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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)**

**Voluntary Announcement**  
**Proposed subscription for 165 million new ordinary shares in**  
**InterBulk Group Plc**

A wholly owned subsidiary of Sinotrans has conditionally agreed with Arbuthnot Securities, an independent third party placing agent, to subscribe for 165 million new ordinary shares of InterBulk (representing approximately 35.3% of the enlarged share capital of InterBulk) at 11 pence (approximately HK\$1.381) per new ordinary share, or a total subscription price of £18.15 million (approximately HK\$227.7825 million), by a way of a cash box placing.

The directors of Sinotrans are pleased to announce that Sinotrans HKL, a wholly owned subsidiary of Sinotrans, has conditionally agreed with Arbuthnot Securities, an independent third party placing agent, to subscribe for 165 million Placing Shares of InterBulk at the Placing Price of 11 pence (approximately HK\$1.381) per Placing Share, or a total subscription price of £18.15 million (approximately HK\$227.7825 million), by way of a cash box placing (the "Placing"). The Placing Price represents a premium of 184 per cent. to the closing mid-market price of 3.875 pence (approximately HK\$0.486) per ordinary share of InterBulk as at 19 May 2011, the last dealing day prior to this announcement. On completion, Sinotrans will own approximately 35.3% of the enlarged share capital of InterBulk.

InterBulk (whose shares are listed on AIM) is a leading supplier of global intermodal logistics solutions for the movement of liquid and dry bulk materials. It provides environmentally friendly and cost effective door-to-door supply chain solutions that include intermodal transportation, temporary storage and material handling services. InterBulk is one of the world's largest operators of Tankcontainers for the movement of liquids and Europe's leading provider of intermodal 'bag-in-box' containers for the movement of dry bulk products. Sinotrans and InterBulk have, over the last few years, worked together on a number of domestic Chinese chemical logistics projects.

Sinotrans views the proposed Placing to be a strategic investment consistent with its development strategies of its chemical logistics business. With a stronger commercial alliance with InterBulk and drawing upon the strengths of both groups, including InterBulk's established position and strong branding as a leader in the chemicals logistics sector and its strong international network, Sinotrans would not only be able to broaden its service offerings to its domestic customers, including key

players in the global chemicals market, but also its reach into the chemicals logistics market internationally, and especially in Europe. Accordingly Sinotrans regards the terms of investment (including the Placing Price) as a whole to be in the interests of Sinotrans and its shareholders as a whole.

The Placing is conditional inter alia upon the resolutions being passed at the general meeting of InterBulk, clearance being obtained from the German competition authorities, and Admission. The Panel on Takeovers and Mergers in the UK has granted a conditional waiver on Sinotrans' obligation to make a general offer under Rule 9 of the UK City Code on Takeovers and Mergers that would otherwise arise on completion of the Placing when Sinotrans will have acquired 30 per cent. or more of the voting rights in InterBulk. The waiver is conditional on the shareholders' approval being obtained by InterBulk. InterBulk has informed Sinotrans that it has received irrevocable undertakings to vote in favour of the resolutions at its general meeting to approve the Placing from certain shareholders representing approximately 58.22 per cent. of its existing share capital.

The Placing is proposed to be effected in the following manner. InterBulk and Arbuthnot Securities have subscribed for ordinary shares in a newly formed subsidiary of InterBulk incorporated in Jersey ("Newco"). Monies received by Arbuthnot Securities from Sinotrans HKL pursuant to the Placing shall be used by Arbuthnot Securities to satisfy its undertaking to pay for redeemable preference shares in Newco for which it will subscribe. InterBulk will allot and issue the Placing Shares to Sinotrans HKL in consideration of Arbuthnot Securities transferring to InterBulk its holding of redeemable preference shares and ordinary shares in Newco. Accordingly, instead of receiving cash as consideration for the issue of the Placing Shares, immediately following Admission, InterBulk will own the entire issued share capital of Newco whose only asset will be its cash reserves, which will represent an amount equivalent to the net proceeds of the Placing. Such net proceeds will then be lent by Newco to InterBulk.

Subject to Admission becoming effective, dealings in the Placing Shares are expected to commence at 8:00 a.m. on 8 June 2011 (or such later time and/or date as InterBulk and Arbuthnot Securities may agree, but in any event no later than 8:00 a.m. on 30 November 2011). The Placing Shares will rank pari passu in all respects with the existing ordinary shares of InterBulk, including the right to receive all dividends and other distributions declared, made or paid in respect of the ordinary share capital of InterBulk following Admission.

At or before Admission, Sinotrans HKL and Sinotrans will enter into the Relationship Agreement with InterBulk to regulate their relationships after completion of the Placing. Under the Relationship Agreement, Sinotrans HKL will agree not to sell the Placing Shares for one year after Admission and, in the six months following the first anniversary of the Admission, to only sell the Placing Shares through InterBulk's broker.

Under the Relationship Agreement, Sinotrans HKL will have the right to nominate one executive director to the board of InterBulk provided that Sinotrans HKL and its affiliates (which includes Sinotrans, its holding company and their respective subsidiaries, directors of Sinotrans and their controlled companies) hold at least 15 per cent. of the share capital of InterBulk and that it will refrain from exercising any of its voting rights whereby any such exercise would result in Sinotrans HKL having representation on the board of InterBulk in excess of one less than the number of the Independent Directors.

Sinotrans will agree in the Relationship Agreement that neither Sinotrans nor its subsidiaries will be engaged or interested in any business which competes with the InterBulk group of companies in

the areas of dry bulk bag-in-box operations, sale or rental of ISO-Veyor technology and sales of plastic liners used for “bag-in box” operations except with the prior written approval of a majority of the directors of InterBulk who are not affiliates of Sinotrans for the period from the time of Admission and at any time when Sinotrans and its affiliates directly or indirectly own ordinary shares in InterBulk or equity securities convertible or exchangeable into or referable to shares of InterBulk is at least 15 per cent. of the total number of ordinary shares in issue (excluding any held by Sinotrans and its affiliates). The above restriction does not, however, prevent Sinotrans or such affiliates from having an interest in a business where any of the above competing activities is an incidental or minor part of that business.

The Placing does not constitute a notifiable transaction of Sinotrans under Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The full announcement and shareholders circular relating to the Placing published by InterBulk which contains, amongst other things, information relating to the Placing and certain financial information in respect of Sinotrans HKL can be found on the InterBulk website located at : [www.interbulkgroup.com](http://www.interbulkgroup.com).

## DEFINITIONS

In this announcement, the following terms have the meanings set out below:

“Admission”	admission of the Placing Shares to trade on AIM;
“AIM”	AIM, a market operated by the London Stock Exchange;
“Arbuthnot Securities”	Arbuthnot Securities Limited, nominated adviser and broker to InterBulk, which is authorised and regulated in the United Kingdom by the Financial Services Authority;
“Dry Bulk”	dry materials capable of transportation, such as chemicals, minerals and food products;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Directors”	directors of InterBulk who are not nominated by Sinotrans HKL or its affiliates (which includes Sinotrans, its holding company and their respective subsidiaries, directors of Sinotrans and their controlled companies);
“InterBulk”	InterBulk Group Plc, a company whose shares are listed on AIM;
“ISO-Veyor”	a stainless steel vessel contained within a standard carbon steel frame used for the transportation of Dry Bulk powders and granules;
“Placing”	the placing to Sinotrans HKL of the Placing Shares at the Placing Price by way of a cash box placing as described in this announcement;
“Placing Price”	11 pence per Placing Share (approximately HK\$1.381);
“Placing Shares”	165 million new ordinary shares of InterBulk;

“Relationship Agreement”	a relationship agreement to be entered into between Sinotrans, Sinotrans HKL and InterBulk, to regulate their relationships after completion of the Placing;
“Sinotrans”	Sinotrans Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
“Sinotrans HKL”	Sinotrans (HK) Logistics Limited, a wholly-owned subsidiary of Sinotrans;
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“£”	Pound sterling, the lawful currency of the United Kingdom.

In this announcement, exchange rate of HK\$12.55: £1.00 has been used for illustration purposes. No assurance is given that these currencies may be exchanged of this rate or at all.

By order of the Board of  
**Sinotrans Limited**  
**Gao Wei**  
*Company Secretary*

Beijing, 20 May, 2011

*As at the date of this announcement, Zhao Huxiang, Zhang Jianwei, Tao Suyun and Li Jianzhang are executive directors of Sinotrans; Yang Yuntao, Liu Jinghua, Jerry Hsu and Mok Chi Ming Victor are non-executive directors of Sinotrans; and Sun Shuyi, Lu Zhengfei and Miao Yuexin are independent non-executive directors of Sinotrans.*