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SINOTRANS SHIPPING LIMITED

中 外 運 航 運 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 368)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that after the preliminary review of the unaudited consolidated management accounts of the Group for the twelve months ended 31 December 2016, the net loss of the Group for the twelve months ending 31 December 2016 is expected to record a substantial increase as compared to that for the same period in 2015.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on currently available information and such information has not been audited or reviewed by the Company's auditor.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

This announcement is made by Sinotrans Shipping Limited (the "**Company**", together with its subsidiaries shall be referred to as the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**").

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that after the preliminary review of the unaudited consolidated management accounts of the Group for the twelve months ended 31 December 2016, the net loss of the Group for the twelve months ending 31 December 2016 is expected

to record a substantial increase as compared to that for the same period in 2015.

Based on the information currently available to the Company, in 2016, the overall global economy recovered slowly, while the economies of China and other emerging markets grew at a slower pace. Coupled with the fact that international trades and dry bulk seaborne volume continued to weaken, the dry bulk ship charter rates and freight rates further decreased, with a significant decrease in the ship values. As at the end of 2016, based on a preliminary review, it was expected that the long-term intrinsic value of some self-owned vessels would be much lower than their carrying amounts, and an impairment would be required. However, the amount of the impairment loss is yet to be determined.

The Board would also like to inform the shareholders of the Company and potential investors that the financial position of the Group remains stable.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on currently available information and such information has not been audited or reviewed by the Company's auditor. The annual results of the Group for the twelve months ended 31 December 2016 is expected to be announced by the end of March, 2017.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
Sinotrans Shipping Limited
KOO Ching Fan
Company Secretary

Hong Kong, 27 January 2017

As at the date of this announcement, the Directors of the Company are Mr. Li Hua and Ms. Feng Guoying as Executive Directors; Mr. Li Zhen (Chairman) and Mr. Tian Zhongshan as Non-executive Directors; and Mr. Tsang Hing Lun, Mr. Lee Peter Yip Wah, Mr. Zhou Qifang and Mr. Xu Zhengjun as Independent Non-executive Directors.