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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

(incorporated in the People's Republic of China with limited liability)
(Stock Code: 0598)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
PROPOSED CHANGE IN AUDITOR

Sinotrans Limited will convene Annual General Meeting, the H Shares Class Meeting and the Domestic Shares Class Meeting, particulars of which are set out in the Notices of Annual General Meeting, the H Shares Class Meeting and the Domestic Shares Class Meeting issued by the Company on 19 April 2011.

19 April 2011

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DEFINITIONS

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

“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, 9 June 2011 at 9:30 a.m.
“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, 9 June 2011 at 10:30 a.m. or immediately after the conclusion of the H Shares Class Meeting
“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, 9 June 2011 at 10:00 a.m. or immediately after the conclusion of the AGM
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	14 April 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular

DEFINITIONS

“PRC”	the People’s Republic of China
“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 issued by the Company on 19 April 2011
“RMB”	Renminbi, the lawful currency of the PRC
“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 issued by the Company on 19 April 2011
“Shareholder(s)”	holder(s) of the Shares
“Sinotrans & CSC Group Company”	中國外運長航集團有限公司 (formerly known as China National Foreign Trade Transportation Group Company), the controlling shareholder of the Company which holds 57.93% of issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	have the meaning given by Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



中國外運股份有限公司 SINOTRANS LIMITED

(incorporated in the People's Republic of China with limited liability)
(Stock Code: 0598)

Executive Directors:

Zhao Huxiang
Zhang Jianwei
Tao Suyun
Li Jianzhang

Non-Executive Directors:

Yang Yuntao
Liu Jinghua
Jerry Hsu
Mok Chi Ming Victor

Independent Non-Executive Directors:

Sun Shuyi
Lu Zhengfei
Miao Yuexin

Registered Office and Headquarters:

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

*Principal Place of Business in
Hong Kong:*

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

19 April 2011

Dear Sir and Madam,

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND PROPOSED CHANGE IN AUDITOR

INTRODUCTION

The purpose of this circular is to (a) provide you with information in respect of the proposed (i) Share Issue Mandate; (ii) Repurchase Mandate; (iii) Change in Auditor 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

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) the 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 to 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 conditional 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.

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

PROPOSED CHANGE IN AUDITOR

According to the relevant regulations issued by the State-owned Assets Supervision and Administration Commission of the State Council of PRC in respect of the years of service of the external auditor appointed by the state-owned and state holding companies, PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian CPAs Limited Company will not continue to be reappointed as the international and the PRC auditors of the Company for the year 2011.

The Board has resolved to appoint Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu CPA Ltd. as the international and the PRC auditors of the Company respectively for the year 2011 as proposed by the audit committee of the Company, which is subject to the approval by the Shareholders at the Annual General Meeting.

LETTER FROM THE BOARD

PricewaterhouseCoopers confirmed in writing that there were no matters regarding the proposed change in auditor that should be brought to the attention of the Board and the audit committee of the Company. Save as disclosed above, the Board also confirmed that there were no relevant matters regarding the proposed change in auditor that should be brought to the attention of the Shareholders. The Board and the audit committee of the Company further confirmed that there were no disagreements or unresolved matters between the Company and PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian CPAs Limited Company regarding the proposed change in auditor.

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

Particulars in respect of (i) the Annual General Meeting, which contains, inter alia, special resolutions to approve the Share Issue Mandate, the Repurchase Mandate, and an ordinary resolution to approve the change in auditor (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 in the Notices of Annual General Meeting, the H Shares Class Meeting and the Domestic Shares Class Meeting issued by the Company on 19 April 2011.

DIRECTORS' RECOMMENDATION

The Directors consider that the Share Issue Mandate, the Repurchase Mandate, and the proposed change in auditor are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of all the 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 Appendix of this circular.

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

Beijing, 19 April 2011

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 2010 (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 Annual General Meeting, 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 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 & CSC 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 shareholding of Sinotrans & CSC 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 Shareholder 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>
2010		
April	2.14	1.84
May	1.87	1.59
June	1.82	1.64
July	1.95	1.76
August	1.99	1.89
September	2.10	1.91
October	2.24	2.07
November	2.35	2.14
December	2.31	2.10
2011		
January	2.31	2.10
February	2.30	2.08
March	2.24	1.85
April (up to the Latest Practicable Date)	1.92	1.84