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Sinotrans Shipping (Holdings) Limited



中外運航運有限公司
SINOTRANS SHIPPING LTD.

(incorporated under the laws of British Virgin Islands)

(incorporated in Hong Kong with limited liability)

(Stock Code: 368)

JOINT ANNOUNCEMENT

**(1) PROPOSAL TO PRIVATISE SINOTRANS SHIPPING LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTIONS 670, 671, 673 AND 674 OF THE COMPANIES ORDINANCE**

(2) PROPOSED WITHDRAWAL OF LISTING OF SINOTRANS SHIPPING LIMITED

(3) DESPATCH OF SCHEME DOCUMENT

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



INTRODUCTION

Reference is made to (i) the joint announcement of Sinotrans Shipping Limited (the “**Company**”) and Sinotrans Shipping (Holdings) Limited (the “**Offeror**”) dated 27 September 2018 (the “**Joint Announcement**”) in relation to, among other things, the proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement under sections 670, 671, 673 and 674 of the Companies Ordinance and the proposed withdrawal of listing of the Company and (ii) the joint announcement of the Offeror and the Company dated 18 October 2018 in relation to the delay in despatch

of the Scheme Document (the “**October Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement and the October Announcement.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document together with the notices of the Court Meeting and the EGM to be held on Thursday, 13 December 2018 and the related proxy forms will be despatched to the Shareholders on Tuesday, 20 November 2018.

The Scheme Document contains, among other things, further details of the Proposal and the Scheme of Arrangement, the expected timetable, the explanatory statement of the Scheme of Arrangement as required under the Companies Ordinance, financial information of the Group, general information regarding the Group and the Offeror, the letters from the Board, the Independent Board Committee and the Independent Financial Adviser (as defined below), a notice of the Court Meeting and a notice of the EGM.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. Lee Peter Yip Wah, Mr. Zhou Qifang, Mr. Xu Zhengjun and Mr. Wu Tak Lung, being all independent non-executive Directors, has been formed to advise the Independent Shareholders in connection with the Proposal. Mr. Su Xingang, a non-executive Director and Chairman of the Company, and Mr. Liu Weiwu, a non-executive Director, are the Chairman and a director of China Merchants Energy Shipping Co., Ltd (招商局能源運輸股份有限公司) (a fellow subsidiary of the Offeror), respectively. Accordingly, Mr. Su Xingang and Mr. Liu Weiwu are considered to be interested in the Proposal and would not be appointed as a member of the Independent Board Committee pursuant to Rule 2.8 of the Takeovers Code. Save for Mr. Su Xingang and Mr. Liu Weiwu, the Independent Board Committee comprised all non-executive Directors.

Somerley Capital Limited has been appointed as the independent financial adviser (the “**Independent Financial Adviser**”) to advise the Independent Board Committee in respect of the terms of the Proposal and the Scheme of Arrangement.

The Independent Financial Adviser has advised the Independent Board Committee that it considers the terms of the Proposal (including the Cancellation Consideration) are fair and reasonable so far as the Independent Shareholders are concerned, and accordingly, it recommends the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the EGM to approve and implement the Scheme of Arrangement.

The Independent Board Committee, having considered the terms of the Proposal and the Scheme of Arrangement, and having taken into account the opinion of the Independent Financial Adviser, considers that the terms of the Proposal and the Scheme of Arrangement are fair and reasonable so far as the Independent Shareholders are concerned and recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme of Arrangement.

Shareholders are urged to read carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the Proposal and the Scheme of Arrangement as set out in the letters from the Independent Board Committee and the Independent Financial Adviser as contained in the Scheme Document.

COURT MEETING AND EGM

The Court Meeting and the EGM are scheduled to be held at 2:00 p.m. and 2:30 p.m. (or as soon thereafter as the Court Meeting shall have concluded or been adjourned), respectively, on Thursday, 13 December 2018 at Concord Room, 8/F, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong.

The High Court has directed that the Court Meeting be convened for the purposes of considering and, if thought fit, approving the Scheme of Arrangement (with or without modification).

Immediately following the conclusion of the Court Meeting, the EGM will be held for the purposes of considering and, if thought fit, passing the special resolution to give effect to the Scheme of Arrangement, including the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and of the issue to the Offeror of such number of New Shares as is equal to the number of the Scheme Shares cancelled.

Notices of the Court Meeting and the EGM are contained in the Scheme Document.

An announcement will be made by the Offeror and the Company in relation to the results of the Court Meeting and the EGM on Thursday, 13 December 2018.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Independent Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 10 December 2018 to Thursday, 13 December 2018 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfers accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. (Hong Kong time) on Friday, 7 December 2018.

CONDITIONS

Shareholders and potential investors should be aware that the Proposal is conditional upon the fulfilment or waiver (as applicable) of the Conditions as described in the paragraph headed "Conditions of the Proposal and the Scheme of Arrangement" in the Explanatory Statement of the Scheme Document. All of the conditions contained therein will have to be fulfilled or waived, as applicable, otherwise the Scheme of Arrangement will lapse. If the Scheme of Arrangement is withdrawn, not approved or sanctioned by the High Court or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If approved, the Scheme of Arrangement will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting.

Further announcements will be made regarding the Proposal in accordance with the requirements of the Takeovers Code and the Listing Rules, including in relation to the result of the hearing of the petition for the sanction of the Scheme of Arrangement by the High Court, the Effective Date, the date of withdrawal of the listing of the Shares from the Hong Kong Stock Exchange and if the Scheme of Arrangement is withdrawn or lapses.

EXPECTED TIMETABLE

The expected timetable for the Scheme of Arrangement is as follows:

	Hong Kong time
Date of despatch of the Scheme Document	Tuesday, 20 November 2018
Latest time for lodging transfers of the Shares in order to be entitled to attend and vote at the Court Meeting and the EGM . .	4:30 p.m. on Friday, 7 December 2018
Closure of register of members for determination of entitlement to attend and vote at the Court Meeting and the EGM (<i>Note 1</i>). . . .	Monday, 10 December 2018 to Thursday, 13 December 2018 (both days inclusive)
Latest time for lodging forms of proxy in respect of the Court Meeting (<i>Note 2</i>)	2:00 p.m. on Tuesday, 11 December 2018
EGM (<i>Note 2</i>)	2:30 p.m. on Tuesday, 11 December 2018
Court Meeting (<i>Notes 2, 3</i>).	2:00 p.m. on Thursday, 13 December 2018
EGM (<i>Notes 2, 3</i>).	2:30 p.m. on Thursday, 13 December 2018 (or as soon as the Court Meeting has been concluded or adjourned)
Announcement of the results of the Court Meeting and the EGM posted on the website of the Hong Kong Stock Exchange.	by 7:00 p.m. on Thursday, 13 December 2018
Latest time for trading of Shares on the Hong Kong Stock Exchange	4:10 p.m. on Friday, 14 December 2018

Hong Kong time

Suspension of trading of the Shares pending withdrawal of listing	9:00 a.m. on Monday, 17 December 2018
Latest time for lodging transfers of the Shares in order to qualify for entitlements under the Scheme of Arrangement	4:30 p.m. on Wednesday, 19 December 2018
Register of members of the Company closed for determining entitlements to qualify under the Scheme of Arrangement (<i>Note 4</i>)	From Thursday, 20 December 2018 onwards
High Court hearing of the petition for the sanction of the Scheme of Arrangement (<i>Note 5</i>)	10:00 a.m. on Thursday, 10 January 2019
Announcement of (1) the result of the High Court hearing, (2) the expected Effective Date and (3) the expected date of withdrawal of the listing of the Shares on the Hong Kong Stock Exchange posted on the website of the Hong Kong Stock Exchange.	by 7:00 p.m. on Thursday, 10 January 2019
Announcement of, among other things, the Effective Date and the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange posted on the website of the Hong Kong Stock Exchange	by 1:00 p.m. on Friday, 11 January 2019
Record Date	Friday, 11 January 2019
Effective Date (<i>Note 5</i>)	Friday, 11 January 2019
Withdrawal of the listing of the Shares on the Hong Kong Stock Exchange becomes effective.	9:00 a.m. on Monday, 14 January 2019
Cheques for the cash payment under the Proposal to be despatched on or before (<i>Note 6</i>)	Tuesday, 22 January 2019

Notes:

- (1) The register of members of the Company will be closed during such period for the purpose of determining entitlements of the Independent Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM. For the avoidance of doubt, this period of closure is not for determining entitlements of Scheme Shareholders under the Scheme of Arrangement.

- (2) The pink form of proxy in respect of the Court Meeting and the white form of proxy in respect of the EGM should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event by the times and dates stated above. In the case of the pink form of proxy in respect of the Court Meeting, it may alternatively be handed to the chairman of the Court Meeting at the Court Meeting if it is not so lodged. The white form of proxy for the EGM must be lodged no later than the time and date stated above in order for it to be valid. Completion and return of the forms of proxy will not preclude a member from attending and voting in person at the relevant meeting or any adjournment thereof if he so wishes. In such event, the relevant form of proxy shall be deemed to have been revoked.
- (3) If a tropical cyclone warning signal No.8 or above is or is expected to be hoisted or a black rainstorm warning signal is or is expected to be in force at any time after 12:00 noon on the date of the Court Meeting and the EGM, the Court Meeting and the EGM will be postponed. The Company will post an announcement on the respective websites of Hong Kong Exchanges and Clearing Limited and the Company to notify the members of the date, time and venue of the rescheduled meetings.
- (4) The register of members of the Company will be closed during such period for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme of Arrangement.
- (5) The Scheme of Arrangement shall become effective when it is sanctioned (with or without modification) by the High Court and an office copy of the order of the High Court, together with the minute and the return containing the particulars required by Section 230 of the Companies Ordinance, are delivered to and registered by the Registrar of Companies in compliance with the procedural requirements of Section 230 and Section 673 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme of Arrangement, respectively.
- (6) Cheques for cash entitlements of Scheme Shareholders will be despatched by ordinary post in envelopes addressed to Scheme Shareholders at their respective addresses as appearing in the register of members at the Record Date or, in the case of joint holders, at the address appearing in the register of members at the Record Date of the joint holder whose name then stands first in the register of members in respect of the relevant joint holdings as soon as possible but in any event within 7 business days (as defined in the Takeovers Code) following the Effective Date. Cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, the Financial Adviser, the Independent Financial Adviser and the share registrar of the Company shall be responsible for any loss or delay in receipt.

Warnings:

Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme of Arrangement may or may not become effective. Shareholders and potential investors are advised to exercise caution when dealing in the Shares or in securities of the Offeror, as appropriate. Persons who are in any doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

By order of the Board
Sinotrans Shipping (Holdings) Limited
Xu Tinghui and Zhang Jinti
Directors

By order of the Board
Sinotrans Shipping Limited
Li Hua
Executive Director

Hong Kong, 20 November 2018

As at the date of this announcement, the board of directors of the Offeror comprises Mr. Xu Tinghui and Mr. Zhang Jinti.

As at the date of this announcement, the board of directors of Sinomarine Limited comprises Mr. Xu Tinghui.

The directors of the Offeror and Sinomarine Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to the Company, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement, other than those expressed by the Company, have been arrived at after due and careful consideration and there are no facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the Directors of the Company are Mr. Li Hua as the executive Director; Mr. Su Xingang (Chairman) and Mr. Liu Weiwu as the non-executive Directors; and Mr. Lee Peter Yip Wah, Mr. Zhou Qifang, Mr. Xu Zhengjun and Mr. Wu Tak Lung as the independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to the Company, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by the Company, have been arrived at after due and careful consideration and there are no facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.