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*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 0598)**

## **UPDATE ON THE DISCLOSEABLE TRANSACTION - ACQUISITION OF EUROPEAN TARGET COMPANIES**

Reference is made to the announcement (“**Announcement**”) of Sinotrans Limited (the “**Company**”) dated 27 September 2019 with respect to the acquisition of seven subsidiaries of KLG Holding (“**Acquisition**”) by the Company at an estimated maximum consideration of no more than EUR385,693,735 (equivalent to approximately RMB3,005,904,124) as contemplated under the Share Sale and Purchase Agreement dated 27 September 2019 entered into between the Purchasers, China Merchants Shipping and the Sellers. Unless otherwise defined herein, capitalised terms used in this announcement have the same meaning as defined in the Announcement.

The Board is pleased to announce that, on 21 October 2019, the Company has received a Decision Letter from German Federal Cartel Office (being the antitrust review agency in Germany), according to which the Acquisition under the Share Sale and Purchase Agreement does not fulfill the conditions for a prohibition under the German competition laws. Thus, one of conditions precedent under the Share Sale and Purchase Agreement has been partly satisfied. The Company will proceed with the Acquisition and fulfill the information disclosure obligations in due course (if any).

**Shareholders and potential investors of the Company should be aware that as at the date of this announcement, the completion of the Share Sale and Purchase Agreement is still subject to the satisfaction or, if applicable, waiver of other conditions precedent in the Announcement. Accordingly, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of EUR1.00=RMB7.7935 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or any other rate or at all on the date or dates in question or any other date.*

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

Beijing, 22 October 2019

*As at the date of this announcement, the board of directors of the Company comprises Li Guanpeng (Chairman), Song Dexing (Vice Chairman), Song Rong (executive director), Su Jian (non-executive director), Xiong Xianliang (non-executive director), Jiang Jian (non-executive director), Jerry Hsu (non-executive director), and four independent non-executive directors, namely Wang Taiwen, Meng Yan, Song Haiqing and Li Qian.*