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

(Stock Code: 0598)

UPDATE TO RULE 3.7 ANNOUNCEMENT

Reference is made to the announcements of Sinotrans Limited (the "Company") dated 15 November 2015, 20 November 2015 and 18 December 2015 (the "Announcements") in respect of the Possible Reorganisation of the Company's parent company, Sinotrans & CSC, involving a Third Party that is controlled by the State-owned Assets Supervision and Administration Commission of the State Council ("SASAC") of the People's Republic of China ("PRC"). Unless the context requires otherwise, terms defined in the Announcements will have the same meanings when used herein.

The Company has been informed that Sinotrans & CSC has received a notice from SASAC on 29 December 2015 that the PRC State Council has approved the Possible Reorganisation between Sinotrans & CSC and China Merchants Group Limited ("China Merchants") (the "Reorganisation"). The Reorganisation is a strategic reorganisation of the two groups by which Sinotrans & CSC will be administratively allocated (for no consideration) into, and become a wholly-owned subsidiary of, China Merchants, and therefore, the Company will become a listed subsidiary of China Merchants. Upon completion of the Reorganisation, Sinotrans & CSC will no longer be directly supervised by SASAC but Sinotrans & CSC will remain the controlling shareholder of the Company and SASAC will remain the ultimate controller of the Company.

China Merchants is a state wholly-owned enterprise established under the laws of the PRC under direct control of SASAC with a registered capital of RMB13,750,000,000. Its principal businesses focus in three main areas, including transportation (ports and related services, toll roads, energy shipping and logistics); finance (banking, securities, funds, insurance) and property development.

The Reorganisation aims to achieve economies of scale and synergies in particular in the areas of logistics, energy and bulk shipping, property development, ports and marine and off-shore engineering between the two groups to speed up the development of an internationally competitive leading enterprise.

As stated in the Announcements, China Merchants has informed the Company that it has made an application on 27 November 2015 for a confirmation that no obligation to make a mandatory general offer for shares of the Company (other than those already owned or to be owned by it and parties acting in concert with it) ("General Offer") will be triggered under Rule 26 of the Takeovers Code. Such confirmation may or may not be granted by the Executive. China Merchants has also informed the Company that should the confirmation applied for be unavailable, it will review whether or not and how best to proceed with the Reorganisation in the

circumstances, and a General Offer may or may not be made.

China Merchants has also informed the Company that it will apply to the China Securities Regulatory Commission seeking for a waiver from making a mandatory general offer for the shares of Sinotrans Air Transportation Development Co. Ltd. (stock code SHA:600270), a subsidiary of the Company listed on Shanghai Stock Exchange. Such waiver may or may not be granted by the China Securities Regulatory Commission, and accordingly the Reorganisation may or may not result in a mandatory general offer being made. As at the date of this announcement, such application has not been made yet.

The Company will make further announcement(s) in relation to the progress of the Reorganisation pursuant to the requirements under the Takeovers Code and the Listing Rules.

DEALINGS DISCLOSURE

For the purposes of the Takeovers Code, the offer period has commenced on 15 November 2015.

Pursuant to Rule 3.8 of the Takeovers Code, the respective associates as defined in the Takeovers Code (including a person who owns or controls 5% or more of any class of relevant securities) of the Company and of China Merchants are reminded to disclose their dealings in the securities of the Company in accordance with the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 (of the Takeovers Code) and that those clients are willing to comply with them. Principal traders and dealers, who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules (of the Takeovers Code). However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNINGS: The Reorganisation may lead to a General Offer under Rule 26.1 of the Takeovers Code for the shares of the Company unless otherwise waived by the Executive. Shareholders of the Company and the public investors should exercise extreme caution when dealing in the securities of the Company.

For and on behalf of the Board
Sinotrans Limited
Gao Wei
Company Secretary

Beijing, 29 December 2015

As at the date of this announcement, the board of directors of the Company comprises: Zhao Huxiang (Chairman), Zhang Jianwei (Vice-chairman), Li Guanpeng (executive director), Wang Lin (executive director), Yu Jianmin (executive director), Wu Xueming (executive director), Jerry Hsu (non-executive director), and four independent non-executive directors, namely Guo Minjie, Lu Zhengfei, Han Xiaojing and Liu Junhai.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.