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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sinotrans Limited (the “Company”), 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)

CONTINUING CONNECTED TRANSACTIONS

**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders**



A letter of recommendation from the Independent Board Committee is set out on page 11 of this circular and a letter of recommendation from Optima Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 26 of this circular.

A notice convening the extraordinary general meeting (the “EGM”) of Sinotrans Limited to be held at No. 1 Meeting Room, 12th Floor, Sinotrans Plaza A, A43, Xizhimen Beidajie, Haidian District, Beijing, the People's Republic of China 100044 on Thursday, 11 June 2009 at 11:00 a.m. or immediately after the conclusion of the Domestic Shares Class Meeting is set out on pages 37 to 38 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. If you do not intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to registered office of the Company at Sinotrans Plaza A, A43, Xizhimen Beidajie, Haidian District, Beijing, the People's Republic of China 100044 as soon as possible and in any event not less than twenty-four (24) hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment of it, if you so wish.

24 April 2009

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DEFINITIONS

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

“Announcement”	an announcement dated 9 April 2009 of the Company with regard to, among other things, the Non-exempt Continuing Connected Transactions
“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.
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	Sinotrans Limited, a company incorporated in the People’s Republic of China with limited liability, the shares of which are listed on the Stock Exchange
“Connected Joint Venture Partner(s)”	日本通運株式會社 (Nippon Express Co., Ltd.*), 韓進海運有限公司 (Hanjin Shipping Co. Ltd.*), Korean Airlines and 以星綜合航運有限公司 (Zim Integrated Shipping Services Ltd.*), each being a joint venture partner of the Group or an associate of a joint venture partner of the Group and a connected person of the Company
“Director(s)”	the director(s) 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
“EGM”	the extraordinary general meeting of the Company to be convened on Thursday, 11 June 2009 at 11:00 a.m. or immediately after the conclusion of the Domestic Shares Class Meeting for the purposes of passing the relevant resolution for approving the Non-exempt Continuing Connected Transactions
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested share(s) of RMB1.00 each in the share capital of the Company

DEFINITIONS

“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
“IFA”	Optima Capital Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions and the New Caps
“Independent Board Committee”	a board committee comprising of the independent non-executive Directors of the Company to be constituted to make recommendations to the Independent Shareholders in respect of the New Caps
“Independent Shareholders”	Shareholders other than 日本通運株式會社 (Nippon Express Co., Ltd.*), 韓進海運有限公司 (Hanjin Shipping Co. Ltd.*), Korean Airlines and 以星綜合航運有限公司 (Zim Integrated Shipping Services Ltd.*) and their respective associates
“Korean Airlines”	大韓航空有限公司 (Korean Airlines Co., Ltd.*), a substantial shareholder of an indirect non-wholly owned subsidiary of the Company
“Latest Practicable Date”	22 April 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Cap(s)”	the maximum value of Non-exempt Continuing Connected Transactions for each of the three years ending 31 December 2011 as set out in this circular
“Non-exempt Continuing Connected Transactions”	the continuing connected transactions between the Group and the Connected Joint Venture Partners, which are subject to Independent Shareholders’ approval, further details of which are set out in the section headed “Non-exempt Continuing Connected Transactions” in this circular
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
“Share(s)”	H Share(s) and Domestic Share(s)
“Shareholder(s)”	holder(s) of Shares of the Company
“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 owning approximately 57.93% interest in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America

** for the purpose of identification only*

LETTER FROM THE BOARD



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 Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Independent Non-executive Directors:

Sun Shuyi
Lu Zhengfei
Miao Yuexin

24 April 2009

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the Announcement in relation to certain business relationships with certain joint venture partners of the Group which constitute continuing connected transactions of the Company. The Directors expect such business relationships to continue and the Company has entered into agreements for the Non-exempt Continuing Connected Transactions.

LETTER FROM THE BOARD

The purpose of this circular is (i) to provide you with further information in relation to the Non-exempt Continuing Connected Transactions; (ii) to set out the opinions and recommendations of the Independent Board Committee and the IFA; and (iii) to give you notice of the EGM at which the resolution set out therein will be proposed.

The EGM will be held on Thursday, 11 June 2009 at 11:00 a.m. or immediately after the conclusion of the Domestic Shares Class Meeting for the purpose of, among others, obtaining the approval from the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions by way of poll. As the Connected Joint Venture Partners are parties to different Non-exempt Continuing Connected Transactions, they are required under the Listing Rules to abstain from voting on the single resolution to be proposed to approve all of the Non-exempt Continuing Connected Transactions subject to the New Caps of the EGM.

Sinotrans Group Company, the controlling shareholder of the Company owning approximately 57.93% interest in the Company at the Latest Practicable Date and which is not required to abstain from voting at the EGM as it is independent of and not an associate of the relevant connected persons identified in this circular, has confirmed that it would vote in favour of the single resolution to be proposed to approve the Non-exempt Continuing Connected Transactions subject to the New Caps at the EGM.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Group has business relationships with certain joint venture partners of the Group and its associates which constitute continuing connected transactions. The Group intends to continue its business relationships with 日本通運株式會社 (Nippon Express Co., Ltd.*), 韓進海運有限公司 (Hanjin Shipping Co. Ltd.*), Korean Airlines and 以星綜合航運有限公司 (Zim Integrated Shipping Services Ltd.*). Each of the above Connected Joint Venture Partners are connected persons of the Company solely by reason that each of them is a substantial shareholder of certain non-wholly owned subsidiaries of the Company, further particulars relating to which are included in the notes to the table below. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, apart from Korean Airlines' approximately 6.04% interest in 韓進海運有限公司 (Hanjin Shipping Co. Ltd.*) disclosed in 韓進海運有限公司's (Hanjin Shipping Co. Ltd.*) 2007 annual report, none of the Connected Joint Venture Partners are connected with each other.

Provision and receipt of transportation and logistics services

To comply with the requirements of the Listing Rules, the Company has on 9 April 2009 entered into a master services agreement with each of the following Connected Joint Venture Partners, namely, (i) 日本通運株式會社 (Nippon Express Co., Ltd.*); (ii) 韓進海運有限公司 (Hanjin Shipping Co. Ltd.*); (iii) Korean Airlines; and (iv) 以星綜合航運有限公司 (Zim Integrated Shipping Services Ltd.*), for the provision and receipt of transportation and logistics services (including freight forwarding services, shipping agency, storage and terminal services). The term of the master services agreement with each of the above Connected Joint Venture Partners is for a term of 3 years commencing on 1

LETTER FROM THE BOARD

January 2009 and ending on 31 December 2011. The master services agreements provide that services must be charged at the market price charged by independent third parties on normal commercial terms.

The Directors are of the view that the terms of the master services agreements signed by the relevant Connected Joint Venture Partners are fair and reasonable so far as the Shareholders are concerned and in the interest of the Company and its Shareholders as a whole.

The table below sets out the turnover/expenses of the Group attributable to the transactions with each of the following Connected Joint Venture Partners and its associates during 2006, 2007 and 2008 and the maximum cap for the value of transportation and logistic services to be provided and received by the Group respectively (in respect of which Independent Shareholders' approval is proposed to be sought at the EGM) with each of the following Connected Joint Venture Partners and its associates for the years 2009, 2010 and 2011:

		Amount (RMB)					
		2006	2007	2008	2009 Cap (Note 1)	2010 Cap (Note 1)	2011 Cap (Note 1)
日本通運株式會社 (Nippon Express Co., Ltd.*) (Notes 2, 3, 7 & 9)	Provision of transportation and logistics services	86,490,000	130,580,000	74,690,000	220,000,000	300,000,000	500,000,000
	Receipt of transportation and logistics services	23,130,000	35,550,000	40,360,000	87,000,000	131,000,000	200,000,000
	Total	<u>109,620,000</u>	<u>166,130,000</u>	<u>115,050,000</u>	<u>307,000,000</u>	<u>431,000,000</u>	<u>700,000,000</u>
韓進海運有限公司(Hanjin Shipping Co. Ltd.*) (Notes 2, 4, 7 & 8)	Provision of transportation and logistics services	37,940,000	21,300,000	18,860,000	30,000,000	40,000,000	50,000,000
	Receipt of transportation and logistics services	323,410,000	682,930,000	843,250,000	1,710,000,000	2,220,000,000	2,880,000,000
	Total	<u>361,350,000</u>	<u>704,230,000</u>	<u>862,110,000</u>	<u>1,740,000,000</u>	<u>2,260,000,000</u>	<u>2,930,000,000</u>
Korean Airlines (Notes 2, 5, 7 & 8)	Provision of transportation and logistics services	20,000	20,000	13,000	40,000	60,000	90,000
	Receipt of transportation and logistics services	13,730,000	8,470,000	186,370,000	610,000,000	920,060,000	1,370,000,000
	Total	<u>13,750,000</u>	<u>8,490,000</u>	<u>186,383,000</u>	<u>610,040,000</u>	<u>920,120,000</u>	<u>1,370,090,000</u>
以星綜合航運有限公司 (Zim Integrated Shipping Services Ltd*) (Notes 2, 6, 7 & 8)	Provision of transportation and logistics services	17,360,000	25,580,000	17,350,000	34,000,000	45,000,000	58,000,000
	Receipt of transportation and logistics services	111,000,000	155,840,000	196,460,000	400,000,000	510,000,000	670,000,000
	Total	<u>128,360,000</u>	<u>181,420,000</u>	<u>213,810,000</u>	<u>434,000,000</u>	<u>555,000,000</u>	<u>728,000,000</u>

LETTER FROM THE BOARD

Notes:

1. These figures represent the estimated maximum cap in respect of transactions of the relevant type which the Group will undertake during the relevant financial years in respect of which independent shareholders' approval is proposed to be sought at the EGM. The actual amounts of transactions may be different. Taking into account the bases for the determination of the caps as detailed below, the Board considers that the New Caps set out above are fair and reasonable.
2. The relevant estimates have been determined by reference to (i) the historical value of the transactions with the Connected Joint Venture Partners and their associates for the years 2006, 2007 and 2008; and (ii) the plans and requirements of the Group, after allowing a buffer for the inherent volatility of business in the transportation and logistics services industry and perceived increase in demand for the Group's services generally with the continued economic growth of the PRC and the implementation of the Group's strategy to expand its domestic operations and overseas network and, as customers seek the services of the more established and financially sound transportation and logistics services providers such as the Group to manage perceived risks associated with the current global economic downturn.
3. 日本通運株式會社 (Nippon Express Co., Ltd.*) is a substantial shareholder of a non-wholly owned subsidiary of the Company, owning 49% interest in such subsidiary. Based on the information provided to the Company by 日本通運株式會社 (Nippon Express Co., Ltd.), it is engaged in the business of provision of transportation and logistic services.
4. 韓進海運有限公司 (Hanjin Shipping Co. Ltd.*) is a substantial shareholder of a subsidiary of the Company, owning 49% interest in such subsidiary. Based on the information provided to the Company by 韓進海運有限公司 (Hanjin Shipping Co. Ltd.*), it is engaged in the business of provision of transportation and logistic services.
5. Korean Airlines is a substantial shareholder of a subsidiary of the Company, owning 25% interest in such subsidiary. Based on the information provided to the Company by Korean Airlines, it is engaged in the business of international air cargo transportation, aircraft and related machinery repair and aircraft rental services.
6. 以星綜合航運有限公司 (Zim Integrated Shipping Services Ltd.*) is a substantial shareholder of a subsidiary of the Company, owning 49% interest in such subsidiary. Based on the information provided to the Company by 以星綜合航運有限公司 (Zim Integrated Shipping Services Ltd.*), it is engaged in the business of provision of transportation and logistic services.
7. Payment for the provision and receipt of the above services will be made by cash in accordance with the standard terms of sale or provision of services of the provider from time to time.
8. 韓進海運有限公司 (Hanjin Shipping Co. Ltd.*), Korean Airlines and 以星綜合航運有限公司 (Zim Integrated Shipping Services Ltd.*) which were previously not connected persons of the Company became connected persons of the Company on 20 June 2005, 3 December 2007 and 16 January 2004, respectively as a result of forming new joint ventures with subsidiaries of the Company and thereby becoming a substantial shareholder of such joint venture (which is a subsidiary of the Company). Before becoming connected persons of the Company, these entities and their associates have been conducting ordinary and usual course of business transactions with members of the Group.

LETTER FROM THE BOARD

9. The continuing connected transactions with 日本通運株式會社 (Nippon Express Co., Ltd.*) for the three years ended 31 December 2008 were the subject of the Company's announcements dated 13 June 2006 and 27 March 2007. The relevant annual caps as disclosed in the Company's announcement dated 13 June 2006 were revised pursuant to the Company's announcement dated 27 March 2007, and which are set out as follows:

	Amount (RMB)		
	2006	2007	2008
Revised annual cap in respect of provision of transportation and logistics services	102,000,000	153,000,000	229,500,000
Revised annual cap for receipt of transportation and logistics services	25,500,000	38,300,000	57,400,000

Receipt of aircraft maintenance and repair services

To comply with the requirements of the Listing Rules, the Company has on 9 April 2009 entered into a master services agreement with Korean Airlines for the receipt of aircraft maintenance and repair services. The master services agreement provides that services offered by Korean Airlines and its associates to members of the Group must be charged at the market price charged by the independent third parties on normal commercial terms (in the same region). The term of such agreement is for a term of 3 years commencing on 1 January 2009 and ending on 31 December 2011.

The Directors are of the view that the terms of the master services agreement signed with Korean Airlines as described above are fair and reasonable so far as the Shareholders are concerned and in the interest of the Company and its Shareholders as a whole.

The Group received aircraft maintenance and repair services from Korean Airlines for the second half of 2008. The table below sets out the turnover/expenses of the Group attributable to the transaction with Korean Airlines and its associates during 2008 and the maximum cap for the value of aircraft maintenance and repair services to be received by the Group from Korean Airlines and its associates for the years 2009, 2010 and 2011:

		Amount (US\$)			
		2008	2009 Cap	2010 Cap	2011 Cap
			<i>(Note 1)</i>	<i>(Note 1)</i>	<i>(Note 1)</i>
Korean Airlines	Receipt of aircraft	680,000	15,500,000	22,250,000	23,050,000
<i>(Notes 2, 3 & 4)</i>	maintenance and repair services				

Notes:

- These figures represent the estimated maximum cap in respect of transaction of the relevant type which the Group will undertake during the relevant financial years in respect of which independent shareholders' approval is proposed to be sought at the EGM. The actual amount of transaction may be different. Taking into account the bases for the determination of the caps as detailed below, the Board considers that the New Caps set out above are fair and reasonable.

LETTER FROM THE BOARD

2. The relevant estimates have been determined by reference to the prevailing market prices of the maintenance and repairing services after arm's length negotiation with Korean Airlines and its associates.
3. Korean Airlines is a substantial shareholder of a subsidiary of the Company, owning 25% interest in such subsidiary. Based on the information provided to the Company by Korean Airlines, it is engaged in the business of international air cargo transportation, aircraft and related machinery repair and aircraft rental services. Korean Airlines which was previously not a connected person of the Company became a connected person of the Company as a result of forming joint ventures with subsidiaries of the Company and thereby becoming a substantial shareholder of such joint venture (which is a subsidiary of the Company). Before becoming a connected person of the Company, Korean Airlines and its associates have been conducting ordinary and usual course of business transactions with members of the Group.
4. Payment for the provision and receipt of the above services will be made by cash in accordance with the standard terms of sale or provision of services of the provider from time to time.

LISTING RULES COMPLIANCE IN RESPECT OF THE NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Details of the Non-exempt Continuing Connected Transactions will be included in the published annual reports of the Company for each of the three financial years ending 31 December 2011. The requirements as regards annual review of the Non-exempt Continuing Connected Transactions under Rules 14A.37 to 14A.40 of the Listing Rules will be complied with.

In the event that any of the caps in respect of the Non-exempt Continuing Connected Transactions is exceeded or any transaction under the Non-exempt Continuing Connected Transactions is renewed or there is a material change to the terms of the relevant transactions under the Non-exempt Continuing Connected Transactions, the Company will comply with the provisions of Chapter 14A of the Listing Rules, as applicable.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Certain Non-exempt Continuing Connected Transactions have been taking place since the Company became listed on the Stock Exchange in the year 2003 and in many of the cases described above, before the relevant Connected Joint Venture Partners became a connected person of the Company. The continuation of these Non-exempt Continuing Connected Transactions are essential for the continued operation and growth of the business of the Group. Some of the transportation and logistic services required by the Group will enable the Group to provide end-to-end transportation and logistics services to customers covering locations in which the Group does not have operations. In addition, the Group is also able to provide services to the Connected Joint Venture Partners who are not in the same line of business or who do not operate in the areas in which the Group has its core operations. Accordingly, the Directors consider that the terms of the Non-exempt Continuing Connected Transactions are in the interest of and are beneficial to the Group.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

The Group is principally engaged in the business of freight forwarding, express services, shipping agency services, storage and terminal services, marine transportation and trucking services. The Group is also engaged in the business of provision of inspections and survey services.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on page 11 of this circular which contains its recommendation to the Independent Shareholders in respect of the ordinary resolution set out in the notice of EGM set out on pages 37 to 38 of this circular to approve the Non-exempt Continuing Connected Transactions to be subject to the New Caps.

The advice of the IFA to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Non-exempt Continuing Connected Transactions and the New Caps are fair and reasonable and in the interest of the Company and its Independent Shareholders as a whole is set out on pages 12 to 26 of this circular.

FURTHER INFORMATION

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

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

* *for the purpose of identification only*



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)

24 April 2009

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders of Sinotrans Limited in respect of the resolution to approve the Non-exempt Continuing Connected Transactions subject to the New Caps, details of which are set out in the “Letter from the Board” contained in the circular of the Company (the “Circular”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

Your attention is drawn to the “Letter from the Board”, the letter of advice from the IFA in its capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of whether (i) the terms of the Non-exempt Continuing Connected Transactions are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interest of the Company and its Independent Shareholders as a whole; and (ii) the New Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned, as set out in the “Letter from Optima Capital Limited” as well as other additional information set out in other parts of the Circular.

Having taken into account the advice of, and the principal factors and reasons considered by the IFA in relation thereto as stated in its letter, we consider the terms of the Non-exempt Continuing Connected Transactions and the New Caps to be fair and reasonable and are in the interest of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM in respect of the Non-exempt Continuing Connected Transactions.

Yours faithfully,
Independent Board Committee
Sun Shuyi
Lu Zhengfei
Miao Yuexin
Independent Non-executive Directors

LETTER FROM OPTIMA CAPITAL LIMITED

The following is the letter of advice from Optima Capital Limited to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



Unit 3618, 36th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

24 April 2009

*To: the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Non-exempt Continuing Connected Transactions (including the New Caps) between the Company and each of the following Connected Joint Venture Partners, namely, (i) 日本通運株式會社 (Nippon Express Co., Ltd*) ("**Nippon Express**"); (ii) 韓進海運有限公司 (Hanjin Shipping Co., Ltd*) ("**Hanjin Shipping**"); (iii) Korean Airlines; and (iv) 以星綜合航運有限公司 (Zim Integrated Shipping Services Ltd.*) ("**Zim Integrated**") pursuant to the respective master services agreements entered into between the Company and each of the Connected Joint Venture Partners dated 9 April 2009 for a term of three years from 1 January 2009 to 31 December 2011, details of which are set out in the letter (the "**Letter**") from the Board contained in the circular of the Company dated 24 April 2009 (the "**Circular**") of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless otherwise requires.

As at the Latest Practicable Date, each of Nippon Express, Hanjin Shipping, Korean Airlines and Zim Integrated is a substantial shareholder of four different non-wholly owned subsidiaries of the Company, holding 49%, 49%, 25% and 49% beneficial interest respectively. As set out in the Letter, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, apart from Korean Airlines has approximately 6.04% shareholding interest in Hanjin Shipping as disclosed in Hanjin Shipping's 2007 annual report, none of the Connected Joint Venture Partners are connected with each other.

LETTER FROM OPTIMA CAPITAL LIMITED

As set out in the Letter, Sinotrans Group Company, the controlling shareholder of the Company owning approximately 57.93% interest in the Company as at the Latest Practicable Date and which is not required to abstain from voting at the EGM as it is independent of and not an associate of the relevant Connected Joint Venture Partners, has confirmed that if a vote were required for the Non-exempt Continuing Connected Transactions under Chapter 14A of the Listing Rules, it would vote in favour of any resolution that may be put to the Shareholders to approve the Non-exempt Continuing Connected Transactions subject to the New Caps at the EGM.

The Independent Board Committee comprising Sun Shuyi, Lu Zhengfei and Miao Yuexin, being all independent non-executive Directors, has been constituted to advise the Independent Shareholders in respect of the terms of the Non-exempt Continuing Connected Transactions and the New Caps. In our capacity as the independent financial adviser of the Independent Board Committee and the Independent Shareholders, our role is to provide the Independent Board Committee and the Independent Shareholders with an independent opinion as to whether (i) the terms of the Non-exempt Continuing Connected Transactions are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole; and (ii) the New Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management of the Company and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects at the time they were made and up to the date of the EGM. We have also sought and received confirmation from the executive Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information have been withheld, nor doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Non-exempt Continuing Connected Transactions (together with the New Caps) are fair and reasonable so far as the Company and the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

1. Background and reasons for the Non-exempt Continuing Connected Transactions

The Group is principally engaged in the business of freight forwarding, express services, shipping agency, storage and terminal services, marine transportation and trucking services (together, the “**Transportation and Logistics Services**”). The Group is also engaged in the business of provision of inspection and survey services. The Company’s operation mainly covers coastal areas and other strategic areas in the PRC, such as Guangdong, Fujian, Shanghai, Zhejiang, Jiangsu, Jiangxi, Hubei, Shandong, Tianjin and Liaoning (the “**Core Operation Regions**”), with a comprehensive nationwide service network and overseas agency network.

On 9 April 2009, the Company entered into the master services agreements for a term of three years from 1 January 2009 to 31 December 2011 with each of Nippon Express, Hanjin Shipping, Korean Airlines and Zim Integrated respectively for the provision and receipt of Transportation and Logistics Services and with Korean Airlines for the receipt of aircraft maintenance and repair services (collectively, the “**New Master Agreements**”).

As stated in the Letter, certain Non-exempt Continuing Connected Transactions have been taking place since the Company became listed on the Stock Exchange in 2003 and, in many cases, before the relevant Connected Joint Venture Partner became a connected person of the Company. The continuation of these Non-exempt Continuing Connected Transactions is essential for the continued operation and growth of the business of the Group. Some of the Transportation and Logistics Services required by the Group will enable it to provide end-to-end Transportation and Logistics Services to customers covering locations in which the Group does not have operations. In addition, the Group is also able to provide services to the Connected Joint Venture Partners who are not in the same line of business or who do not operate in the areas in which the Group has its core operations. Details of the principal businesses of each of the Connected Joint Venture Partners and the reasons for the Non-exempt Continuing Connected Transactions between the Group and each of the Connected Joint Venture Partners are discussed below.

1.1 Transactions with Nippon Express

We understand from the Company that Nippon Express is principally engaged in, among other things, the business of provision of marine transportation, coastal shipping services, air freight forwarding services and cargo transportation with operations covering various countries in Europe, China, Asia-Oceania and the Americas. Nippon Express provides freight forwarding services to the Group in Japan and is one of the contracted overseas agents of the Group while the Group provides freight forwarding services to Nippon Express in the Core-Operation

Regions. As discussed with the management of the Company, it is expected that the cooperation with Nippon Express would enhance the network coverage and the cross-continental transportation services capability of both the Group and Nippon Express.

As advised by the Company, the aforesaid business relationship between Nippon Express and the Group has commenced before the Company became listed on the Stock Exchange in 2003. Given the existing business services agreement entered into between Nippon Express and the Group has expired on 31 December 2008, the parties entered into a new master services agreement to continue the business relationship for a term of another three years from 1 January 2009 to 31 December 2011.

1.2 Transactions with Hanjin Shipping

We understand from the Company that Hanjin Shipping is principally engaged in the business of marine transportation and sea freight forwarding services in various countries around the world. Hanjin Shipping provides sea freight forwarding services to the Group and is one of the contracted suppliers to the Group while the Group provides shipping agency services to Hanjin Shipping in the Core-Operation Regions. As stated in the Letter, Hanjin Shipping had only become connected person of the Company since 20 June 2005 after becoming a substantial shareholder of a joint venture formed with a subsidiary of the Company. Before becoming connected person of the Company, Hanjin Shipping and its associates have also been conducting ordinary and usual course of business transactions with members of the Group. As advised by the Company, it is expected that the cooperation with Hanjin Shipping would increase the utilization in capacity of the vessels of both the Group and Hanjin Shipping and in turn enhance the cost effectiveness of the Group and will allow the Group to become competitive in the shipping market.

1.3 Transactions with Korean Airlines

We understand from the Company that Korean Airlines is principally engaged in the business of domestic and international air cargo transportation and passenger business within South Korea and in the cities of various other countries around the world. Korean Airlines also engaged in the business of aircraft maintenance and repair services. Korean Airlines provides air cargo transportation and aircraft maintenance and repair services to the Group while the Group provides freight forwarding services to Korean Airlines in the Core-Operation Regions. As stated in the Letter, Korean Airlines had only become connected person of the Company since 3 December 2007 after becoming a substantial shareholder of a joint venture newly formed with a subsidiary of the Company. Before becoming connected person of the Company, Korean Airlines and its associates have also been conducting ordinary and usual course of business transactions with members of the Group.

1.4 Transactions with Zim Integrated

We understand from the Company that Zim Integrated is principally engaged in the business of marine transportation and global logistics services with operations covering Europe, United States of America, Canada, South America, Africa and Asia. Zim Integrated provides sea freight forwarding services to the Group and is one of the major contracted supplier to the Group while the Group provides shipping agency services to Zim Integrated in the Core-Operation Regions. As stated in the Letter, Zim Integrated had only become connected person of the Company since 16 January 2004 after becoming a substantial shareholder of a joint venture newly formed with a subsidiary of the Company. Before becoming connected person of the Company, Zim Integrated and its associates have also been conducting ordinary and usual course of business transactions with members of the Group. As advised by the Company, it is expected that the cooperation with Zim Integrated would increase the utilization in capacity of the vessels of both the Group and Zim Integrated and in turn enhance the cost effectiveness of the Group and will allow the Group to become competitive in the shipping market.

We understand from the Company that through the business co-operation with each of Nippon Express, Hanjin Shipping, Korean Airlines and Zim Integrated in the past, the Group is familiar with their workflow and services, which in turn helps to maintain the quality and efficiency of the services provided by the Group to its customers. The Directors also consider them as reliable business partners and the Company is satisfied with the quality of their services. Accordingly, co-operation with the Connected Joint Venture Partners not only enables the Group to optimize its resource allocation but also ensures the quality of services provided, which enhances customers' satisfaction and the Group's reputation and facilitates the brand building of the Group. In addition, as described above, the network coverage of the Group and the Connected Joint Venture Partners are complementary to each other and the Directors consider that the entering into of the Non-exempt Continuing Connected Transactions enables the Group to leverage on the existing network and resources of the Connected Joint Venture Partners and to provide comprehensive Transportation and Logistics Services to its customers outside the Core Operation Regions where the Group does not have presence. This would allow the Group to expand and develop its business operations and network coverage. At the same time, the provision of the Group's services to the Connected Joint Venture Partners would enhance the Group's income stream and earning base which is in the interest of the Group.

In light of the above, we concur with the view of the Directors that the entering into of the New Master Agreements is in the interest of and beneficial to the Group and the Independent Shareholders as a whole.

2. Terms of the New Master Agreements

Each of the New Master Agreements, with a term of three years commencing from 1 January 2009 and ending on 31 December 2011, will be conditional upon the approval of the Independent Shareholders at the EGM. Pursuant to the terms of each of the New Master Agreements, the provision and receipt of the Transportation and Logistics Services and the receipt of the aircraft maintenance and repair services will be determined with reference to market price charged to or by independent third parties under normal commercial terms.

As advised by the Directors, the Group would in practice obtain quotations or search from Internet for pricing from several independent third parties other than the Connected Joint Venture Partners and would compare and then select the one that suits the Group's requirements before securing services. For service provision, the Group would charge the prices based on prevailing market conditions after taking into account of the scope of services to be provided.

In connection with the provision of the Transportation and Logistics Services, we have reviewed sample copies of invoices issued by the subsidiaries of the Company to the Connected Joint Venture Partners and compared them with those issued to other independent third parties for transactions in similar types and nature. Regarding the receipt of the Transportation and Logistics Services and the aircraft maintenance and repair services, we have reviewed sample quotations obtained from other independent third parties or pricing from Internet and compared with the invoices from the Connected Joint Venture Partners for transactions in similar types and nature. Based on the reviews, we noted that the services were charged at market prices comparable to those charged to or by independent third parties under normal commercial terms and we consider that the Group have procedures in place to ensure the prices charged to or by the Connected Joint Venture Partners are comparable to market prices.

Given that (i) the Non-exempt Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Group; and (ii) the pricing policy of the Non-exempt Continuing Connected Transactions was and will continue to be determined on an arm's length basis with reference to the market price under normal commercial terms, we are of the view that the pricing basis of the New Master Agreements are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

LETTER FROM OPTIMA CAPITAL LIMITED

3. Basis of the New Caps

Transactions with the Connected Joint Venture Partners on the provision and receipt of Transportation and Logistics Services

As stated in the Letter, the actual transaction amounts for the three years ended 31 December 2006, 2007 and 2008 and the New Caps under the respective New Master Agreements in respect of the Non-exempt Continuing Connected Transactions on the provision and receipt of Transportation and Logistics Services with each of the Connected Joint Venture Partners are as follows:

		Actual transaction amount for 2006	Actual transaction amount for 2007	Amount (RMB) Actual transaction amount for 2008	2009 Cap	2010 Cap	2011 Cap
Nippon Express	Provision of Transportation and Logistics Services	86,490,000	130,580,000	74,690,000	220,000,000	300,000,000	500,000,000
	Receipt of Transportation and Logistics Services	23,130,000	35,550,000	40,360,000	87,000,000	131,000,000	200,000,000
Hanjin Shipping	Provision of Transportation and Logistics Services	37,940,000	21,300,000	18,860,000	30,000,000	40,000,000	50,000,000
	Receipt of Transportation and Logistics Services	323,410,000	682,930,000	843,250,000	1,710,000,000	2,220,000,000	2,880,000,000
Korean Airlines	Provision of Transportation and Logistics Services	20,000	20,000	13,000	40,000	60,000	90,000
	Receipt of Transportation and Logistics Services	13,730,000	8,470,000	186,370,000	610,000,000	920,060,000	1,370,000,000
Zim Integrated	Provision of Transportation and Logistics Services	17,360,000	25,580,000	17,350,000	34,000,000	45,000,000	58,000,000
	Receipt of Transportation and Logistics Services	111,000,000	155,840,000	196,460,000	400,000,000	510,000,000	670,000,000

LETTER FROM OPTIMA CAPITAL LIMITED

In determining the New Caps for the Non-exempt Continuing Connected Transactions between the Company and each of the Connected Joint Venture Partners and their respective associates, the Company has primarily adopted the following bases and assumptions:

- (i) the historical value of the transactions with each of the Connected Joint Venture Partners and their respective associates for the years 2006, 2007 and 2008; and
- (ii) the plans and requirements of the Group, after allowing a buffer for the inherent volatility of business in the transportation and logistics services industry and perceived increase in demand for the Group's services generally with the continued economic growth of the PRC and the implementation of the Group's strategy to expand its domestic operations and overseas network and, as customers seek the services of the more established and financially sound transportation and logistics services providers such as the Group to manage perceived risks associated with the current global economic downturn.

Transactions with Korean Airlines on the receipt of aircraft maintenance and repair services

As stated in the Letter, the actual transaction amounts for the six months ended 31 December 2008 and the New Caps under the New Master Agreement in respect of the Non-exempt Continuing Connected Transaction on the receipt of aircraft maintenance and repair services with Korean Airlines are as follows:

			Amount (US\$)		
Actual transaction amount for six months end 31 December 2008			2009 Cap	2010 Cap	2011 Cap
Korean Airlines	Receipt of aircraft maintenance and repair services	680,000	15,500,000	22,250,000	23,050,000

In determining the New Caps for the Non-exempt Continuing Connected Transactions between the Company and Korean Airlines and its associates on the receipt of aircraft maintenance and repair services, the Company has primarily adopted the base and assumption of the prevailing prices of the maintenance and repairing services after arm's length negotiation with Korean Airlines and its associates.

We have discussed with the management of the Company the basis and assumptions underlying the determination of the New Caps and have assessed the fairness and reasonableness of the New Caps based on the following factors:

3.1 Demand for Transportation and Logistics Services

Despite the global economic downturn which has greatly affected the global shipping market in the second half of 2008, the PRC has experienced steady economic growth in the past few years. According to the China Statistical Yearbook 2008 issued by National Bureau of Statistics of China, (i) the gross domestic products of the PRC has been growing in the past few years and increased from approximately RMB13,582.3 billion in 2003 to approximately RMB24,953.0 billion in 2007, representing a compound annual growth rate of approximately 16.4%; (ii) the total consumption expenditures increased from approximately RMB11,059.5 billion in 2006 to approximately RMB12,844.4 billion in 2007, representing an annual growth rate of approximately 16.1%; and (iii) volume of freight traffic in the PRC increased from approximately 15.6 billion tonnes in 2003 to approximately 22.8 billion tones in 2007, representing a compound annual growth rate of approximately 10.0%. In addition, according to the statistics by Ministry of Commerce of the People's Republic of China ("MOFCOM"), the PRC's total import and export trade increased from approximately US\$851.2 billion in 2003 to approximately US\$2,173.8 billion in 2007, representing a compound annual growth rate of approximately 26.4%. Moreover, we have reviewed the Baltic Dry Index ("BDI"), which reflects the spot rates of the global dry bulk shipping market. The average BDI has increased from 4,510 points in 2004 to 6,390 points in 2008, representing a compound annual growth rate of approximately 9.10%. In May 2008, the BDI reached over 11,000 points. As a result of the recent global economic downturn, the BDI has dropped to about 660 points in early December 2008. In April 2009, the BDI has increased and returned to around 1,800 points.

In view of the increase in gross domestic products of the PRC, the consumption expenditures and volume of freight traffic in the PRC in the past few years, and the factor that the demand for the Group's Transportation and Logistics Services is correlated to the total PRC's import and export trade, the Directors are of the view that despite the downturn of the international economic environment, they continue to be positive about the China's economic growth and development given the China's economic growth momentum in the past few years. Based on the above statistics and the volatility of the BDI in the past few months as illustrated above, we consider that it is reasonable for the Company to reserve certain buffer in the New Caps in case the market demand surge as a result of the global recovery of economic conditions in later years given the leading position of the Group in the industry.

3.2 Business plan of the Group

As mentioned in the annual report of the Company for the year ended 31 December 2008, the Group will be facing more daunting challenges in 2009 given the severe economic environment. By persisting in a prudent development strategy, nevertheless, the Company is confident that the Company will sustain healthy growth in its operating results to deliver greater value to its shareholders and the Company will continue to work on the optimisation of resource allocation to increase the Group's efficiency in the use of resources.

We understand from the management of the Company that in determining the New Caps, the management has considered the growth in various areas of the Group's business.

In addition to acting as agent for shippers (whereby no issuance of house bills of lading is involved), the Group also operates as a NVOCC (namely Non-Vessel Operating Common Carrier), whereby a carrier is authorised to issue house bills of lading in its provision of shipping services, though it does not own or operate vessels. We have discussed with the Directors and are given to understand that the Group anticipated the NVOCC business will continue to grow. As advised by the Directors, the Group's NVOCC business has been improving with the transaction volume increased from approximately 60,000 Twenty-Foot Equivalent Unit ("TEU") in 2005 to approximately 90,000 TEU in 2008 and such growth is expected to continue.

We understand from the management that the Group has established its own domestic business transportation company in 2008 which is principally engaged in providing domestic bulk cargo transportation services. As a result, more supporting services from the service providers in the non-Core Operation Regions would be required. In addition, the Company expected to enhance the Group's integrated logistics capability by acquiring businesses that complement the service network of the Group or located outside the Core Operation Regions. By expanding the service network of the Group, it is expected that more Transportation and Logistics Services and/or aircraft maintenance and repair services (as the case may be) will be required from the Connected Joint Venture Partners.

In addition, as advised by the Company, it will continue to develop its import freight forwarding business as one of its business objectives. Furthermore, the Company plans to develop a new type of logistics services in respect of chemical products transportation in the year 2009. It is therefore expected that the Transportation and Logistics Services required from the Connected Joint Venture Partners will increase accordingly.

3.3 The historical transaction values of the Non-exempt Continuing Connected Transactions

We have reviewed the historical transaction amounts between the Group and the Connected Joint Venture Partners and have discussed with the Directors the relevant historical trends. We understand from the Directors that due to the slow down of the growth of global economy in the first half of 2008 and the subsequent intensified adverse repercussions, the amounts of the Non-exempt Continuing Connected Transactions with each of the Connected Joint Venture Partners were lower than expected. Nevertheless, we are advised by the Company that possible growth in businesses with Connected Joint Venture Partners may likely to happen due to the consolidation of the transportation and logistics industry under the current uncertain economy as more established and financially sound transportation and logistics services providers such as the Group may be perceived to be more reliable business partners. We have further considered that the economy downturn since 2008 has made the business more difficult and resulted in a lower than usual transaction amounts. Accordingly, we concur with the Directors that it would be in the interest of the Group to provide reasonable and sufficient buffer as compared with the historical transaction amounts recorded for the year ended 31 December 2008 in determining the New Caps for the year ending 31 December 2009, so as to allow the Group to cater for any surge in demand from the Connected Joint Venture Partners of the Group's services or from the Group of the Connected Joint Venture Partners' services after recovery of the economy which cannot be predicted at the moment. Apart from the above, we have considered the historical trends of the transaction amounts of the Non-exempt Continuing Connected Transactions and further reasons and factors specific to the relevant Connected Joint Venture Partners as set out below in assessing the fairness and reasonableness of the New Caps for the year ending 31 December 2009 for each of the Connected Joint Venture Partners.

3.3.1 Transactions with Nippon Express

Transportation and Logistics Services

The actual transaction amount for the provision and receipt of Transportation and Logistics Services to and from Nippon Express increased by approximately 50.98% and 53.70% respectively in 2007 as compared with 2006. However, as advised by the Directors, due to the effect of the global economic downturn in 2008, the actual transaction amount for the provision of Transportation and Logistics Services to Nippon Express in 2008 has decreased by approximately 42.80% compared with 2007 while the actual transaction amount for the receipt of Transportation and Logistics Services from Nippon Express in 2008 recorded a slight increase as compared with 2007. Notwithstanding the worldwide economic environment in the year 2008 as described above, the Company is optimistic in the business with Nippon Express and substantial growth in the transaction amounts with Nippon Express

may likely happen. In fact, as advised by the Directors, Nippon Express expected that its group will have some scalable orders in relation to the Transportation and Logistics Services to be placed to the Group in 2009. Therefore a reasonable buffer to cater for the expected increase in the provision and receipt of Transportation and Logistics Services to and from Nippon Express for the year ending 31 December 2009 is considered reasonable and in line with the overall historical trends of the amounts of the respective transactions.

3.3.2 Transactions with Hanjin Shipping

Transportation and Logistics Services

The actual transaction amount for provision of Transportation and Logistics Services to Hanjin Shipping has declined by approximately 43.86% in 2007 as compared with 2006 but the relevant transaction amount in 2008 has only recorded a slight decline of approximately 11.46% as compared with 2007. As advised by the Directors, the decreases in the provision of Transportation and Logistics Services to Hanjin Shipping in the past two years was due to the fact that the joint venture established between the Group and Hanjin Shipping was newly formed and its business was still in the initial development stage. The Group is optimistic about the growth of the business with Hanjin Shipping and the Group will further expand business co-operation with it in relation to shipping agency, storage and terminal services. Accordingly, the Group expects an increase in the provision of Transportation and Logistics Services to Hanjin Shipping for the year ending 31 December 2009 of approximately 59.07% compared with the actual transaction amount in 2008 to be reasonable after considering the background and reasons specific to this type of transaction. Likewise, the actual transaction amount for the receipt of Transportation and Logistics Services from Hanjin Shipping increased by more than double in 2007 as compared with 2006 and the relevant transaction amount in 2008 has also recorded an increase of approximately 23.48% as compared with 2007. The expected increase in the receipt of Transportation and Logistics Services from Hanjin Shipping for the year ending 31 December 2009 was therefore determined with reference to, and is in line with, the historical growth rate of the respective transactions.

3.3.3 Transactions with Korean Airlines

Transportation and Logistics Services

The actual transaction amount for the provision of Transportation and Logistics Services to Korean Airlines for the year of 2008 represents 35% decline as compare with the year of 2007 and there was no change in the relevant transaction amount from 2006 to 2007. Likewise, the actual transaction amounts for receipt of Transportation and Logistics Services from Korean Airlines increased by over 22 times in 2008 as compared with 2007. Given the comparably lower monetary value for the actual historical amounts in respect of the provision of Transportation and Logistics Services to Korean Airlines, we consider that a sufficient buffer in addition to historical amounts should be used in determining the relevant New Caps under such circumstance. For the receipt of Transportation and Logistics Services from Korean Airlines, the proposed New Caps for the year ending 31 December 2009 are determined in line with the historical growth rate of the respective transactions.

Aircraft maintenance and repair services

The Group had commenced the business of aircraft transportation service with its own aircraft in the second half of 2008 and therefore only received aircraft maintenance and repair services from Korean Airlines since then. As such, there is no reference to the historical growth rate of similar type of transactions between Korean Airlines and the Group. The actual transaction amount for the receipt of aircraft maintenance and repair services from Korean Airlines was approximately US\$680,000 for the six months ended 31 December 2008. Given that the aircraft maintenance and repair services are new types of services provided by Korean Airlines and the comparably higher monetary value for such types of services, the Directors consider a sufficient buffer for the amount of the New Caps in respect of the Non-exempt Continuing Connected Transaction on the receipt of aircraft maintenance and repair services with Korean Airlines to be reasonable and in line with the business requirements.

3.3.4 Transactions with Zim Integrated

Transportation and Logistics Services

The actual transaction amount for the provision and receipt of Transportation and Logistics Services to and from Zim Integrated increased by approximately 47.35% and 40.40% respectively in 2007 as compared with 2006. However, as advised by the Directors, due to the effect of the global economic downturn in the year 2008 as described above, the actual transaction amount for the provision of Transportation and Logistics Services to Zim Integrated in 2008 has decreased by approximately 32.17% compared with 2007 while the actual transaction amount for the receipt of Transportation and Logistics Services from Zim Integrated in 2008 has been able to maintain a satisfactory increase of approximately 26.07% as compared with 2007. We consider that the decrease in the actual transaction amount for the provision of Transportation and Logistics Services to Zim Integrated in 2008 was attributable to the unexpected financial crisis in that year, and may likely to be recovered after market revival that may happen in the foreseeable future. Therefore the expected increase in the provision and receipt of Transportation and Logistics Services to and from Zim Integrated for the year ending 31 December 2009 is considered reasonable and, notwithstanding the particular performance in 2008 as described and explained above, in line with the overall historical trends of the actual amounts of the respective transactions.

Apart from the factors and reasons as stated above, we also noted that in determining the New Caps for each of the years ending 31 December 2010 and 2011, the Company has assumed an annual growth rate ranging from (i) approximately 36% to 67% in respect of the provision and receipt of Transportation and Logistics Services to and from Nippon Express; (ii) approximately 25% to 33% in respect of the provision and receipt of Transportation and Logistics Services to and from Hanjin Shipping; (iii) approximately 49% to 51% in respect of the provision and receipt of Transportation and Logistics Services to and from Korean Airlines; (iv) approximately 4% to 44% in respect of the receipt of aircraft maintenance and repair services from Korean Airlines; and (v) approximately 28% to 32% in respect of the provision and receipt of Transportation and Logistics Services to and from Zim Integrated.

LETTER FROM OPTIMA CAPITAL LIMITED

In view of the discussed underlying bases and assumptions of the projection with the Directors as set out above (including the historical transaction amounts with each of the Connected Joint Venture Partners and the other reasons for the expected increase in transaction amounts in the coming three years), the official statistics in relation to the PRC economy and the shipping industry as referred to above, and the business plan of the Group as described in this letter, we are of the view that the New Caps for each of the years ending 31 December 2009, 2010 and 2011 for the provision and receipt of Transportation and Logistics Services and receipt of aircraft maintenance and repair services between the Group and each of the Connected Joint Venture Partners are fair and reasonable.

RECOMMENDATION

Having considered the above principal factors and reasons, we consider (i) the terms of the Non-exempt Continuing Connected Transactions are on normal commercial terms, in the ordinary and usual course of business of the Company, fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole; and (ii) the New Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Non-exempt Continuing Connected Transactions and the New Caps.

Yours faithfully,
for and on behalf of
OPTIMA CAPITAL LIMITED
Mei H. Leung **April Chan**
Chairman *Director*

* *for the purpose of identification only*

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS**I. Interests of Directors**

As at the Latest Practicable Date, so far as the Directors or supervisor of the Company are aware, none of the Directors or supervisor of the Company has interests and short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

II. Interests of Shareholders discloseable pursuant to the SFO

As at the Latest Practicable Date, so far as is known to the Directors or supervisor of the Company and based on the Company's register required to be maintained pursuant to section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the following persons (other than a Director or supervisor of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group are as follows:

(a) Interests in the Shares

Name of Shareholders	Number of Shares held (Class of Shares)			Nature of Interests	% of the Company's issued total domestic share capital	% of the Company's total issued H share capital	% of the Company's total issued share capital
	Long position	Short position	Lending pool				
China National Foreign Trade Transportation (Group) (Note 1)	2,461,596,200 (Domestic Shares)	—	—	Beneficial owner	100		57.93
Deutsche Post AG (Note 2)	237,468,000 (H Shares)	—	—	Controlled corporation		13.30	5.59
Franklin Templeton Investments Corp.	196,278,000 (H Shares)	—	—	Investment Manager		10.98	4.62
JP Morgan Chase & Co. (Note 3)	125,107,252 (H Shares)	—	—	Controlled Corporation		6.99	2.94
	—	—	124,513,252 (H Shares)	Custodian corporation/ approved lending agent		6.97	2.93
The Bank of New York Mellon Corporation (Note 4)	180,293,100 (H Shares)	—	—	Controlled corporation		10.09	4.24
	—	—	105,664,200 (H Shares)	Custodian corporation/ approved lending agent		5.91	2.49
Templeton Investment Counsel, LLC	93,443,000 (H Shares)	—	—	Investment Manager		5.23	2.20

Note 1: Zhao Huxiang, Zhang Jianwei, Tao Suyun, Li Jianzhang, Yang Yuntao and Liu Jinghua are directors or employees of China National Foreign Trade Transportation Group which is the controlling shareholder of the Company.

Note 2: This includes 201,852,000 H Shares held by Deutsche Post Beteiligungen GmbH ("Deutsche GmbH") and 35,616,000 shares held by DHL Exel Supply Chain (Hong Kong) Limited ("Exel"). Deutsche GmbH and Exel are both 100% held by Deutsche Post AG.

Note 3: This includes 124,513,252 H Shares held by JPMorgan Chase Bank, N.A. and 594,000 H Shares held by J.P. Morgan Whitefriars Inc. JPMorgan Chase Bank, N.A. and J.P. Morgan Whitefriars Inc. are all 100% held by JP Morgan Chase & Co.

Note 4: This includes 158,894,100 H Shares held by The Bank of New York Mellon, which is 100% held by The Bank of New York Mellon Corporation.

(b) Substantial Shareholders of other members of the Group

As at the Latest Practicable Date, save as disclosed below and so far as is known to the Directors or supervisor of the Company, no person (not being a Director or supervisor of the Company) was interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the other members of the Group.

Name of entities holding 10% or more interest in a member of the Group	Interest in relevant company	Name of subsidiary of the Company
大韓航空有限公司 (Korean Airlines Co., Ltd.*)	25%	銀河國際貨運航空有限公司 (Grandstar Cargo International Co., Ltd.*)
香港金發船務有限公司 (Golden Shipping Co., Ltd*)	33%	上海華發國際貨運有限公司 (Shanghai Huafa International Transportation Co., Ltd.*)
	10%	上海中外運化工國際物流有限公司 (Sinotrans Shanghai Chemical International Logistics Co. Ltd.*)
上海森華貨運經營有限公司 (Shanghai Shumhua Freight Forwarding Operation Company Limited*)	10%	華發騰飛國際貨運有限公司 (Huafa Tanefei International Transportation Company Limited*)
日本通運株式會社 (Nippon Express Co., Ltd.*)	49%	上海通運國際物流有限公司 (Shanghai Express International Co., Ltd.*)
美國致遠航運有限公司 (South East World Wide Limited*)	45%	寧波致遠國際貨運有限公司 (Ningbo Southeast International Freight Company Limited*)
	30%	江蘇時運國際貨運有限公司 (Jiangsu Fortunate International Company Limited*)
新加坡太平船務有限公司 (Pacific International Lines (Pte) Ltd.*)	40%	上海華星國際集裝箱貨運有限公司 (Shanghai Huasing International Container Freight Transportation Co., Ltd.*)
	45%	寧波太平國際貿易聯運有限公司 (Ningbo Taiping International Trade Transportation Company Limited*)
	27%	寧波保稅區太平倉儲有限公司 (Ningbo Free Trade Zone Taiping Warehouse Co., Ltd.*)

Name of entities holding 10% or more interest in a member of the Group	Interest in relevant company	Name of subsidiary of the Company
蘇州新區高新技術產業股份 有限公司 (Suzhou New District New & Hi-Tech Industrial Co., Ltd.*)	40%	中外運高新物流(蘇州)有限公司 (Sinotrans Gaoxin Logistics (Suzhou) Ltd.*)
運坡工貿公司 (Yuno Gongmao Corp.*)	10%	上海星明集裝箱倉儲有限公司 (Shanghai Shengming Container Storage Company Limited*)
寧波新世紀國際投資有限公司 (Ningbo New Century International Investment Company Limited*)	24.5%	寧波大港新世紀貨櫃有限公司 (Ningbo Dagang New Century Container Company Limited*)
寧波大港貨櫃有限公司 (Ningbo Dagang Container Company Limited*)	24.5%	寧波大港新世紀貨櫃有限公司 (Ningbo Dagang New Century Container Company Limited*)
以星綜合航運有限公司 (Zim Integrated Shipping Services Ltd.*)	49%	上海運星國際船務代理有限公司 (Shanghai Yunsheng International Shipping Agency Company Limited*)
怡和船務代理(中國)有限公司 (Yihe Shipping Agency (China) Company Limited*)	49%	上海怡定和國際船務代理有限公司 (Shanghai Yidinghe International Shipping Agency*)
寧波泛洋國際貨運代理有限公司 職工持股會 (Ningbo Transocean International Forwarding Agency Ningbo Co. Ltd.*)	40%	寧波泛洋國際貨運代理有限公司 (Ningbo Transocean International Forwarding Agency Company Limited*)
寧波船務代理有限公司 職工持股會 (China Marine Shipping Agency Ningbo Co. Ltd. Employee Shareholding Society*)	40%	寧波船務代理有限公司 (China Marine Shipping Agency Ningbo Co., Ltd.*)
寧波外運國際貨運代理有限公司 職工持股會 (Sinotrans Ningbo International Freight Forward Agency Co., Ltd. Employee Shareholding Society*)	40%	寧波外運國際貨運代理有限公司 (Sinotrans Ningbo International Freight Forwarding Agency Co., Ltd.*)

Name of entities holding 10% or more interest in a member of the Group	Interest in relevant company	Name of subsidiary of the Company
寧波外運國際集裝箱貨運 有限公司職工持股會 (Sinotrans Ningbo International Container Transportation Company Limited Employee Shareholding Society*)	40%	寧波外運國際集裝箱貨運有限公司 (Sinotrans Ningbo International Container Transportation Company Limited*)
廣東省食品進出口集團公司 (Guangdong Foodstuffs Imp & Exp (Group) Corporation*)	20%	佛山中外運有限公司 (Sinotrans Foshan Company Limited*)
廣東省南海食品進出口有限公司 (Guangdong Nanhai Foodstuffs Company Limited*)	25%	佛山中外運有限公司 (Sinotrans Foshan Company Limited*)
錦和有限公司 (Jinhe Co., Ltd.*)	35%	江門中外運倉碼有限公司 (Sinotrans Guangdong Jiangmen Warehousing & Terminal Co., Ltd.*)
	35%	江門外海運輸實業有限公司 (Jiangmen Foreign Transportation & Enterprises Co., Ltd.*)
中山市歧江工業發展有限公司 (Zhongshan Qijiang Industry Development Co., Ltd.*)	40.564%	中山廣運貨運有限公司 (Zhongshan Sinoway Transportation Corp., Ltd.*)
福州市國有資產經營公司 (Fuzhou City State-owned Assets Management Company*)	30%	福州大裕保稅倉儲有限公司 (Fuzhou Davu Bonded Storage Company Limited*)
日本山九株式會社 (Sankyu Inc.*)	40%	天津天山國際貨運有限公司 (Tianjin Tianshan International Freight Forwarding Company Limited*)
濟南大運物流有限公司 (Jnan Da Yun Logistics Co., Ltd.*)	20%	山東中外運力神起重運輸有限公司 (Shandong Sinotrans Lishen Hoisting and Transporting Company Limited*)
COTECNA INSPECTION S.A.	49%	中瑞檢驗有限公司 (Sino-Swiss Inspection Co., Ltd.*)
馬士基集團香港有限公司 (MAERSK Group Hong Kong Company Limited*)	49%	上海中歐國際船務代理有限公司 (Shanghai Fortune International Shipping Agency Co., Ltd.*)

Name of entities holding 10% or more interest in a member of the Group	Interest in relevant company	Name of subsidiary of the Company
韓進海運有限公司 (Hanjin Shipping Company Limited*)	49%	上海星翰船務代理有限公司 (Shanghai Shenhan Shipping Agency Company Limited*)
鴻意船務企業有限公司 (Eternal China Shipping Enterprises Ltd.*)	30%	山東鴻運集裝箱工程有限公司 (Shandong Hongyun Container Engineering Co., Ltd.*)
遠升有限公司 (Lailon Enterprises Ltd.*)	25%	青島金運航空貨運代理有限公司 (Qingdao Jinyun Air Cargo Freight Forwarding Co. Ltd.*)
	25%	青島聯通報關有限公司 (Qingdao Liantong Customs Broker Co., Ltd.*)
	25%	山東中外運弘志物流有限公司 (Sinotrans Shandong Hongzhi Logistics Co. Ltd*)
大新華輪船(烟台)有限公司 (Grand China Shipping (Yantai) Co. Ltd*)	49%	青島中外運烟海國際集裝箱 倉儲有限公司 (Sinotrans Qingdao Yanhai International Container and Storage Company Limited*)
東海運株式會社 (Azuma Shipping Co., Ltd.*)	30%	青島運東儲運有限公司 (Qingdao Sinotrans-Azuma Logistics Co., Ltd.*)
龍口港集團有限公司 (Long Kou Port Corporation Ltd.*)	49%	龍口中港集裝箱物流有限公司 (Long Kou China Container Logistics Co., Ltd.*)
韓亞株式會社 (Hana Capital Co., Ltd.*)	13%	銀河國際貨運航空有限公司 (Grandstar Cargo International Co., Ltd.*)
新韓株式會社 (Shinhan Capital Co., Ltd.*)	11%	銀河國際貨運航空有限公司 (Grandstar Cargo International Co., Ltd.*)
上海虹光實業有限公司 (Shanghai Honkwong Shiye Company Limited*)	10%	上海華服商貿有限公司 (Shanghai Huafu Commercial Co., Ltd.*)

Name of entities holding 10% or more interest in a member of the Group	Interest in relevant company	Name of subsidiary of the Company
寧波外運國際航空貨運有限責任 公司職工持股會 (Ningbo Sinotrans International Air Freight Forwarding Corp. Ltd. Employee Shareholding Society*)	40%	寧波外運國際航空有限公司 (Ningbo Sinotrans International Air Freight Forwarding Company Limited*)
北京雲海鷺商貿有限公司 (Beijing Yunhailu Shangmao Company Limited*)	40%	大連京大國際貨運代理公司 (Dalian JD Cargo International Co., Ltd.*)

Save as disclosed above, the Directors of the Company are not aware that there is any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of any other member of the Group.

As at the Latest Practicable Date:

- (i) none of the Directors had any direct or indirect interests in any assets which have since 31 December 2008 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any members of the Group, or are proposed to be acquired or disposed of by or leased to any members of the Group;
- (ii) none of the Directors was materially interested in any contracts or arrangements entered into by any members of the Group subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

III. Directors' interests in competing business

Two of the non-executive Directors, namely Jerry Hsu and Peter Landsiedel are considered to have interests in other business apart from the Group's business, which competes or likely to compete, either directly or indirectly with the Group's business as at the Latest Practicable Date, within the meaning of the Listing Rules. They are all representatives nominated by the Strategic Investors of the Company (namely DHL Worldwide Express BV ("DHL") and Exel plc. ("Exel") (collectively, the "Strategic Investors").

DHL is a member of the Deutsche Post World Net Group whose business operations are global mail, express delivery, logistics and financial services serving both in Europe and around the world.

Exel is a UK listed, FTSE 100 company, which provides supply chain management solutions to its customers around the world. Exel's range of logistics solutions encompasses the whole supply chain from design and consulting through freight forwarding, warehousing and distribution services to integrated information management and e-commerce support. In 2005, Exel has agreed to be taken over by Deutsche Post World Net Group.

While, for the purposes of the Listing Rules, each of Jerry Hsu and Peter Landsiedel is considered to have interests (by way of minority equity interests or stock options or directorships) in competing businesses (i.e. those of the Strategic Investors, each being a major international company in the transportation and logistics industry), the Company has been and continues to carry on its business, management and operation independently of and at arms length from, those businesses and through its joint venture and cooperation arrangements with those Strategic Investors.

Zhao Huxiang, Zhang Jianwei, Tao Suyun, Li Jianzhang, Yang Yuntao and Liu Jinghua are directors or employees of Sinotrans Group Company which is the controlling shareholder of the Company. Certain subsidiaries of Sinotrans Group Company engage in the Group's "core businesses" (namely freight forwarding, express services and shipping agency operations) in certain "core strategic regions" of the Group in the PRC which have only nominal operations which are the same as or similar to the "core businesses" of the Group. Details of the competition between Sinotrans Group Company and the Group and the Non-competition Agreement entered into between Sinotrans Group Company and the Company on 14 January 2003 are referred to in the section headed "Relationship with Sinotrans Group Company" in the prospectus of the Company dated 29 January 2003. The Company has also announced in its announcement dated 11 October 2007 that it proposes to acquire certain subsidiaries from the Sinotrans Group Company situated in the "core strategic regions".

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or supervisor of the Company, no other Directors or any of their respective associates had any interests in a business, which competes or may compete with the business of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or proposed Directors had entered into or proposed to enter into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2008, being the date up to which the latest published audited financial statements of the Group were made up.

5. EXPERT

The following is the qualification of the IFA, which has given its opinion or advice as contained in this circular:

Name	Qualification
Optima Capital Limited	a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the IFA did not have:

- (a) any direct or indirect interest in any assets which have since 31 December 2008 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The IFA has given and has not withdrawn its consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which they respectively appear.

6. DIRECTOR'S INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (a) None of the Directors has any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2008, being the date up to which the latest published audited financial statements of the Group were made.
- (b) None of the Directors is materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular which is significant in relation to the business of the Group.

7. MISCELLANEOUS

- (a) The secretary of the Company is Gao Wei.
- (b) The registered office and headquarters of the Company is situated at A43, Xizhimen Beidajie, Beijing, the People's Republic of China 100044. The principal place of business of the Company in Hong Kong is situated at 21st Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.
- (c) The share registrar of the Company is Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

In any event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the master services agreements dated 9 April 2009 entered into by the Company with each of the Connected Joint Venture Partners, further details of which are included in the section headed “Non-exempt Continuing Connected Transaction” in the Letter from the Board in this circular, will be available for inspection during normal business hours on any weekday (except public holidays) at the office of Richards Butler in association with Reed Smith LLP at 20/F., Alexandra House, 16–20 Chater Road, Central, Hong Kong, from 24 April 2009, for a period of 14 days.

** for the purpose of identification only*

NOTICE OF EGM

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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Sinotrans Limited (the “Company”) will be held at No. 1 Meeting Room, 12th Floor, Sinotrans Plaza A, A43, Xizhimen Beidajie, Haidian District, Beijing, the People’s Republic of China 100044 on Thursday, 11 June 2009 at 11:00 a.m. or immediately after the conclusion of the Class Meeting for holders of domestic shares in the capital of the Company held on the same day at 10:30 a.m. for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (A) the transactions contemplated under the master services agreement entered into between the Company and each of (a) 日本通運株式會社 (Nippon Express Co., Ltd.*); (b) 韓進海運有限公司 (Hanjin Shipping Co. Ltd.*); (c) 大韓航空有限公司 (Korean Airlines Co., Ltd.*); and (d) 以星綜合航運有限公司 (Zim Integrated Shipping Services Ltd.*) (companies listed in (a) to (d) above together, the “Connected Joint Venture Partners”) on 9 April 2009 (each a “Master Services Agreement” and collectively the “Master Services Agreements”, a copy of each of which are produced to the meeting marked “A” to “D” and initialled by the chairman for the purpose of identification) and the annual caps for each of the three years ending 31 December 2009, 2010 and 2011 in respect of the provision and receipt of services by the Company and its subsidiaries to/from each of the Connected Joint Venture Partners and their respective associates in accordance with the terms of the relevant Master Services Agreement as set out on pages 5 to 9 of the shareholders’ circular dated 24 April 2009 issued by the Company be and are hereby approved; and

NOTICE OF EGM

- (B) the directors of the Company be and are hereby authorised to take all actions and execute all documents which they deem necessary, desirable or appropriate in order to implement or give effect to the Master Services Agreements and transactions contemplated thereunder.”

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

24 April 2009

Notes:

1. The register of members of the Company will be closed from Monday, 11 May 2009 to Thursday, 11 June 2009, both days inclusive, during which period no share transfers will be registered for the purposes of ascertaining attendance at the EGM. To qualify for attendance at the extraordinary general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Rooms 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Friday, 8 May 2009, for registration.
2. Shareholders intending to attend the extraordinary general meeting shall give written notice of the same to the Company, which shall be lodged at the registered office of the Company on or before 4:00 p.m. on Friday, 22 May 2009.
3. Shareholders entitled to attend and vote at the extraordinary general meeting are entitled to appoint one or more persons (whether or not a shareholder of the Company) as their proxy to attend and vote on behalf of themselves.
4. In order to be valid, the form of proxy, together with a duly notarised power of attorney or other document of authority, if any, under which the form is signed must be deposited at the registered office of the Company not later than 24 hours before the time for holding the extraordinary general meeting.

As at the date of this notice, Zhao Huxiang, Zhang Jianwei, Tao Suyun and Li Jianzhang are executive directors of the Company. Yang Yuntao, Liu Jinghua, Jerry Hsu and Peter Landsiedel are non-executive directors of the Company and Sun Shuyi, Lu Zhengfei and Miao Yuexin are independent non-executive directors of the Company.

* *for the purpose of identification only*