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*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 0598)**

**BUSINESS UPDATE ANNOUNCEMENT  
INSIDE INFORMATION**

Reference is made to the announcement of Sinotrans Limited (the **“Company”**) dated 2 January 2018 in relation to Sinotrans Air Transportation Development Company Limited (**“Sinoair”**). The Company has since that announcement been involved in planning and discussions with Sinoair in relation to the major asset reorganisation involving Sinoair (the **“Possible Reorganisation”**) to which the Company expects to be party. Sinoair announced on 15 January 2017 through the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) that the Possible Reorganisation constitutes its major asset reorganisation. Accordingly, trading in the shares of Sinoair on the Shanghai Stock Exchange will continue to be suspended pending finalisation of the Possible Reorganisation.

**Shareholders of, and potential investors in, the Company should be aware that as at the date of this announcement, while the Possible Reorganisation may potentially constitute a major transaction of the Company under Hong Kong Listing Rules, no agreement has been entered into in respect of the Possible Reorganisation and there is no assurance that the Possible Reorganisation will proceed. Accordingly, shareholders of, and potential investors in, the Company should exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Sinotrans Limited**  
**Li Shichu**  
*Joint Company Secretary*

Beijing, 15 January 2018

*As at the date of this announcement, the board of directors of the Company comprises Zhao Huxiang (Chairman), Song Dexing (executive director), Li Guanpeng (executive director), Wang Lin (executive director), Yu Jianmin (executive director), Wu Xueming (executive director), Jerry Hsu (non-executive director), and four independent non-executive directors, namely Guo Minjie, Lu Zhengfei, Liu Junhai and Wang Taiwen.*