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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)

**ANNOUNCEMENT OF THE INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

I. GROUP RESULTS

The board of directors (the “Board”) of Sinotrans Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (together the “Group”) for the six months ended 30 June 2011 together with the comparative figures in 2010, which have been extracted from the unaudited condensed consolidated interim financial information for the six months ended 30 June 2011, which has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with International Accounting Standard 34, “Interim Financial Reporting” as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011

		For the six months ended 30 June	
	Notes	2011 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited)
Revenue	3	20,601,190	20,002,742
Other income		67,471	115,960
Business tax and other surcharges		(150,548)	(127,872)
Transportation and related charges		(16,901,379)	(16,845,068)
Staff costs		(1,104,492)	(941,017)
Depreciation and amortisation		(213,203)	(197,294)
Repairs and maintenance		(70,763)	(59,703)
Fuel		(702,729)	(476,594)
Travel and promotional expenses		(144,976)	(124,564)
Office and communication expenses		(87,887)	(74,117)
Rental expenses		(583,805)	(556,277)
Other gains/(losses), net		26,486	(110,984)
Other operating expenses		(186,180)	(189,120)
Operating profit	4	549,185	416,092
Finance costs, net	5	(99,571)	(84,374)
Share of profit of jointly controlled entities		238,281	244,412
Share of profit of associates		23,005	27,707
Profit before income tax		710,900	603,837
Income tax expense	6	(157,349)	(89,677)
Profit for the period		<u>553,551</u>	<u>514,160</u>
Attributable to:			
— Equity holders of the Company		438,136	382,243
— Non-controlling interests		<u>115,415</u>	<u>131,917</u>
		<u>553,551</u>	<u>514,160</u>
Earnings per share for profit attributable to the equity holders of the Company, basic and diluted (RMB)	8	<u>0.10</u>	<u>0.09</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

		For the six months ended 30 June	
	Notes	2011 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited)
Profit for the period		553,551	514,160
Other comprehensive income			
Fair value (losses)/gains on available-for-sale financial assets	9(a)		
— (Losses)/gains arising during the period		(413,180)	115,766
— Less: reclassification adjustments for gains included in profit for the period		—	(21,095)
Share of other comprehensive income of associates		—	2,873
Currency translation differences		(4,611)	(748)
Income tax relating to components of other comprehensive income		103,295	(23,667)
Other comprehensive (losses)/income for the period, net of tax		(314,496)	73,129
Total comprehensive income for the period		239,055	587,289
Total comprehensive income attributable to:			
— Equity holders of the Company		236,916	429,428
— Non-controlling interests		2,139	157,861
		239,055	587,289

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	Notes	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
ASSETS			
Non-current assets			
Land use rights		2,091,080	1,989,411
Prepayments for acquisition of land use rights		123,736	127,217
Property, plant and equipment		4,952,840	4,752,252
Investments in jointly controlled entities		1,614,440	1,895,443
Investments in associates		1,042,848	848,119
Deferred income tax assets		73,200	88,607
Intangible assets		96,992	97,299
Available-for-sale financial assets	9	1,835,591	2,155,079
Other non-current assets		76,123	59,208
		<u>11,906,850</u>	<u>12,012,635</u>
Current assets			
Prepayments and other current assets		1,018,374	903,165
Inventories		68,605	36,068
Trade and other receivables	10	7,250,425	6,421,248
Financial assets at fair value through profit or loss		5,266	5,276
Restricted cash		326,872	199,755
Term deposits with initial terms of over three months		138,677	313,968
Cash and cash equivalents		5,158,400	5,202,508
		<u>13,966,619</u>	<u>13,081,988</u>
Total assets		<u><u>25,873,469</u></u>	<u><u>25,094,623</u></u>
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		4,249,002	4,249,002
Reserves		5,576,812	5,424,876
Proposed interim dividends	7(b)	84,980	84,980
		<u>9,910,794</u>	<u>9,758,858</u>
Non-controlling interests		<u>2,230,113</u>	<u>2,281,131</u>
Total equity		<u><u>12,140,907</u></u>	<u><u>12,039,989</u></u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 30 June 2011

	<i>Notes</i>	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		147,944	251,329
Provisions		99,841	135,772
Borrowings		131,876	1,144,442
Other non-current liabilities		39,352	39,394
		419,013	1,570,937
Current liabilities			
Trade payables	<i>11</i>	5,222,598	4,420,758
Other payables, accruals and other current liabilities		1,102,640	1,068,722
Receipts in advance from customers		2,082,289	2,155,994
Current income tax liabilities		85,160	174,013
Borrowings		4,342,610	3,110,142
Derivative financial instruments		49,787	106,647
Salary and welfare payables		428,465	447,421
		13,313,549	11,483,697
Total liabilities		13,732,562	13,054,634
Total equity and liabilities		25,873,469	25,094,623
Net current assets		653,070	1,598,291
Total assets less current liabilities		12,559,920	13,610,926

1. GENERAL INFORMATION

Sinotrans Limited (the “Company”) was established in the People’s Republic of China (the “PRC”) on 20 November 2002 as a joint stock company with limited liability as a result of a group reorganisation of China National Foreign Trade Transportation (Group) Corporation (“Sinotrans Group Company”) in preparation for a listing of the Company’s H shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Reorganisation”). In 2009, the former Sinotrans Group Company changed its name to SINOTRANS & CSC Holdings Co., Ltd. (“SINOTRANS & CSC”) after it merged with China Changjiang National Shipping (Group) Corporation.

The principal activities of the Company and its subsidiaries (together, the “Group”) include freight forwarding, shipping agency, marine transportation, storage and terminal services, and other services such as trucking transportation. The Group has operations mainly in the PRC.

This unaudited condensed consolidated interim financial information is presented in thousands of units of Renminbi (“Rmb’000”), unless otherwise stated.

This unaudited condensed consolidated interim financial information was approved by the Board of Directors for issue on 18 August 2011.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting”. This unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

New or revised standards and interpretations adopted by the Group

In the current interim period, the Group has applied, for the first time, the following new or revised standards and interpretations (“new or revised IFRSs”) issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB, which are effective for the Group’s financial year beginning on 1 January 2011:

- Improvements to IFRSs issued in 2010
- IAS 24 (as revised in 2009) — Related Party Disclosures*
- Amendments to IAS 32 — Classification of Rights Issues
- Amendments IFRIC Int 14 — Prepayments of a Minimum Funding Requirement
- IFRIC Int 19 — Extinguishing Financial Liabilities with Equity Instruments

- * IAS 24, *Related Party Disclosures (as revised in 2009)* has been revised on the following two aspects:
- (a) IAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities; and
 - (b) IAS 24 (as revised in 2009) has changed the definition of a related party.

The Group is a government related entity. In its annual consolidated financial statements for the year ended 31 December 2010, the Group had early applied the partial exemption from the disclosure requirements for government-related entities.

In the current interim period, the Group has applied for the first time the revised definition of a related party as set out in IAS 24 (as revised in 2009)

The application of the above new or revised standards and interpretations in the current interim period has had no material effect on the amounts reported in this unaudited condensed consolidated interim financial information and/or disclosures set out in this unaudited condensed consolidated interim financial information.

Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date on which the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

- IAS 1 (Amendments) — Presentation of Items of Other Comprehensive Income¹
- IAS 19 (as revised in 2011) — Employee Benefits²
- IFRS 10 — Consolidated Financial Statements²
- IFRS 11 — Joint Arrangements²
- IFRS 12 — Disclosures of Interests in Other Entities²
- IAS 27 (as revised in 2011) — Separate Financial Statements²
- IAS 28 (as revised in 2011) — Investments in Associates and Joint Ventures²
- IFRS 13 — Fair Value Measurement²

¹ Effective for annual periods beginning on or after 1 July 2012

² Effective for annual periods beginning on or after 1 January 2013

The directors anticipate that these new or revised standards will be adopted in the Group's financial statements for the period beginning on 1 January 2013. The directors are in the process of assessing the potential impact of the adoption of the relevant standards.

3. SEGMENT INFORMATION

The chief operating decision-maker ("management") reviews the Group's internal reporting in order to assess performance and allocate resources. The chief operating decision-maker has been identified as the management, which is chaired by the chief executive officer and consists of senior management of the Company who make strategic decisions. Management has determined the operating segments based on these reports.

Management considers the business from a service perspective and divides the business into the following operating segments: freight forwarding, shipping agency, marine transportation, storage and terminal services and other services.

Management assesses the performance of the operating segments based on segment profit. Segment profit is the operating profit excludes the effects of other gains/(losses), net and corporate expenses.

The Group's segment assets exclude financial assets at fair value through profit or loss, investment in jointly controlled entities and associates, available-for-sale financial assets, related dividend and investment income receivables, as well as goodwill because the Group's entire investing activities are managed on a central basis as corporate assets. Deferred income tax assets and other corporate assets are also excluded. In addition, segment assets exclude interests receivable, of which is not considered when assessing segment results. These are part of the reconciliation to total assets in the statement of financial position. The assets of each reportable segment comprise the effects of the inter-segment elimination adjustments related to receivables and payables.

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to management is measured in a manner consistent with that in the unaudited condensed consolidated interim income statement.

	Freight forwarding RMB'000	Shipping agency RMB'000	Marine transportation RMB'000	Storage and terminal services RMB'000	Others RMB'000	Inter-segment elimination RMB'000	Group RMB'000
For the six months ended							
30 June 2011 (Unaudited)							
Revenue — external	16,805,172	343,286	1,977,494	821,414	653,824	—	20,601,190
Revenue — inter-segment	252,066	59,529	545,957	112,833	98,493	(1,068,878)	—
Total revenue	<u>17,057,238</u>	<u>402,815</u>	<u>2,523,451</u>	<u>934,247</u>	<u>752,317</u>	<u>(1,068,878)</u>	<u>20,601,190</u>
Segment results	338,590	147,226	(82,388)	160,742	3,034	—	567,204
Other gains, net							26,486
Corporate expenses							(44,505)
Operating profit							549,185
Finance costs, net							(99,571)
Share of profit of jointly controlled entities	9,010	7,887	—	23,570	197,814	—	238,281
Share of profit of associates							23,005
Profit before income tax							710,900
Income tax expense							(157,349)
Profit for the period							<u>553,551</u>
As at 30 June 2011 (Unaudited)							
Segment assets	<u>12,746,529</u>	<u>1,586,690</u>	<u>1,787,609</u>	<u>4,605,710</u>	<u>973,424</u>	<u>(1,353,452)</u>	<u>20,346,510</u>

	Freight forwarding <i>RMB'000</i>	Shipping agency <i>RMB'000</i>	Marine transportation <i>RMB'000</i>	Storage and terminal services <i>RMB'000</i>	Others <i>RMB'000</i>	Inter-segment elimination <i>RMB'000</i>	Group <i>RMB'000</i>
For the six months ended 30 June 2010 (Unaudited)							
Revenue — external	16,831,354	294,811	1,536,172	704,178	636,227	—	20,002,742
Revenue — inter-segment	170,973	69,806	357,189	108,082	89,246	(795,296)	—
Total revenue	<u>17,002,327</u>	<u>364,617</u>	<u>1,893,361</u>	<u>812,260</u>	<u>725,473</u>	<u>(795,296)</u>	<u>20,002,742</u>
Segment results	256,634	146,365	(50,915)	193,968	19,710	—	565,762
Other losses, net							(110,984)
Corporate expenses							<u>(38,686)</u>
Operating profit							416,092
Finance costs, net							(84,374)
Share of profit of jointly controlled entities	8,822	9,624	—	17,286	208,680	—	244,412
Share of profit of associates							<u>27,707</u>
Profit before income tax							603,837
Income tax expense							<u>(89,677)</u>
Profit for the period							<u>514,160</u>
As at 31 December 2010 (Audited)							
Segment assets	<u>12,075,669</u>	<u>1,476,619</u>	<u>1,365,925</u>	<u>4,835,193</u>	<u>941,288</u>	<u>(1,127,230)</u>	<u>19,567,464</u>

4. OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	For the six months ended	
	30 June	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Crediting		
Rental income from		
— buildings	11,856	11,748
— plant and machinery	4,203	42,742
Gain on disposal of available-for-sale financial assets	—	21,094
Gain on disposal of property, plant and equipment	3,923	7,352
Reversal of provision for impairment losses of receivables	7,012	3,598
Realised net gain of the fuel oil forward contract	—	178
Dividend income from available-for-sale financial assets	8,960	—
Income from property management	2,100	4,874
Charging		
Depreciation		
— owned property, plant and equipment	201,071	185,339
— owned property, plant and equipment leased out under operating leases	3,630	3,181
Losses on disposal of property, plant and equipment	1,581	799
Provision for impairment losses of receivables	15,407	8,394
Operating lease charges		
— land use rights	25,039	22,445
— buildings	101,427	91,361
— plant and equipment	457,339	442,471
Amortisation of intangible assets	8,502	8,774
Charges on property management and facilities	43,748	40,224
Other tax expenses	27,888	23,740
Provision for onerous contract and foreseeable losses	8,141	29,310
Charges on IT support	20,220	11,549
Provision for outstanding claims	—	2,272

5. FINANCE COSTS, NET

	For the six months ended 30 June	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest income on bank balances	43,499	27,420
Interest expenses on borrowings	(71,333)	(55,251)
Exchange losses, net	(60,687)	(49,629)
Bank and other charges	(11,050)	(6,914)
	<u>(99,571)</u>	<u>(84,374)</u>

6. INCOME TAX EXPENSE

Income tax expense in the unaudited condensed consolidated income statement represents:

	For the six months ended 30 June	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax		
— Hong Kong profit tax	191	367
— PRC income tax expense	141,841	108,846
Deferred PRC income tax	15,317	(19,536)
	<u>157,349</u>	<u>89,677</u>

Hong Kong profit tax has been provided at the rate of 16.5% (Six months ended 30 June 2010: 16.5%) on the estimated assessable profit for the period.

The provision for PRC current income tax is based on the statutory rate of 25% (Six months ended 30 June 2010: 25%) of the assessable income of each of the companies comprising the Group as determined in accordance with the relevant PRC income tax rules and regulations, except for certain subsidiaries which are taxed at preferential rates ranging from 12.5% to 24% (Six months ended 30 June 2010: 12.5% to 22%) based on the relevant PRC tax laws and regulations.

The Group provides for corporate income tax on the basis of its profit for financial reporting purposes, adjusted for income and expense items that are not assessable or deductible for corporate income tax purposes.

Deferred income taxes are calculated under the liability method using the tax rates which are enacted or substantively enacted by the end of reporting periods.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income taxes are provided on temporary differences arising on investments in subsidiaries, associated companies and jointly controlled entities, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

7. PROFIT APPROPRIATIONS

a. Statutory surplus reserve

In accordance with the relevant PRC regulations and the Articles of Association of the Company, every year the Company is required to transfer 10% of the profit after tax determined in accordance with the PRC accounting standards to a statutory surplus reserve until the balance reaches 50% of the registered share capital. Such reserve can be used to reduce any losses incurred and to increase share capital. Except for the reduction of losses incurred, any other usage should not result in this reserve balance falling below 25% of the registered share capital.

For the six months ended 30 June 2011, approximately RMB23,472,931 (six months ended 30 June 2010: RMB27,379,000), representing 10% of profit after tax (six months ended 30 June 2010: 10%) determined under the PRC accounting standards, has been appropriated to the statutory surplus reserve.

b. Dividends

At the Board of Directors' meeting held on 18 August 2011, the directors of the Company declared an interim dividend of RMB 0.02 (Six months ended 30 June 2010: RMB0.02) per ordinary share for the six months ended 30 June 2011. The total dividends declared is approximately RMB84,980,000 (six months ended 30 June 2010: RMB84,980,000) for 4,249,002,200 shares (30 June 2010: 4,249,002,200 shares), being the number of ordinary shares issued and outstanding on 30 June 2011. This interim dividend has not been recognised as a liability in this unaudited condensed consolidated interim financial information. It will be recognised in the year ending 31 December 2011.

8. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the six-month period.

	For the six months ended	
	30 June	
	2011	2010
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company (<i>RMB'000</i>)	438,136	382,243
Weighted average number of ordinary shares in issue (<i>thousands</i>)	4,249,002	4,249,002
Basic earnings per share (<i>RMB</i>)	<u>0.10</u>	<u>0.09</u>

As the Company has no dilutive potential ordinary shares, no diluted earnings per share is presented.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
Listed equity investments, at fair value (a)	1,486,943	1,900,123
Unlisted equity investments, at cost less impairment (b)	348,648	254,956
Available-for-sale financial assets	<u>1,835,591</u>	<u>2,155,079</u>

(a) Movements in listed equity investments are analysed as follows:

	For the six months ended 30 June 2011 RMB'000 (Unaudited)		2010 RMB'000 (Unaudited)
At beginning of period	1,900,123		1,289,053
Disposal	—		(5,600)
Fair value (losses)/gains	(413,180)		94,671
At end of period	<u>1,486,943</u>		<u>1,378,124</u>

Listed equity investments include the ordinary shares of Air China Limited (“Air China”) and China Eastern Airlines Corporation Limited (“China Eastern”) on the Shanghai Stock Exchange, and BOE Technology Group Co., Ltd. (“BOE”) lists on the Shenzhen Stock Exchange. Air China and China Eastern are incorporated in the PRC whose principal activities are air transportation. BOE is incorporated in the PRC whose principal activities are electronic device manufacturing and sales.

The fair value of all equity securities is based on their current bid prices in an active market.

- (b) Unlisted equity investments comprised equity interests in entities which are engaged in logistics, freight forwarding operations and other financial activities. There is no open market for these instruments and the directors of the Company consider that the marketability of the Group’s shareholdings is low. In light of the non-controlling shareholdings held by the Group, the probabilities of the range of possible fair values of these investments cannot be reliably assessed. These investments are therefore stated at cost less impairment. The Group makes assessment when there is objective evidence that the available-for-sale financial assets are impaired in accordance with the guidelines in IAS 39 “Financial Instruments: Recognition and Measurement”. The assessment requires the Company’s directors to make judgments. In making these judgments, the Group has assessed various factors, such as financial operation of the investees, prospect of their operations in short to medium terms, as well as the prospect of the industries the investees operate in, and changes in their operating environment.

As at 30 June 2011 and 31 December 2010, the entire available-for-sale financial assets were denominated in RMB and none of them were impaired or pledged.

10. TRADE AND OTHER RECEIVABLES

	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
Trade receivables, net	6,292,422	5,527,044
Bills receivables	188,950	218,623
Other receivables, net	529,506	499,493
Due from related parties	239,547	176,088
	<u>7,250,425</u>	<u>6,421,248</u>

	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
Trade receivables	6,346,801	5,577,429
Less: Provision for impairment of receivables	(54,379)	(50,385)
Trade receivables, net	<u>6,292,422</u>	<u>5,527,044</u>

As at 30 June 2011 and 31 December 2010, the aging analysis of trade receivables is as follows:

	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
Within 6 months	6,182,781	5,471,334
Between 6 and 12 months	111,961	59,531
Between 1 and 2 years	35,428	22,552
Between 2 and 3 years	8,844	18,007
Over 3 years	7,787	6,005
	<u>6,346,801</u>	<u>5,577,429</u>

As at 30 June 2011 and 31 December 2010, the aging analysis of amounts due from related parties, which are trading in nature, is summarised as follows:

	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
Within 6 months	86,357	71,865
Between 6 and 12 months	1,013	324
Between 1 and 2 years	70	—
Between 2 and 3 years	—	—
Over 3 years	6	9
	87,446	72,198

The credit period of the Group's trade receivables generally ranges from 1 to 6 months. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers, both locally and internationally dispersed.

11. TRADE PAYABLES

The normal credit period for trade payables generally ranges from 1 to 3 months. Aging analysis of trade payables (including amounts due to related parties of trading in nature) at the respective end of the reporting periods is as follows:

	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
Within 6 months	4,668,374	3,987,353
Between 6 and 12 months	319,196	208,115
Between 1 and 2 years	113,553	130,022
Between 2 and 3 years	83,944	69,086
Over 3 years	37,531	26,182
	5,222,598	4,420,758

12. SUBSEQUENT EVENTS

- (a) At the Board of Directors' meeting held on 18 August 2011, the directors proposed an interim dividend of RMB 0.02 per ordinary share for the six months ended 30 June 2011.
- (b) At the Board of Directors' meeting held on 28 July 2011, Sinotrans Air Transportation Development Company Limited ("Sinoair"), a non-wholly owned subsidiary of the Company, provided a loan guarantee amounting to USD 5,000,000 for the benefit of Grandstar Cargo International Airlines Company Limited ("Grandstar Airlines"), a jointly controlled entity of Sinoair. Korean Air Lines Co., Ltd., a foreign shareholder of Grandstar Airlines, provided a counter-guarantee up to 49%, being the corresponding interest in the jointly controlled entity held by Korean Air Lines Co., Ltd., of the total loan amount.

II. MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with the consolidated results and the notes thereto of the Company and its subsidiaries (collectively the “Group”) detailed in Section I of this announcement.

REVIEW OF OPERATING RESULTS

During the first half of 2011, the overall economy of China continued with its steady and favourable development as China’s import and export saw further growth, despite signs of significant drop in the growth rate of foreign trade. Between January and June, total import and export of China recorded a year-on-year increase of 25.8%, with export up by 24.0% and import up by 27.6%. Foreign trade cargoes throughput at nationwide large-scale ports across the country grew year-on-year by 13.2%, with 8.0% year-on-year rise for coastal ports and 15.6% for inland ports.

2011 was set as the beginning of the Group’s five-year plan, which proposes the work objectives for 2011 as follows: to develop based on the five-year plan and to aim at corporate restructuring. The Group intends to grasp every opportunity to make in-depth adjustments and step up development so as to achieve remarkable growth and establish a first-rate integrated logistics platform. Under such objectives, the Group has continuously solidified and optimised traditional operations and further strengthened synergies among businesses; accelerated the development of specialised logistics to boost the competitiveness of integrated logistics; increased the efforts in business structural adjustments while developed domestic trade operations rapidly; put extra marketing efforts targeting at key customers and improved the customer mix; intensively consolidated and sped up the optimisation of its integrated logistics resources; and implemented the basis of corporate management and performed lean management. With its relentless efforts, the Group has seen satisfactory results of operations and management for the first half of the year, laying a strong foundation for the fulfillment of its annual objectives.

For the six months ended 30 June 2011, on a year-on-year basis, the Group recorded an increase of 15.4% for the number of containers handled by sea freight forwarding services; an increase of 14.0% for the business volume handled by air freight forwarding services; an increase of 10.1% for the number of containers handled by shipping agency business; an increase of 3.6% for the number of containers handled in terminal throughput; a similar business volume of containers handled at container yards; an increase of 16.9% for the number of containers transported by marine transportation business; an increase of 5.4% for the number of containers handled by trucking business; and an increase of 9.2% for the business volume handled by express services.

For the six months ended 30 June 2011, the Group achieved a revenue of approximately RMB20,601.2 million, climbed by 3.0% as compared with the corresponding period in 2010. Profit attributable to shareholders of the Company amounted to RMB438.2 million, representing a year-on-year increase of 14.6% as compared to the corresponding period in 2010. Earnings per share was RMB0.10 (corresponding period in 2010: RMB0.09).

COMPARISON AND ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION

Revenue

For the six months ended 30 June 2011, the Group's revenue amounted to RMB20,601.2 million, up by 3.0% from RMB20,002.7 million for the corresponding period in 2010. The increase in revenue was mainly attributable to the slow down of China's growth rate of foreign import and export trade, particularly foreign export trade, and the drop in freight rates of containers shipping as well.

Freight Forwarding

Revenue from the Group's freight forwarding services increased by 0.3% to RMB17,057.2 million during the six months ended 30 June 2011, compared to RMB17,002.3 million for the corresponding period in 2010.

Volume of sea freight forwarding containers was 3.842 million TEUs for the first half of 2011, having increased by 15.4% from 3.33 million TEUs for the first half of 2010. Cargo tonnage of air freight forwarding services was 0.1858 million tonnes for the first half of 2011, having increased by 14.0% from 0.163 million tonnes for the first half of 2010.

The increase in revenue from freight forwarding for the first half of 2011 was lower than the increase in business volume, primarily attributable to the drop in market freight rates.

For the first half of the year, the consolidated freight index of exporting container shipping in China recorded a 7.84% year-on-year decrease, while the freight index of exporting container shipping in Shanghai area dropped by 23.89% year-on-year.

Shipping Agency

For the six months ended 30 June 2011, revenue from our shipping agency services was RMB402.8 million, representing an increase of 10.5% from RMB364.6 million for the corresponding period in 2010.

Number of containers handled in shipping agency business of the Group was 6.23 million TEUs for the first half of 2011, representing a rise of 10.1% from 5.66 million TEUs for the corresponding period of 2010. Net registered tonnage of vessels handled by the shipping agency services reached 322.1 million tonnes, representing an increase of 11.9% from 287.8 million tonnes for the corresponding period of 2010. Number of vessel calls increased by 1.5% to 30,406 times in 2011, compared with 29,948 times for the corresponding period of 2010.

Increases in revenue and business volume of shipping agency business were mainly due to the Group's proactive market expansion, implementation of integrated marketing, and strengthening of strategic cooperation with shipping companies.

Storage and Terminal Services

For the six months ended 30 June 2011, revenue from storage and terminal services amounted to RMB934.2 million, representing a 15.0% growth from RMB812.3 million for the corresponding period in 2010.

The Group's warehouses handled 6.6 million tonnes of bulk cargo in the first half of 2011, representing a 6.5% increase from 6.2 million tonnes for the corresponding period in 2010. Containers handled approximated to 4.1 million TEUs for the corresponding period in 2010. Containers handled through

terminals increased by 3.6% to 1.465 million TEUs from 1.414 million TEUs for the corresponding period in 2010. The volume of bulk cargo handled at terminals approximated to 0.9 million tonnes for the corresponding period in 2010.

Growth in revenue of the storage and terminal services were mainly attributable to the Group's proactive market expansion and strengthening of cooperation efforts with shipping companies.

Marine Transportation

Revenue from marine transportation of the Group for the six months ended 30 June 2011 amounted to RMB2,523.5 million, up by 33.3% from RMB1,893.4 million for the corresponding period in 2010.

Number of containers shipped by the Group rose to 1.194 million TEUs for the first half of 2011, up by 16.9% from 1.021 million TEUs for the corresponding period in 2010.

Increases in revenue and business volume of marine transportation were mainly attributable to the enhanced market expansion and increased shipping capacity by the Group.

Other Services

The Group's revenue from other services (mainly from trucking transportation and express services) for the six months ended 30 June 2011 amounted to RMB752.3 million, representing an increase of 3.7% from RMB725.5 million for the corresponding period in 2010.

The Group's trucking of bulk cargo handled for the first half of 2011 was 1.057 million tonnes, representing a decrease of 10.7% from 1.183 million tonnes for the corresponding period in 2010. Volume of containers handled was 0.349 million TEUs, representing a growth of 5.4% from 0.331 million TEUs for the corresponding period in 2010. The number of documents and packages handled in express services was up by 9.2% from 0.76 million units in the first half of 2010 to 0.83 million units for the first half of 2011.

Growth in the revenue and business volume were mainly due to the enhanced market expansion amid the Group's initiatives to leverage on the favourable market growth.

The Group's jointly controlled entities recorded an investment income of RMB246.3 million from the operation of express services, representing a year-on-year increase of 20.3%. The number of documents or packages handled by express services of the jointly controlled entities was down by 3.3% from 7.29 million units for the first half of 2010 to 7.05 million units for the first half of 2011.

Transportation and Related Charges

Transportation and related charges were up by 0.3% to RMB16,901.4 million for the six months ended 30 June 2011, compared with RMB16,845.1 million for the corresponding period in 2010. Such increase in transportation and related charges was mainly attributable to the increasing business volume of the Group.

Depreciation and Amortisation

Depreciation and amortisation amounted to RMB213.2 million for the six months ended 30 June 2011, representing an increase of 8.1% from RMB197.3 million for the corresponding period in 2010, mainly as a result of the successive commencement of operation of the Group's new assets.

Operating costs (excluding transportation and related charges, depreciation and amortisation, business tax and surcharges and other (losses)/gains, net)

The Group's operating costs (excluding transportation and related charges, depreciation and amortisation, business tax and surcharges and other (losses)/gains, net) were RMB2,880.9 million for the six months ended 30 June 2011, representing a 19.0% increase from RMB2,421.3 million for the corresponding period in 2010.

The increase in operating costs (excluding transportation and related charges, depreciation and amortisation, business tax and surcharges, other (losses)/gains, net) was mainly because of the rise in fuel cost and staff cost.

The increase in staff costs was mainly due to the business expansion, the recruitment of additional staff and the higher social insurance expenses.

The increase in fuel expenses was primarily because of the rising prices of fuel and the growth of lines services.

Operating Profit

The Group's operating profit was RMB549.2 million for the six months ended 30 June 2011, representing a growth of 32.0% from RMB416.1 million for the corresponding period in 2010. Operating profit as a percentage of total revenue for the six months ended 30 June 2011 increased to 2.7% from 2.1% for the six months ended 30 June 2010, and to 14.6% from 12.7% as a percentage of net revenue (total revenue less transportation and related charges), primarily as a result of the growth in business volume in the first half of 2011.

Income tax

For the six months ended 30 June 2011, taxation of the Group amounted to RMB157.4 million, representing an increase of 75.5% from RMB89.6 million for the corresponding period in 2010. Taxation as a percentage of profit before tax rose to 22.1% from 14.9% for the six months ended 30 June 2010, mainly attributable to the partial elimination of income tax expense by the loss from the transfer of equity of the Group's non wholly-owned subsidiary, which was deductible before tax with the approval granted by the taxation authority in the first half of 2010.

NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

For the six months ended 30 June 2011, net profit attributable to non-controlling interests amounted to RMB115.4 million, representing a decrease of 12.5% as compared with RMB132.0 million for the corresponding period in 2010, which was mainly because of the decrease in profit for the period of Sinotrans Air Transportation Development Company Limited, a non-wholly owned subsidiary of the Group.

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

For the six months ended 30 June 2011, the Group recorded a profit after tax of RMB553.6 million, representing an increase of 7.7% when compared to RMB514.2 million for the corresponding period in 2010.

The Group's profit attributable to shareholders of the Company for the six months ended 30 June 2011 amounted to RMB438.2 million, representing an increase of 14.6% from RMB382.2 million for the corresponding period in 2010.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarises the Group's cash flows for the periods indicated:

	For the six months ended	
	30 June (Unaudited)	
	2011	2010
	<i>RMB in millions</i>	<i>RMB in millions</i>
Net cash used in/(generated from) operating activities	282.6	(209.1)
Net cash used in investing activities	(391.8)	(520.1)
Net cash generated from financing activities	86.1	624.3
Effect of foreign exchange rate changes	(21.0)	(10.2)
Net decrease in cash and cash equivalents	(44.1)	(115.1)
Cash and cash equivalents as at the end of the period	5,158.4	4,081.9

Operating Activities

Net cash generated from operating activities for the six months ended 30 June 2011 amounted to RMB282.6 million, while net cash used in operating activities was RMB209.1 million for the corresponding period in 2010. For the six months ended 30 June 2011, net cash used in operating activities was primarily attributable to the Company's profit attributable to equity holders of RMB438.1 million (corresponding period in 2010: RMB382.2 million), an increase of RMB801.8 million in trade payables (corresponding period in 2010: increase of RMB1,030.3 million), a decrease of RMB73.7 million in advanced receipts from customers (corresponding period in 2010: decrease of RMB34.3 million), an increase of RMB829.2 million in trade receivables (corresponding period in 2010: increase of RMB1,697.2 million) and an increase of RMB115.2 million in prepayments and other current assets (corresponding period in 2010: increase of RMB45.9 million).

For the six months ended 30 June 2011, the average age of trade receivables was 60 days, as compared to 57 days for the corresponding period in 2010.

Investing Activities

For the six months ended 30 June 2011, net cash used in investing activities amounted to RMB391.8 million, comprising primarily RMB427.7 million for the addition of property, plant and equipment, RMB190.6 million for the investment in associates, RMB128.5 million for the acquisition and the prepayment for acquisition of land use rights, RMB100.0 million for the acquisition for held-to-maturity assets, RMB100.0 million was put in restrict cash providing an guarantee for the loans of jointly controlled entities, RMB93.7 million for the purchase of available-for-sale financial assets, RMB21.7 million for the settlement of investment cost paid by ultimate holding company on behalf of the Group, and an decrease of RMB175.3 million in term deposits with maturity of over three months, and dividends amounted to RMB467.1 million received from jointly controlled entities. For the six months ended 30 June 2010, net cash used in investing activities amounted to RMB520.1 million, comprising primarily RMB426.2 million for the addition of property, plant and equipment, RMB198.7 million for the acquisition of land use rights and cash prepaid for acquisition of land use rights and RMB96.6 million for the repayment of investment proceeds advanced from the ultimate holding company, and an increase of RMB153.5 million in term deposits with maturity of over three months, which were partially offset by proceeds of RMB87.4 million on the disposal of land use rights, proceeds of RMB51.6 million on the disposal of properties and other equipment and the receipt of dividends of RMB273.8 million from jointly controlled entities.

Financing Activities

Net cash generated from the Group's financing activities for the six months ended 30 June 2011 amounted to RMB86.1 million, compared with net cash generated from financing activities of RMB624.3 million for the corresponding period in 2010.

Net cash generated from financing activities for the six months ended 30 June 2011 comprised mainly additional bank borrowings amounting to RMB635.2 million, partially offset by dividend payment of RMB67.9 million to non-controlling interests of subsidiaries and repayments of bank borrowings of RMB560.3 million. Net cash generated from financing activities for the six months ended 30 June 2010 comprised mainly additional bank borrowings amounting to RMB1,136.8 million, partially offset by dividend payment of RMB204.9 million and repayments of bank borrowings of RMB428.2 million.

Capital Expenditure

For the six months ended 30 June 2011, the Group's capital expenditure amounted to RMB557.8 million, consisting primarily of RMB427.7 million for acquisition of property, plant and equipment, RMB128.5 million for the purchase of land use rights and RMB1.6 million for the acquisition of intangible assets, among which, RMB378.6 million was used for the renovation and construction of terminals, warehouses, logistics centres and container yards, RMB147.1 million for the purchase of vehicles, vessels and machinery equipments and RMB32.1 million for IT investment and refurbishment and purchase of office equipments.

CONTINGENT LIABILITIES AND GUARANTEES

As at 30 June 2011, the Group's contingent liabilities mainly comprised RMB89.333 million (31 December 2010: RMB71.553 million) in relation to outstanding lawsuits.

As at 30 June 2011, the amount of guarantees provided by the Group in favour of its jointly controlled entities and customers was RMB587.5 million (31 December 2010: guarantees provided in favour of jointly controlled entities and customers: RMB206.8 million).

In addition, in the common business practice, certain subsidiaries of the Company issued related letters of guarantee to the Civil Aviation Administration of China to ensure the jointly controlled entities to obtain the operating licenses of air freight forwarding. Such letters of guarantee contain no specific amount, among which, the longest will terminate in 2014.

BORROWINGS

As at 30 June 2011, the Group's total borrowings amounted to RMB4,474.5 million (31 December 2010: RMB4,254.6 million), which comprised bank borrowings of RMB1,829.5 million denominated as to RMB574.3 million in Renminbi, RMB997.6 million in US dollars, RMB48.9 million in Hong Kong dollars and RMB208.6 million in Japanese Yen. The weighted average interest rate for the above bank borrowings was 3.51% per annum. The total borrowings of the Group also included a RMB entrusted loan of RMB2,645 million obtained from the ultimate holding company, at a weighted average interest rate of 3.36% per annum.

SECURED AND GUARANTEED BORROWINGS

As at 30 June 2011, the Group pledged restricted cash amounting to approximately RMB146.7 million for borrowings. In addition, as at the same date, the Group also pledged property, plant and equipment (with net book value of approximately RMB66.1 million) and land use rights (with net book value of approximately RMB44.9 million) for borrowings.

GEARING RATIO

As at 30 June 2011, the gearing ratio of the Group was 61.7% (31 December 2010: 61.1%), which was calculated at dividing the sum of liabilities and non-controlling interests by total assets of the Group as at 30 June 2011.

FOREIGN EXCHANGE RATE RISK

Since a substantial portion of the Group's turnover and transportation and related charges is denominated in US dollars, the Group's exposure to foreign exchange risk is mainly related to US dollars. There is no assurance that future fluctuations in Renminbi against the US dollars and other currencies would not adversely affect the Group's results and its financial position (including the ability to declare dividends).

CREDIT RISK

The Group's exposure to credit risk is represented by the aggregated balances of trade and other receivables, financial assets at fair value through profit or loss, available-for-sale financial assets, restricted cash, and term deposits with initial terms of over three months. The maximum credit risk exposure in the event that other parties fail to perform their obligations under these financial instruments was the carrying values of these financial instruments.

EMPLOYEES

As at 30 June 2011, the Group had 24,748 (31 December 2010: 24,431) employees. Details of our remuneration policies and staff development were substantially the same as those disclosed in the 2010 Annual Report with no significant changes.

III. PROSPECTS AND OUTLOOK

In the second half of the year, from an international perspective, the global economy will maintain a recovery trend; however, the growth disparity between different countries especially the debt crisis in Europe and America, may cause the global economic downturn to linger, putting pressure on the growth of China's export. In the second half of the year, from a domestic perspective, China will put a lot of efforts in balancing and choosing among the triple objectives of maintaining a stable and relatively fast economic growth, stabilising overall price level and accelerating economic restructuring. Under an active control, the momentum of China's economic growth will steadily slow down in the second half of the year with an estimated growth rate of approximately 9.0% for 2011. Overall, good fundamentals are laid in the economic development of China, while emerging conflicts exposed the imbalance, lack of coordination or unsustainability in such development. New conditions, issues and conflicts that may exist in the international environment and domestic economic operations will bring us both greater challenges and opportunities in our operations and development.

In the second half of the year, the Group will well penetrate the economic conditions and seize every positive factor to further its business innovation according to the annual work plan, speed up the development of the domestic trading business and deeply advance the resource integration in integrated logistics. The Group will, with its relentless efforts, be dedicated to maintain a stable growth and achieve higher profit of its major businesses as well as to secure a healthy, rapid and sustainable growth in order to deliver greater value to our shareholders.

IV. INTERIM DIVIDENDS

The Board has declared an interim dividend of RMB0.020 per share for the six months ended 30 June 2011. Shareholders at the annual general meeting of the Company for the year 2010 authorised the directors of the Company to decide on matters relating to the recommendation, declaration and payment of the interim dividend for the year 2011.

It is expected that the interim dividend will be paid on or before Friday, 9 December 2011 to shareholders whose names appear on the register of members on Friday, 21 October 2011. The register of members of the Company will be closed from Monday, 17 October 2011 to Friday, 21 October 2011 (both days inclusive), during which no transfers will be registered for the purposes of ascertaining entitlements to the Company's 2011 interim dividend.

In order to qualify for the interim dividend, holders of H Shares whose transfers have not been registered are requested to lodge their instruments of transfer together with the relevant share certificates with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 14 October 2011, for registration.

Pursuant to the Articles of Association of the Company, dividends payable to the holders of Domestic Shares will be paid in Renminbi ("RMB"), and dividends payable to the holders of H Shares will be paid in Hong Kong dollars ("HK\$"). The exchange rate for dividends payable in HK\$ is the mean average exchange rate of RMB to HK\$ published by the People's Bank of China during the week (11 August 2011 to 18 August 2011) preceding the date of declaration of the dividend. The average exchange rate of RMB to HK\$ for the said week was HK\$1 = RMB0.820579. Accordingly, the amount of interim dividend for each H Share of the Company is HK\$0.024373.

In accordance to the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations which took effect on 1 January 2008, the Company is obliged to withhold and pay enterprise income tax at a tax rate of 10% on behalf of non-resident corporate shareholders on its H share register when making payments of dividend to these shareholders. Shares registered in the name of non-individual shareholders, including HKSCC Nominees Limited, other nominees or trustees or other organizations or bodies shall be deemed as shares held by non-resident corporate shareholders. Such shareholders will receive their dividend net of the enterprise income tax.

The Company will withhold and pay on behalf of the Individual H Shareholders the income tax in accordance with the tax regulations of the People's Republic of China (the "PRC"). Pursuant to the letter titled "Tax arrangements on dividends paid to Hong Kong residents by Mainland companies" issued by The Stock Exchange of Hong Kong Limited to the issuers on 4 July 2011, for non-foreign investment companies of the Mainland which are listed in Hong Kong distributing dividends to their shareholders, the individual shareholders in general will be subject to a withholding tax rate of 10%. They do not have to make any applications for entitlement to the above-mentioned tax rate. However, for shareholders who are residents of other countries and whose home countries have reached an agreement with China on an applicable withholding tax rate higher or lower than 10%, they have to follow the bilateral tax agreement in paying tax in connection with dividends paid by Mainland companies listed in Hong Kong. When making payments of dividend, the Company acting like a withholding agent in general will withhold 10% of the dividend on behalf of the individual H shareholders as individual income tax. Unless otherwise specified by the relevant tax regulations and tax agreements, in which case the Company will withhold individual income tax of such dividend in accordance with the tax rates and according to the relevant procedures as specified by the relevant regulations.

V. PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption of the listed securities of the Company by any members of the Group during the six months ended 30 June 2011.

VI. CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance and has adopted the Code on Corporate Governance Practices (the “Code”) set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) issued by The Stock Exchange of Hong Kong Limited as the code of corporate governance practices of the Company. The Company has complied with all the code provisions in effect as set out in the Code throughout the six months period ended 30 June 2011.

VII. COMMITTEES

Board Committees

As at 30 June 2011, the board of directors of the Company comprised of 11 directors. The members were as follows:

Chairman: Mr. Zhao Huxiang

Executive directors: Mr. Zhao Huxiang, Mr. Zhang Jianwei, Ms. Tao Suyun, Mr. Li Jianzhang

Non-executive directors: Mr. Yang Yuntao, Ms. Liu Jinghua, Mr. Jerry Hsu, Mr. Mok, Chi Ming Victor

Independent non-executive directors: Mr. Sun Shuyi, Mr. Lu Zhengfei, Mr. Miao Yuexin

Audit Committee

The principal functions of the audit committee include the appointment of external auditors, review and supervision of the Group’s financial reporting process and internal controls as well as offering advices and recommendations to the Board of Directors. The current committee members are Mr. Sun Shuyi, Mr. Lu Zhengfei, Mr. Miao Yuexin and Ms. Liu Jinghua, with Mr. Sun Shuyi acting as the chairman of the audit committee.

Deloitte Touche Tohmatsu, the Company’s auditors, and the Audit Committee of the Company have reviewed the interim condensed consolidated financial information of the Company and its subsidiaries for the six months ended 30 June 2011.

Remuneration Committee

The principal functions of the remuneration committee include reviewing the remuneration policies of the Company, assessing the performance of the directors and senior management of the Company and determining policies in respect to their remuneration packages. The current committee members are Mr. Lu Zhengfei, Mr. Sun Shuyi, Mr. Miao Yuexin and Ms. Tao Suyun, with Mr. Lu Zhengfei acting as the chairman of the remuneration committee.

Supervisory Committee

The Supervisory Committee is formed by three members, comprising one independent supervisor, one staff-representative supervisor and one shareholder-representative supervisor.

The Supervisory Committee is responsible for checking the financial affairs, supervising the Board and its members as well as the senior management, so as to safeguard the interests of the shareholders of the Company. By convening meetings of the Supervisory Committee and attending Board meetings, meetings of the Audit Committee, meetings of the Remuneration Committee, the supervisors examined the Company's financial position and legal compliance of its operations and the performance of duties by its senior management, undertaking various duties in a proactive manner with diligence, prudence and integrity.

VIII. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as the code of conducting securities transactions by Company's directors.

The directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the period from 1 January to 30 June 2011.

IX. PUBLICATION OF INTERIM RESULTS AND 2011 INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinotrans.com). The 2011 Interim Report will be dispatched to the Company's shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Sinotrans Limited
Gao Wei
Company Secretary

Beijing, 18 August 2011

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