
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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, 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

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 27 March 2017.

27 March 2017

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD.....	3
INTRODUCTION	3
GENERAL MANDATE TO ISSUE SHARES	4
GENERAL MANDATE TO REPURCHASE H SHARES	4
PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY	4
NOTICES OF THE ANNUAL GENERAL MEETING, THE H SHARES CLASS MEETING AND THE DOMESTIC SHARES CLASS MEETING.....	7
DIRECTORS' RECOMMENDATION	7
GENERAL INFORMATION.....	7
APPENDIX I – EXPLANATORY STATEMENT	8

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 1st Meeting Room, 11th Floor, Building 10/Sinotrans Tower B, No.5 Anding Road, Chaoyang District, Beijing 100029, the PRC on 12 May 2017 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
“Close Associate”	has the meaning ascribed to it in the Listing Rules
“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
“Core Connected Person(s)”	has the meaning ascribed to it in the Listing Rules
“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 1st Meeting Room, 11th Floor, Building 10/Sinotrans Tower B, No.5 Anding Road, Chaoyang District, Beijing 100029, the PRC on 12 May 2017 at 10:30 a.m. or immediately after the conclusion or adjournment 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 1st Meeting Room, 11th Floor, Building 10/Sinotrans Tower B, No.5 Anding Road, Chaoyang District, Beijing 100029, the PRC on 12 May 2017 at 10: 00 a.m. or immediately after the conclusion or adjournment of the AGM
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Latest Practicable Date”	23 March 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“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 27 March 2017
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“subsidiary”	have the meaning given by Listing Rules
“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 27 March 2017
“Shareholder(s)”	holder(s) of the Shares
“SINOTRANS & CSC”	中國外運長航集團有限公司SINOTRANS & CSC Holdings Co., Ltd., the controlling shareholder which directly and indirectly holds in aggregate 55.76% of issued share capital of the Company as at the Latest Practicable Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

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

(Stock Code: 0598)

Chairman:

Zhao Huxiang

Executive Directors:

Song Dexing

Li Guanpeng

Wang Lin

Yu Jianmin

Wu Xueming

Non-executive Directors:

Jerry Hsu

Registered Office and Headquarters:

Sinotrans Plaza A

A43, Xizhimen Beidajie

Beijing, 100082

People's Republic of China

Principal Place of Business

in Hong Kong:

Units F & G, 20/F., MG Tower,

133 Hoi Bun Road,

Kwun Tong, Kowloon,

Hong Kong

Independent non-executive Directors:

Guo Minjie

Lu Zhengfei

Han Xiaojing

Liu Junhai

27 March 2017

To the shareholders

Dear Sir and Madam,

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

INTRODUCTION

The purpose of this circular is to (a) provide you with information in respect of the proposed (1) Share Issue Mandate; (2) Repurchase Mandate; and (3) the amendment to the Articles of Association; (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

(1) 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.

(2) GENERAL MANDATE TO REPURCHASE H SHARES

In order to provide flexibility to the Directors to repurchase H Shares in the event that it is desirable to do so quickly, approval will be sought at the Annual General Meeting, the H Shares Class Meeting and the Domestic Shares Class Meeting to grant to the Directors a general mandate repurchase H Shares not exceeding 10% of the total H Shares in issue as at the date of passing the special resolutions in the respective meetings. The Repurchase Mandate will be 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 to this circular.

(3) PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

In order to meet the operational needs of the Company in the long run, the Company will include packaging service, import and export of goods, import and export agency; organization of cultural and arts exchange activities (excluding performances for business) and organization for exhibition as part of its business scope in its business license. The Articles of Association will be amended to include such business scope.

The chief information technology officer has been a member of the senior management team and its role has been disclosed as a senior management officer in the annual reports of the Company over the years. The Articles of Association will be made to make clear references to chief information technology officer as a member of the senior management team.

The Board proposes to make the following amendments to the Articles of Association (proposed amendments are underlined for ease of references):

LETTER FROM THE BOARD

- (I) The Article 13 is proposed to be amended as

“The business scope of the Company shall be subject to such items as approved by the company registry. The business scope of the Company includes: international freight forwarding services by sea, land and air, in respect of import and export cargo, international exhibition articles, personal articles and goods in transit, which includes cargo canvassing, cargo space booking, cargo storage, cargo transshipping, containers assembling and disassembling, freights and miscellaneous costs and expenses calculation and settling, customs declaration, commodity inspection assistance service, insurance assistance service, related short-distance transport service and transport consultancy service; international multimodal transport service; international courier service (except mail and articles of mail nature); vessels leasing; general cargo transportation; transportation of frozen goods or goods to be kept warm and international containers; logistics service; freight forwarding agency service; storage service; inland water transportation shipping agency services; cargo and passenger transportation shipping agency services; international vessels transportation services; non-vessel operating common carrier; and containers transportation for domestic route; information technology services and attestation consulting services; packaging service; import and export of goods; import and export agency; organization of cultural and arts exchange activities (excluding performances for business); and organization for exhibition.”;

- (II) The Article 95(ix) is proposed to be amended as

“The Board is accountable to the shareholders’ general meeting and shall exercise the following powers: (ix) to appoint or dismiss the Company’s president, and pursuant to the president’s nominations to appoint or dismiss the vice-president, the chief financial officer, the chief information technology officer and other senior management officers of the Company and decide on their remuneration;”;

- (III) The Article 109 is proposed to be amended as

“The Company shall have one president, who shall be appointed or dismissed by the Board. The Company shall have certain vice-presidents, a chief financial officer, a chief information technology officer and certain senior management officers (based on the needs of work), who shall assist the president in his work. The vice-presidents, the chief financial officer, the chief information technology officer and other senior management officers shall be nominated by the president and appointed or dismissed by the Board.”;

LETTER FROM THE BOARD

- (IV) The Article 110(vii) is proposed to be amended as

“The president shall be accountable to the Board and exercise the following powers: (vii) to propose the appointment or dismissal of the Company’s vice-president(s), the chief financial officer, the chief information technology officer and other senior management officers”;

- (V) The Article 112 is proposed to be amended as

“The president, the vice-presidents, the chief financial officer, the chief information technology officer and other senior management officers, in performing their functions and powers, shall act honestly and diligently and in accordance with laws, administrative regulations and these Articles of Association.”;

- (VI) The Article 113 is proposed to be amended as

“The Company shall have a Supervisory Committee. The Supervisory Committee is a standing supervisory organization of the Company. It shall supervise the Board, its members, the president, the vice-presidents, the chief financial officer, the chief information technology officer and other senior management officers and prevent them from abusing their powers and infringing the legal rights and interests of the shareholders, the Company and the Company’s employees.”; and

- (VII) The Article 116 is proposed to be amended as

“The directors, president, vice-presidents, the chief financial officer, the chief information technology officer and other senior management officers of the Company shall not serve as supervisors concurrently.”.

LETTER FROM THE BOARD

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 and the Repurchase Mandate and the amendment of the Articles of Association; (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 27 March 2017.

DIRECTORS' RECOMMENDATION

The Directors consider that (1) the Share Issue Mandate; (2) the Repurchase Mandate; and (3) the amendment of the Articles of Association are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions to be proposed at the Annual General Meeting, the H Shares Class Meeting and the Domestic Shares Class Meeting.

GENERAL INFORMATION

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

Yours faithfully,
By Order of the Board
Sinotrans Limited
Li Shichu
Joint Company Secretary

Beijing, 27 March 2017

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 2016 (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 RMB4,606,483,200 comprising 2,461,596,200 Domestic Shares and 2,144,887,000 H Shares. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM, the H Share Class Meeting and the Domestic Shares Class Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 214,488,700 H Shares, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolution.

4. REASONS FOR REPURCHASES

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

5. UNDERTAKING OF THE DIRECTORS

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

6. EFFECT OF THE TAKEOVERS CODE

If, as a result of the Directors exercising the powers of the Company to repurchase H Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the (as defined in the Takeovers Code) 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 are interested in an aggregate of 2,461,596,200 Domestic Shares and 107,183,000 H Shares, representing approximately 55.76% of the issued share capital of the Company.

As the shareholdings of SINOTRANS & CSC in the Company is more than 50%, an exercise of the Repurchase Mandate in full will not trigger a bid obligation for SINOTRANS & CSC and its concert parties under Rule 26 of the Takeovers Code. In any event, the Directors do not intend to exercise the power to repurchase Shares to an extent which would render the aforesaid Shareholders or any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Board will endeavor 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 Close 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 Core 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 authorized 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:

	Highest	Lowest
	<i>Shares</i>	
	<i>HK\$</i>	<i>HK\$</i>
2016		
March	3.70	2.92
April	3.95	3.21
May	3.63	3.06
June	3.49	3.03
July	3.70	3.26
August	3.98	3.51
September	4.27	3.73
October	4.06	3.59
November	3.90	3.49
December	3.92	3.34
2017		
January	3.60	3.21
February	3.74	3.18
March(up to the Latest Practicable Date)	3.96	3.45