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 2012

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 (collectively the "Group") for the six months ended 30 June 2012 together with the comparative figures in 2011, which have 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 2012

		For the six months ended 30 June	
		2012	2011
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**23,160,007**	20,601,190
Other income		**107,942**	67,471
Business tax and other surcharges		**(144,696)**	(150,548)
Transportation and related charges		**(19,317,415)**	(16,901,379)
Staff costs		**(1,256,644)**	(1,104,492)
Depreciation and amortisation		**(237,033)**	(213,203)
Repairs and maintenance		**(75,887)**	(70,763)
Fuel		**(766,799)**	(702,729)
Travel and promotional expenses		**(160,292)**	(144,976)
Office and communication expenses		**(88,095)**	(87,887)
Rental expenses		**(523,825)**	(583,805)
Other gains, net		**219**	26,486
Other operating expenses		**(204,383)**	(186,180)
Operating profit	*4*	**493,099**	549,185
Finance income	*5*	**79,784**	43,499
Finance costs	*5*	**(156,854)**	(143,070)
		(77,070)	(99,571)
Share of profit of jointly controlled entities		**224,600**	238,281
Share of profit of associates		**22,067**	23,005
Profit before income tax		**662,696**	710,900
Income tax expense	*6*	**(162,699)**	(157,349)
Profit for the period		**499,997**	553,551
Attributable to:			
– Owners of the Company		**389,885**	438,136
– Non-controlling interests		**110,112**	115,415
		499,997	553,551
Earnings per share for profit attributable to owners of the Company, Basic (RMB)	*8*	**0.09**	0.10

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Notes	For the six months ended 30 June 2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Profit for the period		**499,997**	553,551
Other comprehensive income			
Fair value gains/(losses) on available-for-sale financial assets	*9(a)*	**38,924**	(413,180)
Share of other comprehensive income of jointly controlled entities		**246**	–
Share of other comprehensive income of associates		**(1,564)**	–
Currency translation differences		**4,493**	(4,611)
Income tax relating to components of other comprehensive income		**(9,731)**	103,295
Other comprehensive income/(losses) for the period, net of tax		**32,368**	(314,496)
Total comprehensive income for the period		**532,365**	239,055
Total comprehensive income attributable to:			
– Owners of the Company		**411,629**	236,916
– Non-controlling interests		**120,736**	2,139
		532,365	239,055

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Notes	**30 June 2012 RMB'000 (Unaudited)**	31 December 2011 RMB'000 (Audited)
ASSETS			
Non-current assets			
Land use rights		**2,186,651**	2,155,885
Prepayments for acquisition of land use rights		**70,086**	68,849
Property, plant and equipment		**6,057,490**	5,622,457
Investments in jointly controlled entities		**2,302,813**	1,766,972
Investments in associates		**1,027,569**	1,015,603
Deferred income tax assets		**86,557**	91,130
Intangible assets		**96,640**	95,523
Available-for-sale financial assets	*9*	**1,431,090**	1,392,166
Other non-current assets		**23,084**	21,990
		13,281,980	12,230,575
Current assets			
Prepayments and other current assets		**1,351,190**	1,491,200
Inventories		**44,778**	83,182
Trade and other receivables	*10*	**8,099,060**	6,708,178
Restricted cash		**561,048**	349,639
Term deposits with initial terms of over three months		**497,505**	418,473
Cash and cash equivalents		**6,173,781**	5,521,045
		16,727,362	14,571,717
Total assets		**30,009,342**	26,802,292
EQUITY			
Equity attributable to owners of the Company			
Share capital		**4,249,002**	4,249,002
Reserves		**5,901,978**	5,493,223
Proposed dividends	*7(b)*	**–**	42,490
		10,150,980	9,784,715
Non-controlling interests		**2,210,023**	2,200,154
Total equity		**12,361,003**	11,984,869

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2012

	Notes	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**36,721**	27,080
Provisions		**157,747**	112,922
Borrowings		**207,936**	204,458
Long-term bonds		**2,542,743**	543,489
Other non-current liabilities		**157,658**	62,337
		3,102,805	950,286
Current liabilities			
Trade payables	*11*	**5,836,291**	4,842,567
Other payables, accruals and other current liabilities		**2,094,617**	1,283,301
Receipts in advance from customers		**2,505,243**	2,650,819
Current income tax liabilities		**108,228**	121,641
Borrowings		**1,128,247**	2,126,599
Short-term bonds		**2,409,259**	2,338,120
Salary and welfare payables		**463,649**	504,090
		14,545,534	13,867,137
Total liabilities		**17,648,339**	14,817,423
Total equity and liabilities		**30,009,342**	26,802,292
Net current assets		**2,181,828**	704,580
Total assets less current liabilities		**15,463,808**	12,935,155

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 the 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 truck transportation. The Group has operations mainly in the PRC.

These unaudited condensed consolidated financial statements are presented in thousands of Renminbi ("Rmb'000"), unless otherwise stated.

These unaudited condensed consolidated financial statements were approved by the Board of Directors for issue on 17 August 2012.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

These unaudited condensed consolidated financial statements for the six months ended 30 June 2012 have 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 ("IAS") 34, "Interim Financial Reporting". These unaudited condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

These unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, where are measured at fair values.

Except as described below, the accounting policies and methods of computation used in these unaudited condensed consolidated financial statements are the same as those followed in the Group's annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, the following amendments to IFRSs:

- amendments to IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets; and

- amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets.

The application of the above amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

3. SEGMENT INFORMATION

The chief operating decision-maker ("management") reviews the Group's internal reporting in order to assess performance and allocate resources. This is the basis upon which the Group is organized. 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.

The Group's revenue is from rendering of services. 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), 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. The assets of each reportable segment are before the inter-segment elimination adjustments related to receivables and payables. No information on segment liabilities is provided to the management, and, accordingly, information on segment liabilities is not presented.

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

	Freight forwarding RMB'000	Shipping agency RMB'000	Marine transportation RMB'000	Storage and terminal services RMB'000	Others RMB'000	Segment total RMB'000	Inter–segment elimination RMB'000	Group RMB'000
For the six months ended 30 June 2012 (Unaudited)								
Revenue – external	**19,255,349**	**357,809**	**1,969,379**	**927,843**	**649,627**	**23,160,007**	**–**	**23,160,007**
Revenue – inter-segment	**375,333**	**40,349**	**452,654**	**93,918**	**118,588**	**1,080,842**	**(1,080,842)**	**–**
Total revenue	**19,630,682**	**398,158**	**2,422,033**	**1,021,761**	**768,215**	**24,240,849**	**(1,080,842)**	**23,160,007**
Segment profit/(losses)	**358,266**	**142,354**	**(137,089)**	**169,480**	**5,056**	**538,067**	**–**	**538,067**
Other gains, net								**219**
Corporate expenses								**(45,187)**
Operating profit								**493,099**
Finance costs, net								**(77,070)**
Share of profit of jointly controlled entities	**9,742**	**10,238**	**–**	**18,775**	**185,845**	**224,600**	**–**	**224,600**
Share of profit of associates								**22,067**
Profit before income tax								**662,696**
Income tax expense								**(162,699)**
Profit for the period								**499,997**
As at 30 June 2012 (Unaudited)								
Segment assets	**15,108,131**	**1,544,074**	**1,866,914**	**5,307,460**	**965,744**	**24,792,323**	**(1,439,981)**	**23,352,342**

	Freight forwarding RMB'000	Shipping agency RMB'000	Marine transportation RMB'000	Storage and Terminal services RMB'000	Others RMB'000	Segment total 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	–	20,601,190
Revenue – inter-segment	252,066	59,529	545,957	112,833	98,493	1,068,878	(1,068,878)	–
Total revenue	17,057,238	402,815	2,523,451	934,247	752,317	21,670,068	(1,068,878)	20,601,190
Segment profit/(losses)	338,590	147,226	(82,388)	160,742	3,034	567,204	–	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	–	238,281
Share of profit of associates								23,005
Profit before income tax								710,900
Income tax expense								(157,349)
Profit for the period								553,551
As at 31 December 2011 (Audited)								
Segment assets	13,636,281	1,489,520	1,767,441	5,136,673	899,043	22,928,958	(1,483,762)	21,445,196

4. OPERATING PROFIT

Operating profit is arrived at after crediting and charging the following:

	For the six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Crediting		
Rental income from		
– buildings	**14,512**	11,856
– plant and machinery	**3,400**	4,203
Gain on disposal of property, plant and equipment	**20,598**	3,923
Dividend income from available-for-sale financial assets	**19,607**	8,960
Income from property management	**3,243**	2,100
Charging		
Depreciation		
– owned property, plant and equipment	**221,807**	201,071
– owned property, plant and equipment leased out under operating leases	**4,056**	3,630
Losses on disposal of property, plant and equipment	**19,566**	1,581
Impairment losses of receivables	**12,732**	8,395
Operating lease charges		
– land use rights	**27,873**	25,039
– buildings	**88,754**	101,427
– plant and equipment	**407,198**	457,339
Amortisation of intangible assets	**11,170**	8,502
Charges on property management and facilities	**48,764**	43,748
Other tax expenses	**30,649**	27,888
Provision for onerous contract	**1,438**	8,141
Charges on IT support	**13,475**	20,220

5. FINANCE COSTS, NET

	For the six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
– Interest income on bank balances	**79,784**	43,499
Finance cost		
– Interest expenses		
Including: Borrowings	**(40,388)**	(71,333)
Bonds	**(117,352)**	–
– Exchange gains/(losses), net	**8,115**	(60,687)
– Bank charges	**(7,229)**	(11,050)
	(156,854)	(143,070)
Finance costs, net	**(77,070)**	(99,571)

6. INCOME TAX EXPENSE

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

	For the six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– Hong Kong profit tax	**–**	191
– PRC income tax expense	**158,405**	141,841
Deferred PRC income tax	**4,294**	15,317
	162,699	157,349

Hong Kong profit tax has been provided at the rate of 16.5% (six months ended 30 June 2011: 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 2011:25%) 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 20% (six months ended 30 June 2011: 12.5% to 24%) based on the relevant PRC tax laws and regulations.

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 2012, approximately RMB23,263,000 (six months ended 30 June 2011: RMB23,473,000), representing 10% of profit after tax (six months ended 30 June 2011: 10%) determined under the PRC accounting standards, has been appropriated to the statutory surplus reserve.

(b) Dividends

An interim dividend of RMB0.02 per ordinary share totalling RMB84,980,000 (2012:nil) was declared to the owners of the Company on 18 August 2011.

In March 2012, a final dividend of RMB 0.01 per ordinary share totalling RMB42,490,000 in respect of the year ended 31 December 2011 (2011: RMB0.02 per ordinary share totalling RMB84,980,000 in respect of the year ended 31 December 2010) was approved by shareholders. As at 30 June 2012, such dividend was not yet paid.

8. EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company *(RMB'000)*	**389,885**	438,136
Number of ordinary shares in issue *(thousands)*	**4,249,002**	4,249,002
Basic earnings per share *(RMB)*	**0.09**	0.10

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

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Listed equity investments, at fair value (a)	**1,042,970**	1,004,046
Unlisted equity investments, at cost less impairment (b)	**388,120**	388,120
Available-for-sale financial assets	**1,431,090**	1,392,166

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

	For the six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
At beginning of period	**1,004,046**	1,900,123
Fair value gains/(losses)	**38,924**	(413,180)
At end of period	**1,042,970**	1,486,943

Listed equity investments include the ordinary shares of Air China Limited ("Air China") and China Eastern Airlines Corporation Limited ("China Eastern") listed on the Shanghai Stock Exchange, and BOE Technology Group Co., Ltd. ("BOE") listed 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 in these instruments 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 2012 and 31 December 2011, 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 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables, net	**7,175,678**	5,812,116
Bills receivables	**222,896**	209,057
Other receivables, net	**520,444**	533,924
Due from related parties	**180,042**	153,081
	8,099,060	6,708,178

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**7,226,328**	5,853,573
Less: Provision for impairment of receivables	**(50,650)**	(41,457)
Trade receivables, net	**7,175,678**	5,812,116

As at 30 June 2012 and 31 December 2011, the aging analysis of trade receivables is as follows:

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**7,027,854**	5,750,798
Between 6 and 12 months	**142,255**	58,118
Between 1 and 2 years	**41,834**	27,061
Between 2 and 3 years	**9,186**	10,286
Over 3 years	**5,199**	7,310
	7,226,328	5,853,573

As at 30 June 2012 and 31 December 2011, the aging analysis of amounts due from related parties, which are trading in nature, is summarised as follows:

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**98,269**	70,634
Between 6 and 12 months	**355**	150
Between 1 and 2 years	**164**	96
Between 2 and 3 years	**8**	–
Over 3 years	**6**	6
	98,802	70,886

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.

Bills receivables are bills of exchange with maturity dates of less than 6 months.

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 2012 *RMB'000* **(Unaudited)**	31 December 2011 *RMB'000* (Audited)
Within 6 months	5,125,053	4,429,439
Between 6 and 12 months	457,173	176,940
Between 1 and 2 years	152,847	147,284
Between 2 and 3 years	50,199	50,868
Over 3 years	51,019	38,036
	5,836,291	4,842,567

12. EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) In July 2012, the Group acquired 9% equity interest of Dongguan Humen Container Terminals Co., Ltd. ("DHCT") with consideration of RMB66,000,000. After this acquisition, the Group holds 49% equity interest of DHCT, and DHCT remained a jointly controlled entity of the Group.

(b) In July 2012, Keppel Telecommunications & Transportations LTD ("Keppel") injected capital of RMB140,000,000 in cash to Wuhu Sanshan Port Co., Ltd. ("WHSS"), a wholly-owned subsidiary of the Company. After the capital injection, the Company and Keppel each holds 50% equity interest of WHSS, and WHSS becomes a jointly controlled entity of the Group.

(c) In August 2012, the Company's subsidiary, Sinotrans Logistics Development Company Limited ("SLDC"), and Shanghai Waigaoqiao Logistics Center Co., Ltd. ("Shanghai Waigaoqiao") injected cash of RMB48,000,000 and RMB12,000,000 respectively to set up Sinotrans Waigaoqiao (Shanghai) International Logistics Co., Ltd. ("Sinotrans Waigaoqiao"), which becomes a non-wholly owned subsidiary of the Group. SLDC and Shanghai Waigaoqiao each holds 80% and 20% equity interest of Sinotrans Waigaoqiao.

II. MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto of the Company and its subsidiaries (collectively the "Group") detailed in Section I of this announcement.

REVIEW OF OPERATING RESULTS

In the first half of 2012, the global economic development was complicated and full of uncertainties, while domestic economic development experienced increasing difficulties. Concurrently, in the face of an arduous international environment, Chinese economy encountered enormous difficulties and challenges with the existence of negative factors affecting the stable development of domestic economy. From January to June, Chinese total import and export grew by 8% compared to the same period of last year, of which, the growth rates of export and import were 9.2% and 6.7% respectively. In the first half of the year, Chinese port foreign trade throughput and container throughput remained increasing steadily with foreign trade throughput of national ports above designated size increasing by 13.6% year-on-year, of which, the year-on-year growth rates of coastal ports and inland ports were 13.6% and 4.6% respectively. The international container throughput of national ports above designated size grew by 8.8% year-on-year, of which, the year-on-year growth rates of coastal ports and inland ports were 8.7% and 9.5% respectively.

In the first half of 2012, the Group proceeded with the two main missions raised in the beginning of the year under the guidelines of "Adjust and Optimize, Grow in a Health Manner, Invest Moderately, Safeguard Against Risks" to complete the full-year budget firstly and active integration of resources secondly. In the first half of the year, against a backdrop of complicated macroeconomic dynamics, sluggish market sentiment and intensifying market competition, the Group actively pursued for optimization of business model and streamlining of business structure to enhance the quality and richness of development. By adhering to the rationale of "Expanding domestic trade and foreign trade logistics operations, actively developing traditional businesses and new specialized logistics services", the Group successfully maintained the excellence in traditional business through measures such as innovation of sales models. Moreover, the Company fully leveraged the core competitiveness of business networks which were more closely linked and complementary over the years for the promotion of integration of resources as well as improvement and optimization of internal resources. Through dedication and commitment, the Group maintained a stable and healthy development.

For the six months ended 30 June 2012, on a year-on-year basis, the Group recorded an increase of 5.4% for the number of containers handled by sea freight forwarding services; an increase of 8.2% for the business volume handled by air freight forwarding services; an increase of 2.6% for the number of containers handled by shipping agency business; a decrease of 0.2% for the number of containers handled in terminal throughput; a similar business volume of containers handled at container yards; an increase of 12.6% for the number of containers transported by marine transportation business; an increase of 9.2% for the number of containers handled by trucking business; and an increase of 1.2% for the business volume handled by air express services.

For the six months ended 30 June 2012, the Group achieved a revenue of approximately RMB23,160.0 million, representing an increase of 12.4% as compared to the corresponding period in 2011. Profit attributable to shareholders of the Company was RMB389.9 million, representing a decrease of 11.0% as compared to the corresponding period in 2011 and earnings per share was RMB0.09 (corresponding period in 2011: RMB0.10).

COMPARISON AND ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION

Revenue

For the six months ended 30 June 2012, the Group's revenue amounted to RMB23,160.0 million, up by 12.4% from RMB20,601.2 million for the corresponding period in 2011. The increase in revenue was mainly attributable to the significant increase in the freight rates of container shipping market, and the year-on-year increase in the business volume of the Group.

Freight Forwarding

Revenue from the Group's freight forwarding services increased by 15.1% to RMB19,630.7 million during the six months ended 30 June 2012, compared to RMB17,057.2 million for the corresponding period in 2011.

Volume of sea freight forwarding containers was 4.048 million TEUs for the first half of 2012, increasing by 5.4% from 3.842 million TEUs for the first half of 2011. Cargo tonnage of air freight forwarding services was 0.2011 million tonnes for the first half of 2012, increasing by 8.2% from 0.1858 million tonnes for the first half of 2011.

The increase in revenue from freight forwarding for the first half of 2012 was higher than the increase in business volume, which was primarily attributable to the increase in the freight rates of container shipping market.

China's consolidated export container freight rate index increased by 10.8% in the first half of 2012 compared with the corresponding period of 2011, while the export container freight rate index in Shanghai area grew by 20.3%.

Shipping Agency

For the six months ended 30 June 2012, revenue from the Group's shipping agency services was RMB398.2 million, representing a decrease of 1.2% from RMB402.8 million for the corresponding period in 2011.

Number of containers handled in shipping agency business of the Group was 6.39 million TEUs for the first half of 2012, representing a rise of 2.6% from 6.23 million TEUs for the corresponding period in 2011. Net registered tonnage of vessels handled by the shipping agency services reached 331.5 million tonnes, representing an increase of 2.9% from 322.1 million tonnes for the corresponding period in 2011. Number of vessel calls dropped by 1.4% to 29,993 times for the first half of 2012, compared with 30,406 times for the corresponding period in 2011.

The decrease in revenue of shipping agency business was mainly due to the decline in shipping agency fee driven by keen competition in shipping agency market.

Storage and Terminal Services

For the six months ended 30 June 2012, revenue from the Group's storage and terminal services amounted to RMB1,021.8 million, representing a growth of 9.4% from RMB934.2 million for the corresponding period in 2011.

The Group's warehouses handled 7.1 million tonnes of bulk cargo in the first half of 2012, representing an increase of 7.6% from 6.6 million tonnes for the corresponding period in 2011. The number of containers handled was at similar level as 4.1 million TEUs recorded for the corresponding period in 2011. The number of containers handled through terminals dropped by 0.2% to 1.462 million TEUs from 1.465 million TEUs for the corresponding period in 2011. The volume of bulk cargo handled at terminals increased by 88.9% to 1.70 million tonnes from 0.9 million tonnes for the corresponding period in 2011.

The growth in revenue of the storage and terminal services was mainly attributable to the relatively fast growth in the Group's bulk cargo business and the increase in the storage and terminal service fees.

Marine Transportation

Revenue from marine transportation of the Group for the six months ended 30 June 2012 amounted to RMB2,422.0 million, down by 4.0% from RMB2,523.5 million for the corresponding period in 2011.

Number of containers shipped by the Group rose to 1.345 million TEUs for the first half of 2012, up by 12.6% from 1.194 million TEUs for the corresponding period in 2011.

The increment in revenue of marine transportation was lower than that in business volume, which was primarily attributable to the Group's stepped-up efforts in exploring the transportation market for domestic trade and domestic feeder line service, leading to the rise in the proportion of such business.

Other Services

The Group's revenue from other services (mainly from trucking transportation and express services) for the six months ended 30 June 2012 amounted to RMB768.2 million, representing an increase of 2.1% from RMB752.3 million for the corresponding period in 2011.

The trucking volume of containers handled by the Group for the first half of 2012 was 0.381 million TEUs, representing an increase of 9.2% from 0.349 million TEUs for the corresponding period in 2011. The number of documents and packages handled in express services was up by 1.2% from 0.83 million units in the first half of 2011 to 0.84 million units for the first half of 2012.

The growth in the revenue and business volume was mainly due to the growth in the overall cargo volume of the trucking transportation service market and the Group's endeavor to seize the opportunity for market expansion.

The Group's jointly controlled entities recorded an investment income of RMB251.0 million from the operation of express services, representing a year-on-year increase of 1.9%. The number of units handled by the jointly controlled entities in their international express services increased by 14.8% from 7.04 million units for the first half of 2011 to 8.08 million units for the first half of 2012.

Transportation and Related Charges

Transportation and related charges were up by 14.3% to RMB19,317.4 million for the six months ended 30 June 2012, compared with RMB16,901.4 million for the corresponding period in 2011. Such increase in transportation and related charges was mainly driven by the increase of the Group's revenue.

Depreciation and Amortization

Depreciation and amortization amounted to RMB237.0 million for the six months ended 30 June 2012, representing an increase of 11.2% from RMB213.2 million for the corresponding period in 2011. Such increase was mainly due to the increase in fixed assets and land use rights during the period.

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

The Group's operating costs (excluding transportation and related charges, depreciation and amortization, business tax and surcharges and other gains/(losses), net) were RMB3,075.9 million for the six months ended 30 June 2012, representing an increase of 6.8% from RMB2,880.9 million for the corresponding period in 2011.

The increase in operating costs (excluding transportation and related charges, depreciation and amortization, business tax and surcharges and other gains/(losses), net) was mainly attributable to the rise in revenue.

Operating Profit

The Group's operating profit was RMB493.1 million for the six months ended 30 June 2012, representing a decline of 10.2% from RMB549.2 million for the corresponding period in 2011. Operating profit as a percentage of total revenue for the six months ended 30 June 2012 decreased to 2.1% from 2.7% for the six months ended 30 June 2011, and to 12.5% from 14.6% as a percentage of net revenue (total revenue less transportation and related charges). The decrease was primarily due to the decline in the overall operating profit as a result of further loss in marine transportation segment caused by the rising actual delivery price of bunker oil for the first half of 2012 compared to the corresponding period of last year.

Income tax

For the six months ended 30 June 2012, taxation of the Group amounted to RMB162.7 million, representing an increase of 3.4% from RMB157.3 million for the corresponding period in 2011. Taxation as a percentage of profit before tax rose to 24.6% from 22.1% for the six months ended 30 June 2011, mainly attributable to the increase in loss of marine transportation segment which did not set off against the heavier income tax liabilities arising from the increased profit of other business segments.

PROFIT AFTER INCOME TAX

For the six months ended 30 June 2012, the Group recorded profit after income tax of RMB500.0 million, representing a decrease of 9.7% when compared with RMB553.6 million for the corresponding period in 2011.

NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

For the six months ended 30 June 2012, net profit attributable to non-controlling interests amounted to RMB110.1 million, representing a decrease of 4.6% as compared with RMB115.4 million for the corresponding period in 2011.

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The Group's profit attributable to shareholders of the Company for the six months ended 30 June 2012 amounted to RMB389.9 million, representing a decrease of 11.0% from RMB438.2 million for the corresponding period in 2011.

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)	
	2012	2011
	In RMB million	*In RMB million*
Net cash generated from operating activities	**141.5**	282.6
Net cash used in investing activities	**(889.5)**	(391.8)
Net cash generated from financing activities	**1,396.1**	86.1
Exchange gains/(losses) on cash and cash equivalents	**4.6**	(21.0)
Net increase/(decrease) in cash and cash equivalents	**652.7**	(44.1)
Cash and cash equivalents as at the end of the period	**6,173.8**	5,158.4

Operating Activities

Net cash generated from the Group's operating activities for the six months ended 30 June 2012 amounted to RMB141.5 million, while net cash used in operating activities was RMB282.6 million for the corresponding period in 2011. For the six months ended 30 June 2012, net cash generated from operating activities was primarily achieved by summing up the profit attributable to shareholders of the Company of RMB389.9 million (corresponding period in 2011: RMB438.2 million), an increase of RMB993.7 million in trade payables (corresponding period in 2011: an increase of RMB801.8 million), a decrease of RMB145.6 million in receipts in advance from customers (corresponding period in 2011: a decrease of RMB73.7 million), an increase of RMB1,363.6 million in trade receivables (corresponding period in 2011: an increase of RMB829.2 million) and a decrease of RMB140.0 million in prepayments and other current assets (corresponding period in 2011: an increase of RMB115.2 million).

For the six months ended 30 June 2012, the average age of trade receivables was 58 days, as compared to 60 days for the corresponding period in 2011.

Investing Activities

For the six months ended 30 June 2012, net cash used in investing activities amounted to RMB889.5 million, primarily comprising RMB706.6 million for the purchase of property, plant and equipment, RMB293.0 million for the investment in jointly controlled entities, RMB82.8 million for the purchase of intangible assets and land use rights and the prepayments for the acquisition of land use rights, an increase of RMB79.0 million in term deposits with maturity of over three months, RMB180.0 million for the acquisition of financial products, and RMB300.0 million received from the disposal of financial products. For the six months ended 30 June 2011, net cash used in investing activities amounted to RMB391.8 million, primarily comprising RMB427.7 million for the purchase of property, plant and equipment, RMB190.6 million for the investment in associates, RMB128.5 million for the acquisition of land use rights and the prepayments for such acquisition, RMB100.0 million for the acquisition of financial products, an increase of RMB100.0 million in restricted cash arising from the provision of 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 repayment of investment cost paid by ultimate holding company on behalf of the Group, and a decrease of RMB175.3 million in term deposits with maturity of over three months, and dividends of RMB467.1 million received from jointly controlled entities.

Financing Activities

Net cash generated from the Group's financing activities for the six months ended 30 June 2012 amounted to RMB1,396.1 million, compared with net cash generated from financing activities of RMB86.1 million for the corresponding period in 2011.

Net cash generated from financing activities for the six months ended 30 June 2012 primarily comprised new bank borrowings of RMB1,045.0 million, loan from SINOTRANS&CSC of RMB660.0 million, RMB2,000.0 million received from the issuance of mid-term notes, partially offset by dividend payment of RMB99.8 million to non-controlling interests of subsidiaries, repayments of bank borrowings of RMB1,039.8 million, repayments of entrusted loan from SINOTRANS&CSC of RMB1,000.0 million, and increase in restricted cash of RMB80.5 million. Net cash generated from financing activities for the six months ended 30 June 2011 primarily comprised new bank borrowings of RMB635.2 million, entrusted loan from SINOTRANS&CSC of RMB 145.0 million, partially offset by dividend payment of RMB67.9 million and repayments of bank borrowings of RMB560.3 million.

Capital Expenditure

For the six months ended 30 June 2012, the Group's capital expenditure amounted to RMB789.4 million, primarily comprising RMB706.6 million for the acquisition of property, plant and equipment, RMB71.5 million for the purchase of land use rights and RMB11.3 million for the acquisition of intangible assets, among which, RMB606.8 million was used for the renovation and construction of terminals, warehouses, logistics centers and container yards, RMB106.2 million for the purchase of vehicles, vessels, plant and equipment and RMB30.9 million for IT investment and refurbishment and purchase of office equipment.

CONTINGENT LIABILITIES AND GUARANTEES

As at 30 June 2012, the Group's contingent liabilities mainly comprised outstanding lawsuits of RMB67.299 million (31 December 2011: RMB63.015 million).

On 4 June 2012, a warehouse in Nanjing leased by Sinotrans Logistics Development Company Limited ("SLDC"), a subsidiary of the Company, was involved in a fire incident, and the goods stored in the warehouse which belonged to a customer and other assets (such as shelves etc) of SLDC in the warehouse were damaged by the fire. Goods and other assets located in the warehouse were insured at the time of fire. As at the date of this announcement, the Company, SLDC, the customer, the lessor of the warehouse and the insurance company have commenced the investigation of the fire incident and the negotiation of settlement of losses suffered by the relevant parties. In the opinion of the management of the Group, the outcome and an estimation of potential losses cannot be reasonably estimated because the investigation and negotiation process was at a preliminary stage. Accordingly, no provision was made on 30 June 2012.

As at 30 June 2012, the amount of guarantees provided by the Group in favor of its jointly controlled entities was RMB203.1 million (31 December 2011: RMB294.1 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 some jointly controlled entities and the third party customers to obtain the operating licenses of air freight forwarding. Such letters of guarantee contain no specific amount, among which, the longest will terminate in 2015. For the above guarantees provided to the third party customers by the Company, a counter-guarantee of the total guarantee liability was provided by the shareholders of these customers.

BORROWINGS

As at 30 June 2012, the Group's total borrowings amounted to RMB1,336.2 million (31 December 2011: RMB2,331.1 million), which comprised bank borrowings of RMB1,336.2 million denominated as to RMB266.6 million in Renminbi, RMB1,053.3 million in US dollars, and RMB16.3 million in Hong Kong dollars. The weighted average interest rate for the above bank borrowings was 4.91% per annum.

SECURED AND GUARANTEED BORROWINGS

As at 30 June 2012, the Group pledged restricted cash amounting to approximately RMB173.8 million for borrowings. In addition, as at the same date, the Group also pledged property, plant and equipment (with net book value of approximately RMB63.4 million) and land use rights (with net book value of approximately RMB34.4 million) for borrowings.

GEARING RATIO

As at 30 June 2012, the gearing ratio of the Group was 58.8% (31 December 2011: 55.3%), which was arrived at by dividing the total liabilities by the total assets of the Group as at 30 June 2012.

FOREIGN EXCHANGE 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 risks 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 risks 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 2012, the Group had 26,148 (31 December 2011: 26,352) employees. Details of our remuneration policies and staff development were substantially the same as those disclosed in the 2011 Annual Report with no significant changes.

ACQUISITION AND DISPOSAL

For the six months ended 30 June 2012, The Group acquired 40% equity interest in Dongguan Humen Container Terminals Co., Ltd. ("DHCT"), which is mainly engaged in port operation services and industrial investment. The total cash consideration paid in the current period amounted to RMB293,333,000.

Hankyu Hanshin Sinotrans International Transport Co., Ltd., a jointly controlled entity of the Group, was disposed of in the current interim period at a cash consideration of RMB22,051,000 and a gain amounted to RMB4,772,000 was recognised upon the completion of disposal.

III. PROSPECTS AND OUTLOOK

In July, International Monetary Fund (IMF) cut its forecast for global economic growth for 2012 to 3.5%. From a global economic perspective, the economic outlook of the U.S. remains uncertain, facing multiple downside risks, the European sovereign debt crisis remains unresolved, and the spur to the Japan's economic recovery remains in question. As a result of the current global economic conditions, weak domestic demand and strong risk aversion sentiment of investors, economic growth in emerging markets is likely to slow down. From a domestic economic perspective, Chinese economic growth registered its sixth straight quarterly slowdown, and the rate even fell below 8% in the second quarter of the year. Given the feeble economic growth, inflation curbing measures may give way to deflation fighting measures with the target of "maintaining sustainable growth" once again becoming the major concern. In anticipation of the economic stimulus policies ahead, the local economy is expected to stabilize with further cuts in interest rates and reserve requirement ratio. From an industry perspective, overcapacity remains a major concern to the marine transportation market. However, it is expected that seasonal demand, change in trading conditions for import and export business and the related stimulus policies will provide impetus to periodical recovery of the market. The upward pricing pressure of the shipping companies will also contribute to the increase in revenue of freight forwarding industry.

Given the complicated situation at home and aboard, in the second half of the year, the Group will further capitalize on the favorable timing and push forward the works as planned. The Group will boost its profitability and achieve the operational goal for the year through: (i) consolidating the traditional business and facilitating the enhancement in space booking platform for further market expansion; (ii) adhering to the advancement of resources consolidation; (iii) stepping up efforts in adjusting the business structure to facilitate the healthy development of domestic trade logistic business and the rapid development of specialized logistic business.

Finally, we would like to take this opportunity to extend our sincere thanks to our investors for their concern and support to the Group. Looking ahead, we are dedicated, with our relentless effort, to realize the healthy and stable development of the Group.

IV. INTERIM DIVIDENDS

During the period, the Board determined not to declare any interim dividend (six months ended 30 June 2011: RMB 0.02 per share).

V. REVIEW OF THE INTERIM RESULTS

Deloitte Touche Tohmatsu, the Company's auditors, and the Audit Committee of the Company have reviewed the condensed consolidated financial statements of the Company and its subsidiaries for the six months ended 30 June 2012.

VI. CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance and has adopted the Corporate Governance Code (the "CG Code") as 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 on corporate governance of the Company. The Company has complied with all the code provisions in effect as set out in the CG Code throughout the six months period ended 30 June 2012.

VII. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") contained in Appendix 10 to the Listing Rules as the code for conducting securities transactions by the 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 2012.

VIII. 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 2012.

IX. PUBLICATION OF INTERIM RESULTS AND 2012 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 2012 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, 17 August 2012

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