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If you have sold or transferred all your shares in Sinotrans Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS
AND GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES**

Notices convening the Annual General Meeting, the H Shares Class Meeting and the Domestic Shares Class Meeting of Sinotrans Limited are set out on pages 40 to 48 of the 2008 annual report of the Company.

3 April, 2009

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the Board of Directors of the Company
“Company”	Sinotrans Limited, a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Domestic Share(s)”	domestic invested share(s) of RMB1.00 each in the share capital of the Company
“Domestic Shares Class Meeting”	the class meeting of holders of Domestic Shares to be held at No.1 Meeting Room 12th Floor, Sinotrans Plaza A, A43, Xizhimen Beidajie, Haidian District, Beijing 100044, the PRC on Thursday, 11 June, 2009 at 10:30 a.m. or immediately after the conclusion of the H Shares Class Meeting
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at No.1 Meeting Room 12th Floor, Sinotrans Plaza A, A43, Xizhimen Beidajie, Haidian District, Beijing 100044, the PRC on Thursday, 11 June, 2009 at 9:30 a.m.
“H Share(s)”	overseas listed foreign invested share(s) of RMB1.00 each in the share capital of the Company
“H Shares Class Meeting”	the class meeting of holders of H Shares to be held at No.1 Meeting Room 12th Floor, Sinotrans Plaza A, A43, Xizhimen Beidajie, Haidian District, Beijing 100044, the PRC on Thursday, 11 June, 2009 at 10:00 a.m. or immediately after the conclusion of the AGM
“HK\$”	dollars of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	31 March, 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting, the H Shares Class Meeting and Domestic Shares Class Meeting to exercise the power of the Company to repurchase H Shares in the manner as set out in the notices of the Annual General Meeting, the H Shares Class Meeting and the Domestic Shares Class Meeting set out on pages 40 to 48 of the 2008 annual report of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	H Share(s) and Domestic Share(s)
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the power of the Company to allot and issue Shares in the manner as set out in the notice of the Annual General Meeting set out on pages 40 to 44 of the 2008 annual report of the Company
“Shareholder(s)”	holder(s) of the Shares
“Sinotrans Group Company”	China National Foreign Trade Transportation (Group) Corporation (中國對外貿易運輸(集團)總公司), the controlling shareholder of the Company owing approximately 57.93% interest in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers



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)

Executive Directors:

Zhao Huxiang
Zhang Jianwei
Tao Suyun
Li Jianzhang

Registered Office and Headquarters:

Sinotrans Plaza
A43, Xizhimen Beidajie
Beijing
People's Republic of China
100044

Non-Executive Directors:

Yang Yuntao
Liu Jinghua
Jerry Hsu
Peter Landsiedel

Principal Place of

Business in Hong Kong:
21st Floor, Great Engle Centre
23 Harbour Road
Wanchai
Hong Kong

Independent Non-Executive Directors:

Sun Shuyi
Lu Zhengfei
Miao Yuexin

3 April, 2009

Dear Sir and Madam,

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS
AND GENERAL MANDATE TO ISSUE AND
REPURCHASE SHARES**

INTRODUCTION

The purpose of this circular is to (a) provide you with information in respect of the proposed (i) re-election of Directors; (ii) Share Issue Mandate and (iii) Repurchase Mandate, and (b) set out an explanatory statement regarding the Repurchase Mandate, to enable you to make a decision on whether to vote for or against the relevant resolutions at the forthcoming Annual General Meeting, the H Shares Class Meeting and the Domestic Shares Class Meeting.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The following Directors are proposed to be re-elected at the AGM:

Directors

Executive Directors:

Mr. Zhao Huxiang

Mr. Li Jianzhang

Non-executive Directors:

Ms. Liu Jinghua

Mr. Jerry Hsu

In accordance with the Articles of Association and the PRC Company Law, the term of the proposed appointments for each of the aforementioned Directors will be for three years with effect from the date on which the resolution for his/her re-appointment is passed at the Annual General Meeting.

The biographical and other details of the above Directors required to be disclosed under Rule 13.51 of the Listing Rules are set out in Appendix I to this circular.

GENERAL MANDATE TO ISSUE SHARES

In order to provide flexibility to the Directors to issue Shares in the event that it is desirable to do so quickly, approval will be sought at the Annual General Meeting to grant to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the relevant class of issued share capital of the Company as at the date of passing of the special resolution. Such Share Issue Mandate, if approved, will lapse at the earliest of: (i) conclusion of the Company's next annual general meeting; or (ii) the expiration of the 12-month period following the passing of the resolution approving the Share Issue Mandate; or (iii) the revocation or variation of the Share Issue Mandate by a special resolution of the Shareholders in general meeting.

GENERAL MANDATE TO REPURCHASE H SHARES

In order to provide flexibility to the Directors to repurchase H Shares in the event that it is desirable to do so quickly, approval will be sought at the Annual General Meeting, the H Shares Class Meeting and the Domestic Shares Class Meeting to grant to the Directors a general mandate repurchase H Shares not exceeding 10% of the total H Shares in issue as at the date of passing the special resolutions in the respective meetings. The Repurchase Mandate will be condition upon the special resolutions for approving the grant of the Repurchase Mandate being passed at each of the Annual General Meeting, the H Shares Class Meeting and the Domestic Shares Class Meeting. Such Repurchase Mandate, if approved, will lapse at the earliest of: (i) conclusion of the Company's next annual general meeting; or (ii) the expiration of the 12-month period following the passing of the resolution approving the Repurchase Mandate; or (iii) the revocation or variation of the Repurchase Mandate by a special resolution of the Shareholders in general meeting.

LETTER FROM THE BOARD

An explanatory statement containing information regarding the Repurchase Mandate is set out in the Appendix II to this circular.

NOTICES OF THE ANNUAL GENERAL MEETING, THE H SHARES CLASS MEETING AND THE DOMESTIC SHARES CLASS MEETING

The notices of (i) the Annual General Meeting, which contains, inter alia, ordinary resolutions to approve the re-election of Directors, special resolutions to approve the Share Issue Mandate and the Repurchase Mandate; (ii) the H Shares Class Meeting, which contains, inter alia, a special resolution to approve the Repurchase Mandate; and (iii) the Domestic Shares Class Meeting, which contains, inter alia, a special resolution to approve the Repurchase Mandate, are set out on pages 40 to 48 of the 2008 annual report of the Company.

RECOMMENDATION

The Directors consider that the re-election of the Directors, the Share Issue Mandate and the Repurchase Mandate are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions to be proposed at the Annual General Meeting, the H Shares Class Meeting and the Domestic Shares Class Meeting.

GENERAL INFORMATION

Your attention is drawn to the additional information as set out in the Appendices to this circular.

Yours faithfully,
By order of the Board of
Sinotrans Limited
Gao Wei
Secretary

Set out below are the particulars of the four Directors proposed to be re-elected at the Annual General Meeting.

Directors*Mr. Zhao Huxiang*

Zhao Huxiang, age 54, is an executive director and the chairman of the board of the Company. Mr. Zhao graduated with a MBA degree from University of Louisville, USA, and carries the professional title of “Senior Engineer”. He used to work in the Marine Shipping Bureau of the Ministry of Communications, and successively served as Deputy General Manager and General Manager of Hoi Tung Marine Machinery Suppliers Limited, Director and General Manager, Vice Chairman of China Merchants Holdings (International) Limited, and President Assistant, Board Director and Vice President of China Merchants Group. From December 2005, Mr. Zhao became the President of China National Foreign Trade Transportation (Group) Corporation (“Sinotrans Group Company”). On 3 March 2006, Mr. Zhao was appointed Executive Director and the Chairman of the Company. Mr. Zhao is also a chairman and non-executive director of Sinotrans Shipping Limited, a non-wholly owned subsidiary of Sinotrans Group Company and listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Save as disclosed above, Mr. Zhao has not held other directorships in other listed companies in the last three years.

In accordance with the Articles of Association of the Company and the PRC Company Law, Mr. Zhao’s appointment will be for three years with effect from the date on which the resolution for his re-appointment is passed at the Annual General Meeting. Save as disclosed above, Mr. Zhao is not related to any director, senior management or substantial or controlling shareholders of the Company. He is not interested in any shares of the Company within the meaning of Part XV of the SFO.

Mr. Zhao will enter into a service contract with the Company for a term of three years. He has not received any remuneration nor bonus payments as a director of the Company for the year ended 31 December 2008. He does not intend to receive any remuneration or bonus payments in the future.

There is no other information relation to the re-election of Mr. Zhao that is required to be disclosed pursuant to Rule 13.51 (2)(h) to (v) of the Listing Rules. Save as disclosed herein, there are no other matters that need to be brought to the attention of the Company’s shareholders.

Li Jianzhang

Li Jianzhang, age 53, is an executive director of the Company. During Mr. Li's career, he has worked in various governmental departments. Mr. Li started working at Sinotrans Group Company in May 2001. In July 2001, Mr. Li was promoted to become a director of Sinotrans Group Company. He was appointed as a supervisor of the Company from November 2002 to June 2003. Mr. Li graduated from Beijing Normal University in 1981. Mr. Li was appointed Executive Director of the Company in June 2003. Save as disclosed above, Mr. Li has not held other directorships in other listed companies in the last three years.

In accordance with the Articles of Association of the Company and the PRC Company Law, Mr. Li's appointment will be for three years with effect from the date on which the resolution for his re-appointment is passed at the Annual General Meeting. Save as disclosed above, Mr. Li is not related to any director, senior management or substantial or controlling shareholders of the Company. He is not interested in any shares of the Company within the meaning of Part XV of the SFO.

Mr. Li will enter into a service contract with the Company for a term of three years. Mr. Li has not received any remuneration nor bonus payments as a director of the Company for the year ended 31 December 2008 except that Mr. Li currently holds a total of 480,000 rights under the Company's share appreciation rights plan. He does not intend to receive any remuneration or bonus payments in the future.

There is no other information relation to the re-election of Mr. Li that is required to be disclosed pursuant to Rule 13.51 (2)(h) to (v) of the Listing Rules. Save as disclosed herein, there are no other matters that need to be brought to the attention of the Company's shareholders.

Liu Jinghua

Liu Jinghua, age 46, is a non-executive director of the Company. Ms. Liu joined Sinotrans Group Company in 1989 and worked in the Finance Department and Liner Department before she was seconded to DHL-Sinotrans Beijing to be its Finance Manager in 1992. Soon afterwards, she was promoted to be DHL-Sinotrans' National Financial Controller and in 1999 became National HR Manager. Ms. Liu was appointed General Manager of the Finance Department of Sinotrans Group Company in October 2002. Ms. Liu graduated from the Central University of Finance and Economics in 1987 and obtained her EMBA in the School of Management of State University of New York at Buffalo in December 2000. Ms. Liu was appointed non-executive Director of the Company in June 2003. Save as disclosed above, Ms. Liu has not held other directorships in other listed companies in the last three years.

In accordance with the Articles of Association of the Company and the PRC Company Law, Ms. Liu's appointment will be for three years with effect from the date on which resolution for her re-appointment is passed at the Annual General Meeting. Save as disclosed above, Ms. Liu is not related to any director, senior management or substantial or controlling shareholders of the Company. She is not interested in any shares of the Company within the meaning of Part XV of the SFO.

The Company does not intend to enter into a service contract with Ms. Liu. Ms. Liu has not received any remuneration or bonus payments as a director of the Company for the year ended 31 December 2008. She does not intend to receive any remuneration or bonus payments in the future.

There is no other information relation to the re-election of Ms. Liu that is required to be disclosed pursuant to Rule 13.51 (2)(h) to (v) of the Listing Rules. Save as disclosed herein, there are no other matters that need to be brought to the attention of the Company's shareholders.

*Jerry Hsu**

Jerry Hsu, age 58, is a non-executive director of the Company. Mr. Hsu, the President — Greater China and Korea, DHL Express, manages and develops the six markets of China, Hong Kong, South Korea, Taiwan, Mongolia and North Korea. Mr. Hsu's previous role in DHL Express was the Area Director responsible for Hong Kong, Singapore, Taiwan, South Korea, Mongolia and North Korea, a position he held until September 2002. Prior to joining DHL in January 2001, Mr. Hsu held various senior management positions in DaimlerChrysler Corporation. Mr. Hsu holds BA/MA degree in International Economics and Politics. Mr. Hsu also holds directorships in various companies within the DPWN Group. Mr. Hsu was appointed non-executive Director of the Company in June 2003. Save as disclosed above, Mr. Hsu has not held other directorships in other listed companies in the last three years.

In accordance with the Articles of Association of the Company and the PRC Company Law, Mr. Hsu's appointment will be for three years with effect from the date on which resolution for his re-appointment is passed at the Annual General Meeting. Save as disclosed above, Mr. Hsu is not related to any director, senior management or substantial or controlling shareholders of the Company. He is not interested in any shares of the Company within the meaning of Part XV of the SFO.

The Company does not intend to enter into a service contract with Mr. Hsu. Mr. Hsu has not received any remuneration or bonus payments as a director of the Company for the year ended 31 December 2008. He does not intend to receive any remuneration or bonus payments in the future.

There is no other information relation to the re-election of Mr. Hsu that is required to be disclosed pursuant to Rule 13.51 (2)(h) to (v) of the Listing Rules. Save as disclosed herein, there are no other matters that need to be brought to the attention of the Company's shareholders.

** For details of Mr. Hsu's interests in competing businesses of the Company, please refer to the section headed "Directors, Supervisors & Senior Management" in the 2008 annual report of the Company.*

This appendix includes an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

1. STOCK EXCHANGE RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Main Board of Stock Exchange to repurchase their shares on the Main Board of Stock Exchange subject to certain restrictions.

2. FUNDING OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the Articles of Association and the laws of PRC.

As compared with the financial position of the Company as at 31 December 2008 (being the date to which the latest audited financial statements of the Company have been made up), the Directors consider that there may not be a material adverse impact on the working capital or on the gearing position of the Company in the event that the proposed repurchases were to be exercised in full at any time during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

3. SHARE CAPITAL

As at the Latest Practicable Date, the registered share capital of the Company was RMB4,249,002,200 comprising 2,461,596,200 Domestic Shares and 1,787,406,000 H Shares. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM, the H Share Class Meeting and the Domestic Shares Class Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 178,740,600 H Shares, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolution.

4. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and/or its earning per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

6. EFFECT OF THE TAKEOVERS CODE

If, as a result of the Directors exercising the powers of the Company to repurchase H Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Sinotrans Group Company are interested in an aggregate of 2,461,596,200 Domestic Shares, representing approximately 57.93 % of the issued share capital of the Company.

As the shareholdings of Sinotrans Group Company in the Company is more than 50%, an exercise of the Repurchase Mandate in full will not trigger a bid obligation for Sinotrans Group Company and its concert parties under Rule 26 of the Takeovers Code. In any event, the Directors do not intend to exercise the power to repurchase Shares to an extent which would render the aforesaid Shareholders or any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Board will endeavour to ensure that the exercise of the Repurchase Mandate will not result in less than 25% of the Shares being held by the public.

The Directors are not aware of any consequences that may arise under the Takeovers Code and/or any similar applicable laws of which the Directors are aware, as a result of any repurchase of Shares made under the proposed resolution.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell any of the H Shares to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any of the H Shares to the Company nor has he/she/it undertaken not to sell any of the H Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of H Shares.

8. SHARE REPURCHASE MADE BY THE COMPANY

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

9. H SHARE PRICE

The highest and lowest prices at which the H Shares were traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2008		
April	2.64	2.18
May	3.02	2.09
June	2.24	1.86
July	2.00	1.78
August	1.89	1.60
September	1.80	1.30
October	1.68	0.65
November	1.30	1.00
December	1.63	1.02
2009		
January	1.60	1.19
February	1.36	1.13
March	1.32	1.07