



中國外運股份有限公司 SINOTRANS LIMITED

(Stock Code: 0598.HK)



2015 ANNUAL RESULTS CORPORATE PRESENTATION

Forward-Looking Statement Disclaimer

This presentation and subsequent discussions may contain forward-looking statements that involve risks and uncertainties. These statements are generally indicated by the use of forward-looking terminology such as believe, expect, anticipate, estimate, plan, project, target, may, will or may be expressed to be results of actions that may or are expected to occur in the future. You should not place undue reliance on these forward-looking statements, which reflect our belief only as of the date of this presentation. These forward-looking statements are based on our own information and on information from other sources we believe to be reliable. Our actual results may be materially less favorable than those expressed or implied by these forward-looking statements which could depress the market price of our shares.



2015 Annual Results

- Macro Economy and Industries
- Highlights
- Business Review
- Financial Review

Prospects

- Challenges and Opportunities
- Development Strategies





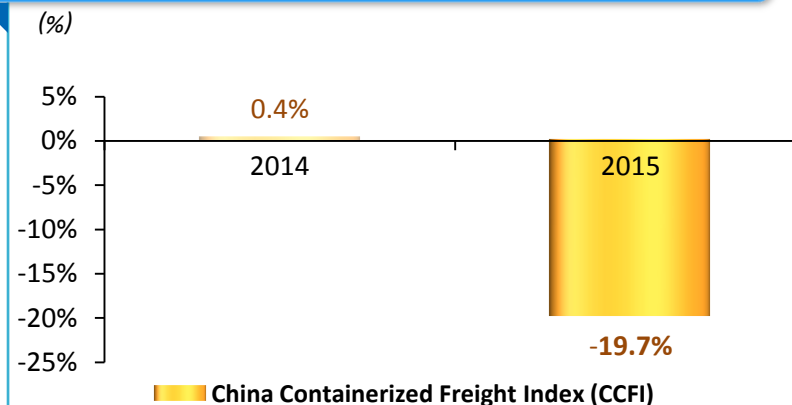
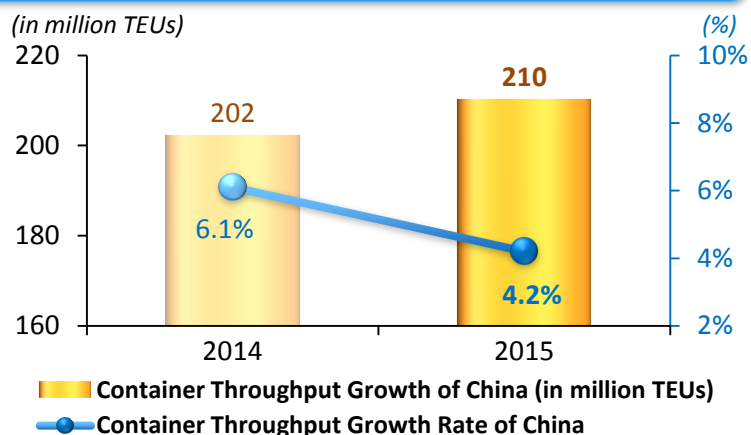
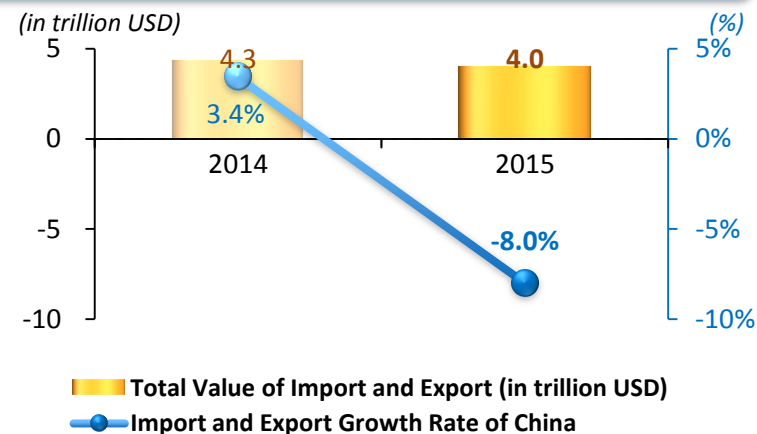
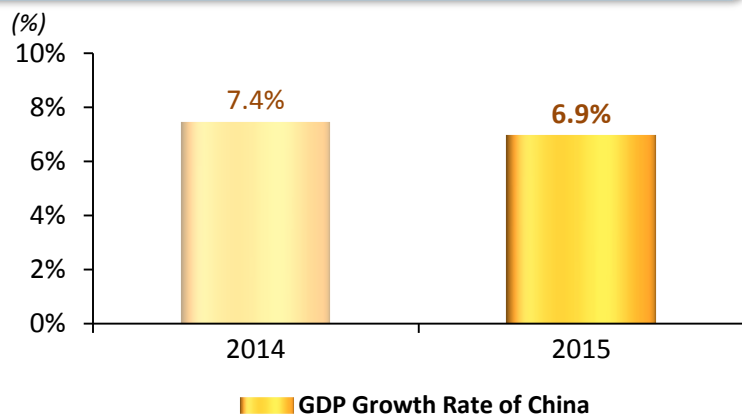
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MACRO ECONOMY AND INDUSTRIES

Macro Economy and Industries



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HIGHLIGHTS

In 2015, the downtrend of economy brought unprecedented pressure. The Company has overcome the market pressure through reforms, innovations and breakthroughs thereby achieving record high profits. Main business indicators achieved continuous growth and the operating cash flow was remarkably improved.

- 1 Smoothly propelled the three major types of businesses of freight forwarding and relevant businesses, logistics and e-commerce business, which achieved innovations and development.**
- 2 Further enhanced the construction of the five channels of shipping channel, land transport channel, air transport channel, trucking channel and overseas channel and further strengthened the operational capability of the integrated networks.**
- 3 Deepened the consolidation of resources and enhanced regional integrated operation.**
- 4 Improved operation management capability. Enhanced function construction and transformation of the headquarter and made positive progress in this regard.**

Financial Highlights



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Major Financial Indicators

(RMB million)	2015	2014	Change
Revenue			
– from continuing operations	45,528.1	45,659.8	-0.3%
Operating Profit			
– from continuing operations	1,644.4	1,223.2	34.4%
Profit after Income Tax			
– from continuing operations	1,961.9	1,434.4	36.8%
Profit Attributable to Equity Holders			
	1,493.3	1,231.4	21.3%
EPS* (RMB yuan)			
– from continuing and discontinuing operations	0.32	0.28	

*As the Company allotted and issued an aggregate of 357.481 million new H shares in July, 2014, when calculating the EPS, the number of shares for 2015 is 4.606 billion while that of 2014 was 4.406 billion.

Operational Highlights



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Volume

		2015	2014	Change
Freight Forwarding	Sea Freight Forwarding Containers (<i>in ten thousand TEUs</i>)	952.0	928.5	2.5%
	Air Freight Forwarding Cargo (<i>in ten thousand tonnes</i>)	52.26	48.19	8.4%
	Shipping Agency Containers (<i>in ten thousand TEUs</i>)	1,652.0	1,602.1	3.1%
	Bulk Cargo (<i>in million tonnes</i>)	208.6	206.1	1.2%
Logistics	(<i>in million tonnes</i>)	15.6	14.2	9.9%
Storage and Terminal Services	Warehouse Operation Containers (<i>in ten thousand TEUs</i>)	769.8	899.0	-14.4%
	Bulk Cargo (<i>in million tonnes</i>)	11.6	14.0	-17.1%
	Terminal Throughput Containers (<i>in ten thousand TEUs</i>)	363.7	362.3	0.4%
	Bulk Cargo (<i>in million tonnes</i>)	1.2	2.2	-45.5%
Other Services	Trucking Containers (<i>in ten thousand TEUs</i>)	103.2	88.6	16.5%
	Shipping - from continuing operations Containers (<i>in ten thousand TEUs</i>)	214.9	205.8	4.4%
	Express Services Documents and Packages (<i>in ten thousand units</i>)	277.9	202.0	37.6%



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BUSINESS REVIEW

Freight Forwarding



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<i>(RMB million)</i>	2015	2014	Change
External Revenue	34,603.9	35,456.7	-2.4%
Segment Results	716.7	713.4	0.5%
Volume	2015	2014	Change
Sea Freight Forwarding Containers <i>(in ten thousand TEUs)</i>	952.0	928.5	2.5%
Air Freight Forwarding Cargo <i>(in ten thousand tonnes)</i>	52.26	48.19	8.4%
Shipping Agency Containers <i>(in ten thousand TEUs)</i>	1,652.0	1,602.1	3.1%
Bulk Cargo <i>(in million tonnes)</i>	208.6	206.1	1.2%

<i>(RMB million)</i>	2015	2014	Change
External Revenue	6,921.0	6,243.9	10.8%
Segment Results	322.2	298.1	8.1%
<i>Volume</i>	2015	2014	Change
Logistics <i>(in million tonnes)</i>	15.6	14.2	9.9%

Storage and Terminal Services



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<i>(RMB million)</i>	2015	2014	Change
External Revenue	1,935.6	2,098.7	-7.8%
Segment Results	354.0	375.0	-5.6%
Volume			
Warehouse Operation			
Containers <i>(in ten thousand TEUs)</i>	769.8	899.0	-14.4%
Bulk Cargo <i>(in million tonnes)</i>	11.6	14.0	-17.1%
Terminal Throughput			
Containers <i>(in ten thousand TEUs)</i>	363.7	362.3	0.4%
Bulk Cargo <i>(in million tonnes)</i>	1.2	2.2	-45.5%

Other Services



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<i>(RMB million)</i>	2015	2014	Change
External Revenue	2067.5	1,860.5	11.1%
Segment Results	51.8	12.4	317.7%

Volume	2015	2014	Change
Trucking Containers <i>(in ten thousand TEUs)</i>	103.2	88.6	16.5%
Shipping - from continuing operations Containers <i>(in ten thousand TEUs)</i>	214.9	205.8	4.4%
Express Services Documents and Packages <i>(in ten thousand units)</i>	277.9	202.0	37.6%

* *Express Services*

Joint Ventures

– *Packages (in ten thousand units)*

2,239 2,154 3.9%

– *Investment Income (RMB million)*

888.6 743.6 19.5%



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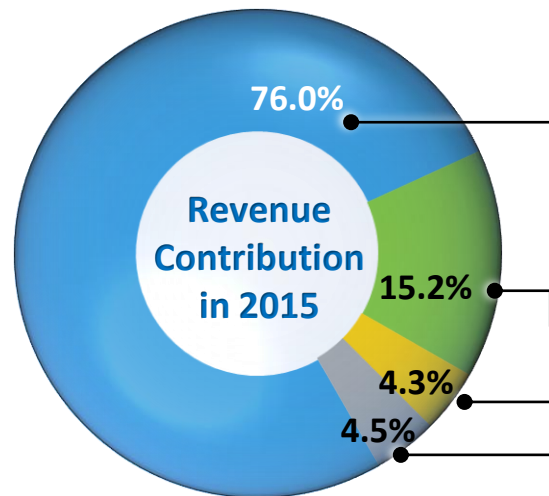
FINANCIAL REVIEW

Revenue and Segment Results

– from continuing operations

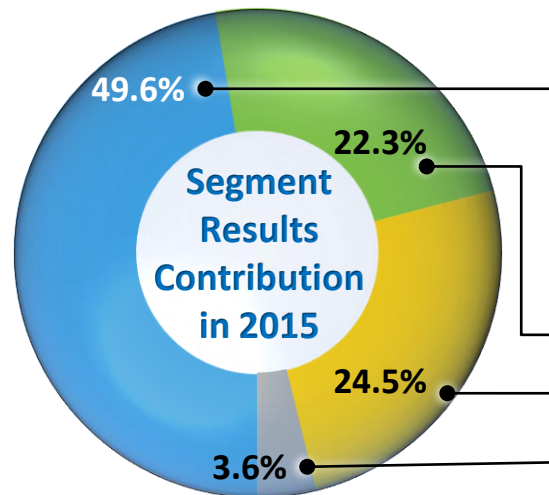


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Revenue

(RMB million)	2015	2014	Change
Freight Forwarding	34,603.9	35,456.7	-2.4%
Logistics	6,921.0	6,243.9	10.8%
Storage and Terminal Services	1,935.6	2,098.7	-7.8%
Other Services	2,067.5	1,860.5	11.1%



Segment Results

(RMB million)	2015	2014	Change
Freight Forwarding	716.7	713.4	0.5%
Logistics	322.2	298.1	8.1%
Storage and Terminal Services	354.0	375.0	-5.6%
Other Services	51.8	12.4	317.7%

Cost Structure

– from continuing operations



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<i>(RMB million)</i>	2015	2014	Change
Transportation and Related Charges	(39,680.3)	(39,890.3)	-0.5%
Staff Costs	(3,349.4)	(3,080.0)	8.7%
Depreciation and Amortization	(625.3)	(588.1)	6.3%
Office and Related Expenses	(467.3)	(492.9)	-5.2%
Other Gains and Losses, Net	378.3	(13.1)	2,993.2%
Other Operating Expenses	(475.2)	(492.0)	-3.4%
Income Tax Expense	(613.2)	(387.7)	58.2%

Statement of Financial Position



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<i>(RMB million)</i>	2015	2014	Change
Cash and Cash Equivalents	6,133.3	5,332.1	15.0%
Current Assets	18,272.9	16,675.2	9.6%
Total Assets	35,084.9	32,709.3	7.3%
Current Liabilities	15,108.4	13,113.5	15.2%
Total Liabilities	16,625.1	16,404.2	1.3%
Non-controlling Interests	3,337.5	2,882.6	15.8%
Equity Attributable to Owners of the Company	15,122.3	13,422.5	12.7%
Total Assets Less Current Liabilities	19,976.5	19,595.8	1.9%

Statement of Cash Flows



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<i>(RMB million)</i>	2015	2014	Change
Net Cash Generated from Operating Activities	2,433.6	1,107.6	119.7%
Net Cash (Used in) Investing Activities	(905.5)	(249.5)	263.0%
Capital Expenditure	1,653.0	1,314.7	25.7%
Net Cash Generated from/(Used in) Financing Activities	(741.3)	(918.7)	-19.3%
Exchange Gains/ (Losses) on Cash and Cash Equivalents	14.4	6.1	137.2%
Net (Decrease)/Increase in Cash and Cash Equivalents	801.2	(54.5)	1,571.1%
Cash and Cash Equivalents as at 31 December	6,133.3	5,332.1	15.0%



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PROSPECTS

Challenges and Opportunities



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Challenges

- The world economy will continue to be sluggish and may face the impact arising from trade contraction worldwide and unusual fluctuations in global capital market
- China will still be under great pressure from the slowing-down economy and have to continuously adjust for economic rebalance
- The growth in the overall demand for logistics in China will be slowing down
- Shipping market remains weak

Opportunities

- The logistics segment market enjoys a vast development space, as the national strategies including “One Belt, One Road”, Beijing-Tianjin- Hebei integration and Yangtze River Belt implement and the e-commerce business maintain a rapid development
- The downward adjustment of interest rates will contribute to the further decrease in financial costs
- The downward adjustment of RMB exchange rates will be beneficial for export
- There will be increasing opportunities in the market for merger and acquisition
- The measures for the reform of state-owned enterprises will be further defined, which will benefit the Company for its system and mechanism innovation

Development Strategies



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Integration



Focus on six key work aspects, namely to “explore the market, promote the upgrade, push-forward the transformation, propel the consolidation, adjust the mechanism and control the risk” and will propel external exploration and internal potential exploration.

Transformation

Improve the quality of its business operations as a whole, cultivate core competitive strengths, and accelerate the achievement of sustainable and quality development.



Innovation



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