinotrans Changjiang);

(2) Shanghai Changjiang Shipping (as the investor);

(3) Sinotrans Changjiang (as the target company); and

(4) Yangtze River Shipping (as the subject company to be used as consideration for Shanghai Changjiang Shipping's capital increase in Sinotrans Changjiang).

Subject Matter

According to the Sinotrans Changjiang Capital Increase Agreement, Shanghai Changjiang Shipping intended to subscribe for the incremental registered capital of Sinotrans Changjiang to take 11% equity interests in Sinotrans Changjiang upon completion of the capital increase, with its 100% equity interests in Yangtze River Shipping at a consideration of RMB362 million.

As at the date of the Sinotrans Changjiang Capital Increase Agreement, the Company held 100% equity interests of Sinotrans Changjiang, and Shanghai Changjiang Shipping held 75.616% equity interests of Yangtze River Shipping. Meanwhile, Shanghai Changjiang Shipping had entered into an equity transfer agreement with its wholly-owned subsidiary, Wuhan Changwei International Shipping Industry Co., Ltd.* (武漢長偉國際航運實業有限公司) ("**Wuhan Changwei**"), to acquire 24.384% equity interests of Yangtze River Shipping held by Wuhan Changwei. As at the date of this announcement, such equity transfer and related registration procedures for industrial and commercial changes have not yet been completed.

Upon completion of the Sinotrans Changjiang Capital Increase, the capital contribution and shareholding structure of Sinotrans Changjiang are set out as follows:

Shareholders	Subscribed capital contribution *(RMB0'000)*	Shareholding percentage *(%)*	Paid-in capital contribution *(RMB0'000)*	Types of contribution
The Company	86,300.2484	89.00	86,300.2484	Monetary contribution
Shanghai Changjiang Shipping	10,666.3228	11.00	10,666.3228	Equity contribution
Total	96,966.5712	100.00	96,966.5712	–

Consideration for the Capital Increase

The consideration for the capital increase was determined after arm's length negotiation by all parties with reference to (i) the appraised value of the total shareholders' equity of Yangtze River Shipping and Sinotrans Changjiang as at the valuation benchmark date (i.e. 31 July 2022) of RMB362 million and RMB2,968 million respectively as set out in the asset valuation reports prepared by Shanghai Lixin, an independent asset appraiser, based on the income approach; and (ii) the shareholder dividends of approximately RMB39.0909 million intended to be paid by Sinotrans Changjiang to the Company after the signing of the Sinotrans Changjiang Capital Increase Agreement based on the accumulative undistributed profits before the valuation benchmark date.

Closing Arrangement for the Capital Increase

According to the Sinotrans Changjiang Capital Increase Agreement, as at the date of completion of the closing for 100% equity interests transaction in Yangtze River Shipping, all parties shall jointly cooperate to complete the closing procedures for the Sinotrans Changjiang Capital Increase, that is, Sinotrans Changjiang shall issue a register of shareholders with official seal, capital contribution certificate and other relevant materials to Shanghai Changjiang Shipping, while the Company and Sinotrans Changjiang shall sign a closing confirmation letter for Shanghai Changjiang Shipping and Yangtze River Shipping. Unless agreed by all parties unanimously, the closing of the Sinotrans Changjiang Capital Increase and the relevant post-closing matters (including but not limited to the registration procedures for industrial and commercial changes, etc.) shall be completed by 31 December 2023.

Closing of the 100% equity interests transaction in Yangtze River Shipping shall be completed by two steps:

(1) **The First Closing of Yangtze River Shipping** shall be taken place within 5 working days from the date when all the following conditions precedent are satisfied or waived in writing by the Company and/or Sinotrans Changjiang, and all parties shall jointly cooperate to complete the closing of 75.616% equity interests transaction in Yangtze River Shipping:

(a) Competent internal decision-making authorities of all parties have approved the Sinotrans Changjiang Capital Increase and relevant decision-making documents have been obtained;

(b) There have not been judgments, rulings, adjudications or prohibitions of laws, courts, arbitration institutions or relevant government authorities in the PRC that restrict, prohibit or cancel the Sinotrans Changjiang Capital Increase, nor any pending or potential litigations, arbitrations, judgments, rulings, adjudications or prohibitions that had or will have a material adverse effect on the Sinotrans Changjiang Capital Increase;

(c) There have not been any laws in the PRC or other applicable laws or any agreements, contracts or documents in force that prohibit or restrict the completion of the Sinotrans Changjiang Capital Increase, or that have a material adverse effect on the Sinotrans Changjiang Capital Increase;

(d) All parties have successfully completed the signing and delivery of the transaction documents related to the Sinotrans Changjiang Capital Increase;

(e) From the date of signing the Sinotrans Changjiang Capital Increase Agreement (inclusive) to the date of the First Closing of Yangtze River Shipping (inclusive), the statements and guarantees made by all parties in the Sinotrans Changjiang Capital Increase Agreement have remained to be completely true, complete and accurate, and all parties have fulfilled their commitments stipulated in the transaction documents and have not violated any provisions of the transaction documents;

(f) From the date of signing the Sinotrans Changjiang Capital Increase Agreement (inclusive) to the date of the First Closing of Yangtze River Shipping (inclusive), there have not been or have not occurred events, changes or other circumstances that had or are reasonably foreseeable to have a material adverse effects on the assets, financial structure, liabilities, profit prospects and normal operations of Yangtze River Shipping and Sinotrans Changjiang;

(g) The Internal Assets Consolidation of container business segment along the Yangtze River involved in Yangtze River Shipping and Sinotrans Changjiang has been completed.

(2) **The Second Closing of Yangtze River Shipping** shall be taken place within 5 working days from the date when all the following conditions precedent are satisfied or waived in writing by the Company and/or Sinotrans Changjiang, and all parties shall jointly cooperate to complete the closing of 24.384% equity interests transaction in Yangtze River Shipping:

(a) The conditions precedent for the First Closing of Yangtze River Shipping have continued to be satisfied or waived in writing by Shanghai Changjiang Shipping;

(b) All parties have completed the First Closing of Yangtze River Shipping and completed the corresponding registration procedures for industrial and commercial changes in accordance with the Sinotrans Changjiang Capital Increase Agreement;

(c) Sinotrans Changjiang has transferred its 0.1% equity interests in Yangtze River Shipping to Sinotrans Changjiang Shipping Co., Ltd.* (中外運長江船務有限公司), its wholly-owned subsidiary, by agreement or transfer with nil consideration, and has completed the closing of such equity interest transaction and the corresponding registration procedures for industrial and commercial changes;

(d) The closing of 24.384% equity interests transaction in Yangtze River Shipping acquired by Shanghai Changjiang Shipping from Wuhan Changwei has been completed.

Transitional Period Arrangements and Other Matters

According to the Sinotrans Changjiang Capital Increase Agreement, the profits and losses incurred by Sinotrans Changjiang during the Transitional Period shall be entitled to or borne by the Company, and the profits and losses incurred by Yangtze River Shipping during the Transitional Period shall be entitled to or borne by Shanghai Changjiang Shipping.

Reference is made to the announcement of the Company dated 15 June 2022 in relation to the Company's proposal to choose six warehouse logistics assets held by its subsidiaries (the "**Project Companies**") as the underlying infrastructure assets to carry out the application for issuance of the Real Estate Investment Trust Fund For Infrastructure Assets (the "**REITs**"). The process is now actively ongoing. As the three wholly-owned subsidiaries of Sinotrans Changjiang (the "**REITs Companies**") have been included within the Project Companies or plan to carry out REITs, the parties have agreed to the exclusion of the equity interests in the REITs Companies from the Sinotrans Changjiang Capital Increase and the valuation of the REITs Companies is excluded from the valuation of total equity interests of Sinotrans Changjiang as described in the section headed "II. SINOTRANS CHANGJIANG CAPITAL

INCREASE AGREEMENT – Consideration for the Capital Increase" above. Any profits or losses generated from the day-to-day operations, disposal of equity and/or assets of the REITs Companies will be entitled to or borne by the Company, with the arrangements and manner of realisation to be determined by the parties thereto at that time.

The relevant parties have entered into a shareholders agreement on the same day with respect to the shareholders rights and corporate governance of Sinotrans Changjiang after the completion of the Sinotrans Changjiang Capital Increase. According to such shareholders agreement, Sinotrans Changjiang will not establish the board of directors after completion of the Sinotrans Changjiang Capital Increase and will appoint an executive director, who will be nominated by the Company and elected at the general meeting.

III. CSC CARGO CAPITAL INCREASE AGREEMENT

Major terms of the CSC Cargo Capital Increase Agreement are summarized as follows:

Date

18 May 2023

Parties

(1) Shanghai Changjiang Shipping (as the existing shareholder of CSC Cargo);

(2) CSC Cargo (as the target company);

(3) Sinotrans Eastern (as the investor);

(4) Chongqing Bulk Shipping (as one of the three subject companies to be used as consideration for Sinotrans Eastern's capital increase in CSC Cargo);

(5) Hubei Bulk Shipping (as one of the three subject companies to be used as consideration for Sinotrans Eastern's capital increase in CSC Cargo); and

(6) Jiangsu Shipping Agency (as one of the three subject companies to be used as consideration for Sinotrans Eastern's capital increase in CSC Cargo).

Subject Matter

According to the CSC Cargo Capital Increase Agreement, Sinotrans Eastern intended to subscribe for the incremental registered capital of CSC Cargo to take 13% equity interests in CSC Cargo upon completion of the capital increase, with its 100% equity interests in Chongqing Bulk Shipping, 100% equity interests in Hubei Bulk Shipping and 49% equity interests in Jiangsu Shipping Agency at a consideration of RMB394.0216 million.

As at the date of the CSC Cargo Capital Increase Agreement, Shanghai Changjiang Shipping holds 100% equity interests in CSC Cargo; Sinotrans Eastern, a wholly-owned subsidiary of the Company, holds 100% equity interests in Chongqing Bulk Shipping, 100% equity interests in Hubei Bulk Shipping and 49% equity interests in Jiangsu Shipping Agency, and the remaining 51% equity interest of Jiangsu Shipping Agency is held by the Company through Sinotrans Changjiang, a wholly-owned subsidiary.

Upon completion of the CSC Cargo Capital Increase, the capital contribution and shareholding structure of CSC Cargo are set out as follows:

Shareholders	**Subscribed capital contribution** *(RMB0'000)*	**Shareholding percentage** *(%)*	**Paid-in capital contribution** *(RMB0'000)*	**Types of contribution**
Shanghai Changjiang Shipping	107,000.0000	87.00	107,000.0000	In-kind assets and monetary contributions
Sinotrans Eastern	15,988.5057	13.00	15,988.5057	Equity contribution
Total	122,988.5057	100.00	122,988.5057	–

Consideration for the Capital Increase

The consideration for the capital increase was determined after arm's length negotiation by all parties with reference to (i) the appraised value of the total shareholders' equity of Chongqing Bulk Shipping, Hubei Bulk Shipping and CSC Cargo as at the valuation benchmark date (i.e. 31 July 2022) of RMB20.6469 million, RMB104.8547 million and RMB2,761.8749 million respectively as set out in the asset valuation reports prepared by Shanghai Lixin, an independent asset appraiser, based on the cost approach; (ii) the appraised value of the total shareholders' equity of Jiangsu Shipping Agency as at the valuation benchmark date (i.e. 31 July 2022), multiplied by 49%, of RMB268.52 million as set out in the asset valuation report prepared by Shanghai Lixin, an independent asset appraiser, based on the income approach; and (iii) the shareholder dividends of approximately RMB124.9611 million intended to be paid by CSC Cargo to Shanghai Changjiang Shipping after the signing of the CSC Cargo Capital Increase Agreement based on the accumulative undistributed profits before the valuation benchmark date.

Closing Arrangement for the Capital Increase

According to the CSC Cargo Capital Increase Agreement, as at the date of completion of the closing for 100% equity interests transaction in Chongqing Bulk Shipping, 100% equity interests transaction in Hubei Bulk Shipping and 49% equity interests transaction in Jiangsu Shipping Agency (the "**Equity Closing of Subject Companies**"), and all parties shall jointly cooperate to complete the closing procedures for the CSC Cargo Capital Increase, that is, CSC Cargo shall issue a register of shareholders with official seal, capital contribution certificate and other relevant materials to Sinotrans Eastern, while Shanghai Changjiang Shipping and CSC Cargo shall sign a confirmation letter of closing for Sinotrans Eastern. Unless agreed by all parties unanimously, the closing of the CSC Cargo Capital Increase and the relevant post-closing matters (including but not limited to the registration procedures for industrial and commercial changes, etc.) shall be completed by 31 December 2023.

Within 5 working days from the date when all the following conditions precedent are satisfied or waived in writing by Shanghai Changjiang Shipping and/or CSC Cargo, all parties shall jointly cooperate to complete the Equity Closing of Subject Companies:

(1) Competent internal decision-making authorities of all parties have approved the CSC Cargo Capital Increase and relevant decision-making documents have been obtained;

(2) There have not been judgments, rulings, adjudications or prohibitions of laws, courts, arbitration institutions or relevant government authorities in the PRC that restrict, prohibit or cancel the CSC Cargo Capital Increase, nor any pending or potential litigations, arbitrations, judgments, rulings, adjudications or prohibitions that had or will have a material adverse effect on the CSC Cargo Capital Increase;

(3) There have not been any laws in the PRC or other applicable laws or any agreements, contracts or documents in force that prohibit or restrict the completion of the CSC Cargo Capital Increase, or that have a material adverse effect on the CSC Cargo Capital Increase;

(4) All parties have successfully completed the signing and delivery of the transaction documents related to the CSC Cargo Capital Increase;

(5) From the date of signing the CSC Cargo Capital Increase Agreement (inclusive) to the date of the Equity Closing of Subject Companies (inclusive), the statements and guarantees made by all parties in the CSC Cargo Capital Increase Agreement have remained to be completely true, complete and accurate, and all parties have fulfilled their commitments stipulated in the transaction documents and have not violated any provisions of the transaction documents;

(6) From the date of signing the CSC Cargo Capital Increase Agreement (inclusive) to the date of the Equity Closing of Subject Companies (inclusive), there have not been or have not occurred events, changes or other circumstances that had or are reasonably foreseeable to have a material adverse effect on the assets, financial structure, liabilities, profit prospects and normal operations of Chongqing Bulk Shipping, Hubei Bulk Shipping, Jiangsu Shipping Agency and CSC Cargo;

(7) The Internal Assets Consolidation of dry bulk cargo business segment along the Yangtze River involved in Chongqing Bulk Shipping, Hubei Bulk Shipping, Jiangsu Shipping Agency and CSC Cargo has been completed.

Transitional Period Arrangements and Other Matters

According to the CSC Cargo Capital Increase Agreement, the profits and losses incurred by CSC Cargo during the Transitional Period shall be entitled to or borne by Shanghai Changjiang Shipping, and the profits and losses incurred by Chongqing Bulk Shipping, Hubei Bulk Shipping and Jiangsu Shipping Agency during the Transitional Period shall be entitled to or borne by Sinotrans Eastern.

The relevant parties have entered into the shareholders agreements on the same day with respect to the shareholders rights and corporate governance of CSC Cargo and Jiangsu Shipping Agency after the completion of the CSC Cargo Capital Increase. According to such shareholders agreements, neither CSC Cargo nor Jiangsu Shipping Agency will establish a board of directors after completion of the CSC Cargo Capital Increase and each of them will appoint an executive director, who will be nominated by Shanghai Changjiang Shipping and Sinotrans Changjiang, respectively, and elected at their respective general meetings.

IV. RATIONALES FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENTS

The transactions contemplated under the Capital Increase Agreements will create a competitive market synergies by aggregating the strengths of the Group and CSC Group in terms of customers, products, digitisation, capacity and professional management of vessels and network in the Yangtze River shipping and logistics business, which will be conducive for the Group to strengthen its water transportation and land delivery capabilities along the Yangtze River, enhance its logistics service capabilities, create stronger supply chain products, better meet customers' needs for logistics services along the Yangtze River, optimize customer service experience and enhance customer loyalty. It will also facilitate the Company to further optimize the allocation of resources in the Yangtze River basin and develop a comprehensive competitive advantage through intensive management and integrated operation.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Capital Increase Agreements are fair and reasonable, and are on normal commercial terms or better, and the transactions contemplated under the Capital Increase Agreements are 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.

V. FINANCIAL IMPACT OF ENTERING INTO THE CAPITAL INCREASE AGREEMENTS

As at the date of this announcement, Sinotrans Changjiang is a wholly-owned subsidiary of the Company. Upon completion of the Sinotrans Changjiang Capital Increase, the Company and Shanghai Changjiang Shipping will hold 89% and 11% equity interests in Sinotrans Changjiang respectively, and Sinotrans Changjiang will remain as a subsidiary of the Company and its financial results will continue to be consolidated into the consolidated financial statements of the Company; Yangtze River Shipping will become a wholly-owned subsidiary of Sinotrans Changjiang and therefore become an indirect wholly-owned subsidiary of the Company, and its financial results will be consolidated into the consolidated financial statements of the Company.

As at the date of this announcement, CSC Cargo is a wholly-owned subsidiary of Shanghai Changjiang Shipping. Upon completion of the CSC Cargo Capital Increase, Shanghai Changjiang Shipping and Sinotrans Eastern will hold 87% and 13% equity interests in CSC Cargo respectively, and CSC Cargo will remain as a subsidiary of Shanghai Changjiang Shipping, and therefore its financial results will be consolidated into the consolidated financial statements of Shanghai Changjiang Shipping; Chongqing Bulk Shipping and Hubei Bulk Shipping will cease to be subsidiaries of the Company and their financial results will no longer be consolidated into the consolidated financial statements of the Company; Jiangsu Shipping Agency, which is indirectly held as to 51% by the Company, will remain as a subsidiary of the Company and its financial results will continue to be consolidated into the consolidated financial statements of the Company.

The original cost for the equity interests in Yangtze River Shipping held by Shanghai Changjiang Shipping includes the direct capital contribution of RMB59,112,454.16 made by Shanghai Changjiang Shipping over the years, and the amount of RMB5,690,000, RMB4,675,000, RMB15,888,779.08 and RMB16,175,085 in respect of the 3.794%, 4.584%, 38.334% and 24.384% equity interests in Yangtze River Shipping acquired or being acquired by Shanghai Changjiang Shipping from COSCO SHIPPING (Shanghai) Co., Ltd.* (中遠海運(上海)有限公司), Ningbo Branch of Shanghai Pudong Development Bank Co., Ltd.* (上海浦東發展銀行股份有限公司寧波分行), CSC Group and Wuhan Changwei, respectively, prior to the signing of the Sinotrans Changjiang Capital Increase Agreement. The original cost for the equity interests in CSC Cargo held by Shanghai Changjiang Shipping represents the direct capital contribution of RMB1,176,248,847.94 made by Shanghai Changjiang Shipping over the years. The Directors are of the view that the original cost for the equity interests in Yangtze River Shipping and CSC Cargo held by Shanghai Changjiang Shipping is not directly related to the determination of the consideration for the Sinotrans Changjiang Capital Increase Agreement and the CSC Cargo Capital Increase Agreement.

Upon completion of the Sinotrans Changjiang Capital Increase and the CSC Cargo Capital Increase, it is expected that the owner's equity of the Group's consolidated financial statements will increase by approximately RMB400 million. At the same time, due to the disposal of 100% equity interests in Chongqing Bulk Shipping and Hubei Bulk Shipping, the expected gains from such disposal will be approximately RMB5 million (excluding related transaction expenses and tax impacts). The abovementioned financial impact will be determined based on the relevant figures on the closing date of such capital increases, and will be subject to the final audit by the Company's auditors.

VI. PROFIT FORECAST REGARDING VALUATION APPROACH

Since the income approach is adopted in the asset valuation reports of Sinotrans Changjiang, Yangtze River Shipping and Jiangsu Shipping Agency, the calculation of the valuation is deemed as a profit forecast under Rule 14.61 of the Listing Rules, after taking into account discounted future projected cash flows. As such, the key assumptions (including commercial assumptions) set out in such asset valuation reports are generally consistent and summarised as below:

1. Basic Assumptions

(1) Assumption of going concern

It is assumed that the assets to be valued (the "**Appraised Assets**") of Sinotrans Changjiang, Yangtze River Shipping and Jiangsu Shipping Agency (the "**Appraised Enterprises**") will continue to be used in accordance with the original purpose and manner, and continue to produce the original products or similar products after the purpose of valuation is achieved. The supply and marketing model of the Appraised Enterprises, the distribution of benefits with affiliated enterprises and other operating conditions will remain unchanged.

(2) Assumption of open market

It is assumed that the Appraised Assets can be bought and sold freely in a fully competitive market, and their prices depend on the value judgments of independent buyers and sellers of the Appraised Asset under the supply conditions of a certain market.

An open market is a fully competitive market with a large number of buyers and sellers. Buyers and sellers are equal in this market and both have opportunities and time in acquiring ample market information; and the transactions between them are made on a voluntary, rational, non-compulsory and unrestricted condition.

(3) Assumption of trading

The source of value of any asset is inseparable from transactions. Regardless of whether the Appraised Assets involve transactions in the economic acts related to the purpose of valuation, it is assumed that the valuation target is in trade, and the valuer performed the valuation by simulating market with conditions such as the transaction conditions of the Appraised Assets.

2. General Assumptions

(1) The industry in which the Appraised Enterprises operate maintains a stable development trend, and there are no material changes between the prevailing national and local laws, regulations, systems and social, political and economic policies that they follow from that of the present;

(2) The impact of inflation on the valuation results is not taken into account;

(3) There are no material changes in the prevailing interest rates and exchange rates;

(4) There is no other force majeure or unforeseeable factors that may give rise to material adverse impacts.

3. Special Assumptions

(1) The Appraised Assets will not change the way of use and will remain in continuous use after the valuation benchmark date;

(2) There are no material changes in the relationship between the Appraised Enterprises and their domestic and foreign partners and their mutual interests;

(3) The existing and future operators of the Appraised Enterprises are responsible, and the management of the companies can steadily push forward the companies' development plan and strive to achieve the expected business outcome;

(4) The core team of the Appraised Enterprises will continue to serve in the companies in the coming years and will not engage in business outside the companies that competes with the Appraised Enterprises;

(5) The Appraised Enterprises comply with the relevant national laws and regulations, and there are no material violations that will affect the development and income realization of the companies;

(6) The accounting policies adopted in the historical financial information provided by the Appraised Enterprises and the accounting policies as well as the accounting methods adopted in making profit forecast are generally consistent in material respects;

(7) There are even cash inflows and outflows of annual income and expenditure;

(8) The production and business premises and equipment leased by the Appraised Enterprises can be renewed and operated on a going-concern basis upon the expiry of leases;

(9) The Appraised Enterprises are able to raise funds according to its operational needs and their operations will not be affected by financing;

(10) The relevant operating licenses of the Appraised Enterprises will be renewed normally upon expiration; and

(11) Prior to the valuation, ShineWing Certified Public Accountants LLP has conducted audits on the pro forma financial statements simulated as at the valuation benchmark date of the Appraised Enterprises and issued separate audit reports, and the valuation is conducted based on the pro forma assumptions adopted in the pro forma financial statements contained in such audit reports.

ShineWing Certified Public Accountants LLP, the auditor of the Company, has examined the arithmetical accuracy of the calculation of valuation under relevant income approach (without involvement of the adoption of accounting policies and the reasonableness of assumptions). The Board confirmed that the profit forecasts for Sinotrans Changjiang, Yangtze River Shipping and Jiangsu Shipping Agency in the valuation reports have been made after due and careful enquiry. The letters issued by ShineWing Certified Public Accountants LLP and the Board are set out in Appendix I and Appendix II to this announcement, respectively. The qualifications of the experts who have given their conclusions 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	18 May 2023
Shanghai Lixin	Asset Appraiser	27 April 2023

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 any member of the Group, nor has right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any 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.

VII. INFORMATION OF THE PARTIES

1. The Group, CSC Group, Sinotrans & CSC 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.

CSC Group is a wholly state-owned company established under the laws of the PRC and a wholly-owned subsidiary of China Merchants. With shipping business and cruise tourism business as the core as well as port and shipping service business as the support, CSC Group is a shipping enterprise capable of providing whole-course logistics services throughout the ocean, coastal areas and the Yangtze River.

Sinotrans & CSC, the controlling shareholder of the Company holding 35.36% of issued share capital of the Company in aggregate as at the date of this announcement, holds 100% of equity interests of CSC Group and is principally engaged, through its subsidiaries, in the non-vessel shipping business, international shipping agency, organization, investment and management of integrated logistics, and ship manufacturing and maintenance.

China Merchants is the ultimate controlling shareholder of the Company, and a wholly state-owned enterprise established under the laws of the PRC and 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 transportation & logistics, integrated finance, and integrated urban and industrial park development. In recent years, it also makes deployment in emerging industries, such as healthcare and testing.

2. Target Companies

(1) Sinotrans Changjiang

Sinotrans Changjiang is a company incorporated in the PRC with limited liability, whose principal business includes handling non-vessel shipping business, handling domestic container transport business, import and export transport agency business and international multimodal transport business. As at the date of this announcement, Sinotrans Changjiang is 100% owned by the Company and is a direct wholly-owned subsidiary of the Company.

(2) *CSC Cargo*

CSC Cargo is a company incorporated in the PRC with limited liability, whose principal business includes general cargo transport and related services along the Yangtze River and coastal areas of the PRC, as well as freight forwarding, ship forwarding, ship technical services, etc. As at the date of this announcement, CSC Cargo is 100% owned by Sinotrans & CSC (through its indirect wholly-owned subsidiary, Shanghai Changjiang Shipping), and is an indirect wholly-owned subsidiary of Sinotrans & CSC.

The following table sets out the key consolidated financial information of the above target companies:

RMB

Item	**Sinotrans Changjiang**	**CSC Cargo**
Profit before tax for the year ended 31 December 2021 (Audited)	211,670,425.67	318,991,952.37
Profit after tax for the year ended 31 December 2021 (Audited)	159,695,812.11	246,403,405.12
Profit before tax for the year ended 31 December 2022 (Unaudited)	267,507,544.77	200,695,167.71
Profit after tax for the year ended 31 December 2022 (Unaudited)	187,088,080.33	157,921,801.48
Net assets as of 31 July 2022 (Audited)	1,221,222,587.72	2,000,442,107.56
Total assets as of 31 July 2022 (Audited)	4,123,647,071.24	3,810,994,120.46
Net assets as of 31 December 2022 (Unaudited)	1,301,634,912.46	2,078,702,217.07
Total assets as of 31 December 2022 (Unaudited)	3,877,146,214.43	3,801,841,949.68

Note: The financial information of the target companies disclosed in the above table is derived from the audited or unaudited pro forma financial statements prepared in accordance with the China Accounting Standards for Business Enterprises (reflecting the financial condition of the target companies on a pro forma basis taking into account of the Internal Asset Consolidation).

3. **Subject Companies (as the subject to be used as consideration for the capital increases)**

(1) Yangtze River Shipping

Yangtze River Shipping is a joint stock company incorporated in the PRC with limited liability, mainly engaging in the business of cargo transportation along the mid to down-stream of the Yangtze River, near sea and domestic coast, ordinary international freight transportation, the international marine, air and land shipping agency. As at the date of this announcement, Shanghai Changjiang Shipping, an indirect wholly-owned subsidiary of Sinotrans & CSC, directly holds 75.616% equity of Yangtze River Shipping. Meanwhile, Shanghai Changjiang Shipping has entered into an equity transfer agreement with Wuhan Changwei, its wholly-owned subsidiary, to acquire 24.384% equity interests of Yangtze River Shipping held by Wuhan Changwei. As at the date of this announcement, such equity transfer and related registration procedures for industrial and commercial changes have not yet been completed.

(2) Chongqing Bulk Shipping

Chongqing Bulk Shipping is a company incorporated in the PRC with limited liability, mainly engaged in the business of bulk cargo shipment. As at the date of this announcement, Chongqing Bulk Shipping is held as to 100% by the Company through Sinotrans Eastern and is an indirect wholly-owned subsidiary of the Company.

(3) Hubei Bulk Shipping

Hubei Bulk Shipping is a company incorporated in the PRC with limited liability, mainly engaged in the business of bulk cargo shipment. As at the date of this announcement, Hubei Bulk Shipping is held as to 100% by the Company through Sinotrans Eastern and is an indirect wholly-owned subsidiary of the Company.

(4) Jiangsu Shipping Agency

Jiangsu Shipping Agency is a company incorporated in the PRC with limited liability, mainly engaged in the business of international shipping agency and domestic and foreign shipping agency at Nanjing port. As at the date of this announcement, Jiangsu Shipping Agency is held as to 51% and 49% by the Company through Sinotrans Changjiang and Sinotrans Eastern, respectively, and is an indirect wholly-owned subsidiary of the Company.

The following table sets out the key consolidated financial information of the above subject companies:

RMB

Item	Yangtze River Shipping	Chongqing Bulk Shipping	Hubei Bulk Shipping	Jiangsu Shipping Agency
Profit before tax for the year ended 31 December 2021 (Audited)	32,893,866.40	487,332.06	-5,490.20	50,987,591.17
Profit after tax for the year ended 31 December 2021 (Audited)	23,906,277.74	421,868.88	36,450.30	39,009,966.66
Profit before tax for the year ended 31 December 2022 (Unaudited)	40,077,561.71	-2,297,030.67	-1,132,165.99	46,612,221.33
Profit after tax for the year ended 31 December 2022 (Unaudited)	27,764,627.13	-2,297,030.67	-1,232,333.49	35,811,355.30
Net assets as of 31 July 2022 (Audited)	171,383,072.90	20,600,000.00	100,000,000.00	78,226,114.14
Total assets as of 31 July 2022 (Audited)	656,974,231.54	20,600,000.00	100,000,000.00	324,520,211.30
Net assets as of 31 December 2022 (Unaudited)	171,000,140.68	19,448,834.78	99,439,610.84	90,611,787.62
Total assets as of 31 December 2022 (Unaudited)	661,939,091.51	19,448,834.78	99,439,610.84	354,271,970.70

Note: The financial information of the subject companies disclosed in the above table is derived from the audited or unaudited pro forma financial statements prepared in accordance with the China Accounting Standards for Business Enterprises (reflecting the financial condition of the subject companies on a pro forma basis taking into account of the Internal Asset Consolidation).

4. Investors

(1) Shanghai Changjiang Shipping

Shanghai Changjiang Shipping is a company incorporated in the PRC with limited liability, and its principal businesses include waterway general cargo transportation; inter-provincial general cargo ship transportation and intra-provincial ship transportation; domestic waterway passenger transportation; inter-provincial passenger ship transportation; international liner transportation; catering services; and road goods transportation (excluding dangerous chemicals). As at the date of this announcement, Shanghai Changjiang Shipping is 100% owned by Sinotrans & CSC through CSC Group and is an indirect wholly-owned subsidiary of Sinotrans & CSC.

(2) Sinotrans Eastern

Sinotrans Eastern is a company incorporated in the PRC with limited liability, and its principal businesses include domestic trade; international transportation agent services for import and export products transported by sea, land and air, international exhibition items, private items and transit cargo; international multimodal transport services; and customs declaration. As at the date of this announcement, Sinotrans Eastern is 100% owned by the Company and is a wholly-owned subsidiary of the Company.

VIII. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Shanghai Changjiang Shipping, Yangtze River Shipping and CSC Cargo are subsidiaries of China Merchants, the ultimate controlling Shareholder of the Company, therefore, each of them is a connected person of the Company, thus the entering into of the Capital Increase Agreements constitutes the connected transactions for the Company under Chapter 14A of the Listing Rules.

The entering into of the Capital Increase Agreements involves both acquisition and disposal by the Company. Pursuant to the relevant requirements under the Listing Rules, the Company classifies the transactions contemplated thereunder with reference to the higher of the acquisition and the disposal in terms of size test percentage ratios after taking into account the aggregated calculations, and complies with the applicable requirements of the Listing Rules accordingly. As the highest applicable percentage ratio in respect of the entering into of the Capital Increase Agreements exceeds 0.1% but is less than 5%, the entering into of the Capital Increase Agreements is subject to reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Capital Increase Agreements and the transactions thereunder, and therefore they are not required under the Listing Rules to abstain from voting on the relevant Board resolution. Nonetheless, as Mr. Feng Boming, Mr. Song Dexing, Mr. Deng Weidong, Mr. Jiang Jian, and Ms. Luo Li, all being related Directors, they have abstained from voting on the relevant Board resolution in accordance with the relevant PRC laws and regulations.

Completion of the transactions under the Capital Increase Agreements is conditional upon completion of the related closing procedures and industrial and commercial registration procedures. Accordingly, the transactions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

IX. 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
"Capital Increase Agreements"	the Sinotrans Changjiang Capital Increase Agreement and the CSC Cargo Capital Increase Agreement
"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 and under direct control of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, the ultimate controlling shareholder of the Company which holds 58.48% of the total issued shares of the Company as at the date of this announcement
"CSC Group"	中國長江航運集團有限公司 (China Yangtze Shipping Group Co., Ltd.*), a wholly state-owned enterprise established under the laws of the PRC, the 100% shares of which are held by China Merchants through Sinotrans & CSC
"Chongqing Bulk Shipping"	重慶中外運散貨運輸有限公司 (Chongqing Sinotrans Bulk Shipping Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company as at 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 People's Republic of China 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
"CSC Cargo"	長航貨運有限公司 (CSC Cargo Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of China Merchants as at the date of this announcement

"CSC Cargo Capital Increase"	Sinotrans Eastern intended to subscribe for the incremental registered capital of CSC Cargo to take 13% equity interests in CSC Cargo upon completion of the capital increase with its 100% equity interests in Chongqing Bulk Shipping, 100% equity interests in Hubei Bulk Shipping and 49% equity interests in Jiangsu Shipping Agency
"CSC Cargo Capital Increase Agreement"	the agreement dated 18 May 2023 entered into among Sinotrans Eastern, Chongqing Bulk Shipping, Hubei Bulk Shipping, Jiangsu Shipping Agency and Shanghai Changjiang Shipping and CSC Cargo in relation to the CSC Cargo Capital Increase
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"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 foreign 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
"Hubei Bulk Shipping"	湖北中外運散貨運輸有限公司 (Hubei Sinotrans Bulk Shipping Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
"Jiangsu Shipping Agency"	江蘇中外運船務代理有限公司 (Jiangsu Sinotrans Shipping Agency Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC

"Shanghai Changjiang Shipping"	上海長江輪船有限公司 (Shanghai Changjiang Shipping Corporation*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of China Merchants as at the date of this announcement
"Shanghai Lixin"	上海立信資產評估有限公司 (Shanghai Lixin Appraisal Co., Ltd.*), an independent qualified valuer in the PRC
"Share(s)"	H Share(s) and A Share(s)
"Shareholder(s)"	the shareholder(s) of the Company
"Sinotrans Changjiang Capital Increase"	Shanghai Changjiang Shipping intended to subscribe for the incremental registered capital of Sinotrans Changjiang to take 11% equity interests in Sinotrans Changjiang upon completion of the capital increase with its 100% equity interests in Yangtze River Shipping
"Sinotrans Changjiang Capital Increase Agreement "	the agreement dated 18 May 2023 entered into among the Company, Sinotrans Changjiang (a subsidiary of the Company), Shanghai Changjiang Shipping and Yangtze River Shipping in relation to the Sinotrans Changjiang Capital Increase
"Sinotrans Changjiang"	中國外運長江有限公司 (Sinotrans Changjiang Co., Ltd.*), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement
"Sinotrans & CSC"	中國外運長航集團有限公司 (Sinotrans & CSC Holdings Co., Ltd.*), a wholly state-owned enterprise established under the laws of the PRC, a wholly-owned subsidiary of China Merchants, and the controlling shareholder of the Company with aggregately holding 35.36% of the issued share capital of the Company as at the date of this announcement
"Sinotrans Eastern"	中國外運華東有限公司 (Sinotrans Eastern Co., Ltd.*), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company as at the date of this announcement
"Transitional Period"	The period from the valuation benchmark date (exclusive) to the closing date (inclusive) under Capital Increase Agreements

"Yangtze River Shipping"	中國揚子江輪船股份有限公司 (China Yangtze River Shipping Co., Ltd.*), a joint stock limited company incorporated in the PRC and a subsidiary of Sinotrans & CSC as at the date of this announcement
"%"	per cent.

By order of the Board
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, 18 May 2023

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

APPENDIX I – REPORTS FROM THE AUDITOR

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

1. Assurance Report on the calculation of Discounted Future Estimated Cash Flows related to Pro-forma Total Shareholders' Equity of Sinotrans Changjiang Co., 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 Pro-forma Total Shareholders' Equity of Sinotrans Changjiang Co., Ltd. (hereinafter referred to as the "**Target Company**") as at 31 July 2022 issued by Shanghai Lixin Appraisal Co., Ltd. on 27 April 2023 (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 18 May 2023 (hereinafter referred to as the "**Announcement"**) in relation to the entering into of the Capital Increase Agreements. 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

18 May 2023

2. Assurance Report on the calculation of Discounted Future Estimated Cash Flows related to Pro-forma Total Shareholders' Equity of China Yangtze River Shipping Co., 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 Pro-forma Total Shareholders' Equity of China Yangtze River Shipping Co., Ltd. (hereinafter referred to as the "**Target Company**") as at 31 July 2022 issued by Shanghai Lixin Appraisal Co., Ltd. on 27 April 2023 (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 18 May 2023 (hereinafter referred to as the "**Announcement**") in relation to the entering into of the Capital Increase Agreements. 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

18 May 2023

3. Assurance Report on the calculation of Discounted Future Estimated Cash Flows related to Pro-forma Total Shareholders' Equity of Jiangsu Sinotrans Shipping Agency Co., 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 Pro-forma Total Shareholders' Equity of Jiangsu Sinotrans Shipping Agency Co., Ltd. (hereinafter referred to as the "**Target Company**") as at 31 July 2022 issued by Shanghai Lixin Appraisal Co., Ltd. on 27 April 2023 (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 18 May 2023 (hereinafter referred to as the "**Announcement**") in relation to the entering into of the Capital Increase Agreements. 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

18 May 2023

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 18 May 2023 mentioning the asset valuation reports of Sinotrans Changjiang Co., Ltd.* (中國外運長江有限公司), China Yangtze River Shipping Co., Ltd.* (中國揚子江輪船股份有限公司) and Jiangsu Sinotrans Shipping Agency Co., Ltd.* (江蘇中外運船務代理有限公司), dated 27 April 2023 (the "**Asset Valuation Reports**") prepared by Shanghai Lixin Appraisal Co., Ltd.* (上海立信資產評估有限公司) (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 Valuation Reports and discussed the same with the Asset Appraiser. The Board has also considered the reports issued by ShineWing Certified Public Accountants LLP, the auditor of the Company, on 18 May 2023 in relation to the calculations of the profit forecast in the Asset Valuation Reports.

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

Sinotrans Limited
The Board

18 May 2023

* *For identification purpose only*