



中國外運股份有限公司 SINOTRANS LIMITED

(Stock Code: 0598.HK)



2016 INTERIM RESULTS CORPORATE PRESENTATION

24/08/2016

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.



● 2016 Interim Results

- Macro Economy and Industries
- Highlights of 1H2016
- Business Review
- Financial Review

● Prospects

- Challenges and Opportunities
- Development Strategies





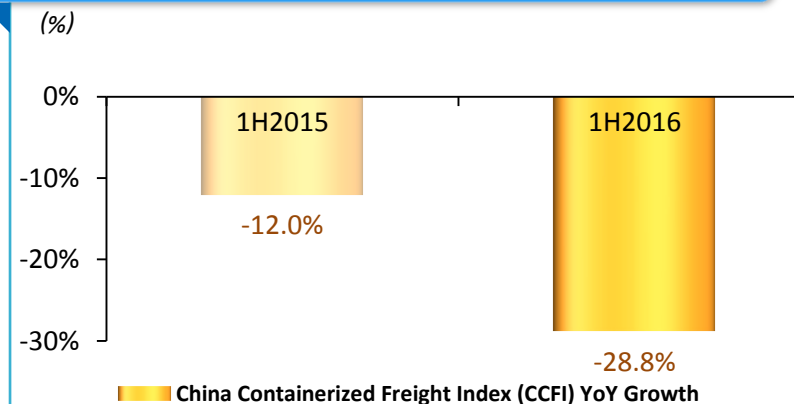
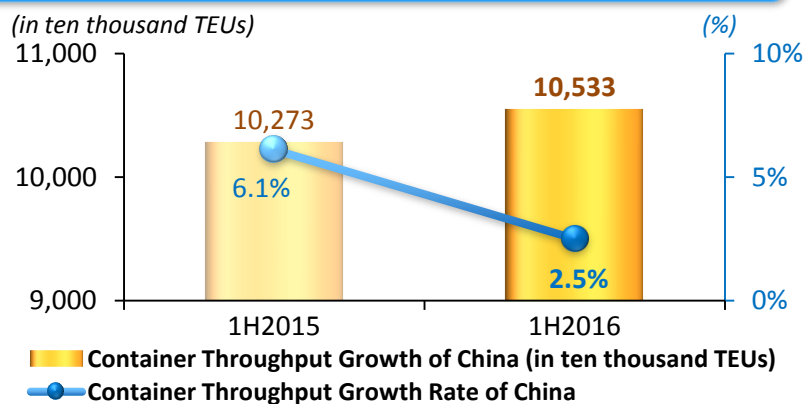
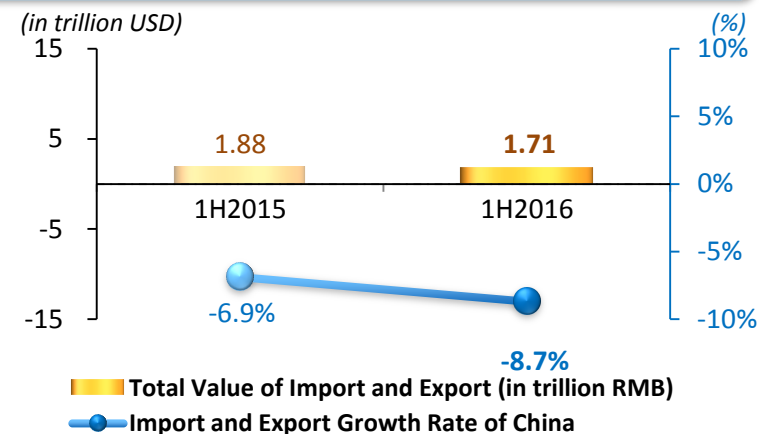
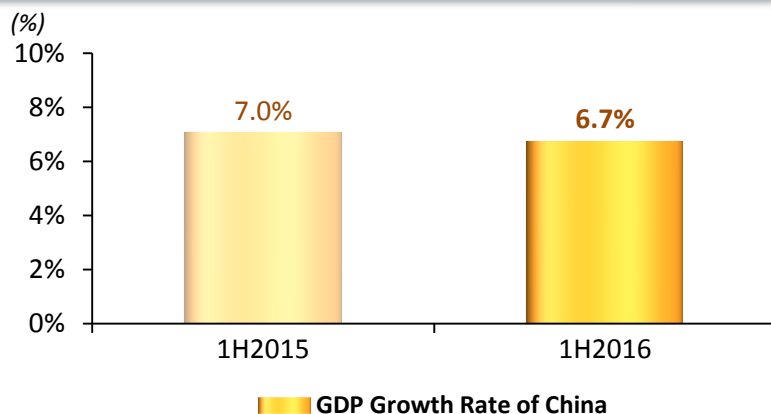
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MACRO ECONOMY AND INDUSTRIES

Macro Economy and Industries



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HIGHLIGHTS OF 1H2016

Adhere to the themes of “Integration, Transformation and Innovation”.

Focused on six key work aspects: Explore the market, Promote the upgrade, Push-forward the transformation, Propel the consolidation, Adjust the mechanism and Control the Risk.

- Orderly implemented the 13th “Five-Year-Plan”;
- Achieved major breakthrough in terms of business transformation;
- Continued to carry on the construction of “Five Channels”;
- Strengthened the synergies among businesses;
- Effectively controlled the relevant risks.



Recorded sustained volume growth in most of the major businesses;
Realized positive improvement in business and customer structure.

Financial Highlights



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Major Financial Indicators

<i>(RMB million)</i>	1H2016 (Unaudited)	1H2015 (Unaudited)	Change
Revenue	21,677.7	22,919.0	-5.4%
Profit after Income Tax	1,192.4	1,089.0	9.5%
Profit Attributable to Owners of the Company	967.1	875.4	10.5%
EPS <i>(RMB yuan)</i>	0.21	0.19	10.5%

Operational Highlights



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Volume

		1H2016 (Unaudited)	1H2015 (Unaudited)	Change
Freight Forwarding	Sea Freight Forwarding Containers (in ten thousand TEUs)	502.4	464.1	8.3%
	Air Freight Forwarding Cargo (in million kilograms)	274.3	268.1	2.3%
	Shipping Agency Containers (in ten thousand TEUs)	811.5	805.4	0.8%
	Bulk Cargo (in million tonnes)	120.1	103.6	15.9%
Logistics	(in million tonnes)	8.5	7.0	21.4%
Storage and Terminal Services	Warehouse and Yard Operation Containers (in ten thousand TEUs)	355.5	374.5	-5.1%
	Bulk Cargo (in million tonnes)	5.9	5.1	15.7%
	Terminal Throughput Containers (in ten thousand TEUs)	180.0	176.6	1.9%
Other Services	Trucking Containers (in ten thousand TEUs)	40.7	52.1	-21.9%
	Shipping Containers (in ten thousand TEUs)	119.9	108.2	10.8%
	Express Services Documents and Packages (in ten thousand units)	308.9	84.0	267.7%



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BUSINESS REVIEW

Freight Forwarding



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<i>(RMB million)</i>	1H2016 (Unaudited)	1H2015 (Unaudited)	Change
External Revenue	15,906.5	17,527.8	-9.2%
Segment Results	381.4	381.0	0.1%
Volume	1H2016 (Unaudited)	1H2015 (Unaudited)	Change
Sea Freight Forwarding Containers <i>(in ten thousand TEUs)</i>	502.4	464.1	8.3%
Air Freight Forwarding Cargo <i>(in million kilograms)</i>	274.3	268.1	2.3%
Shipping Agency Containers <i>(in ten thousand TEUs)</i>	811.5	805.4	0.8%
Bulk Cargo <i>(in million tonnes)</i>	120.1	103.6	15.9%

<i>(RMB million)</i>	1H2016 (Unaudited)	1H2015 (Unaudited)	Change
External Revenue	3,825.7	3,453.6	10.8%
Segment Results	198.8	190.1	4.6%
Volume	1H2016 (Unaudited)	1H2015 (Unaudited)	Change
Logistics <i>(in million tonnes)</i>	8.5	7.0	21.4%

Storage and Terminal Services



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<i>(RMB million)</i>	1H2016 (Unaudited)	1H2015 (Unaudited)	Change
External Revenue	929.5	962.9	-3.5%
Segment Results	145.2	203.6	-28.7%
Volume			
Warehouse and Yard Operation			
Containers <i>(in ten thousand TEUs)</i>	355.5	374.5	-5.1%
Bulk Cargo <i>(in million tonnes)</i>	5.9	5.1	15.7%
Terminal Throughput			
Containers <i>(in ten thousand TEUs)</i>	180.0	176.6	1.9%

Other Services



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<i>(RMB million)</i>	1H2016 (Unaudited)	1H2015 (Unaudited)	Change
External Revenue	1,016.0	974.8	4.2%
Segment Results	31.6	31.0	2.0%
Volume			
Trucking Containers <i>(in ten thousand TEUs)</i>	40.7	52.1	-21.9%
Shipping Containers <i>(in ten thousand TEUs)</i>	119.9	108.2	10.8%
Express Services Documents and Packages <i>(in ten thousand units)</i>	308.9	84.0	267.7%

** Express Services*

Joint Ventures

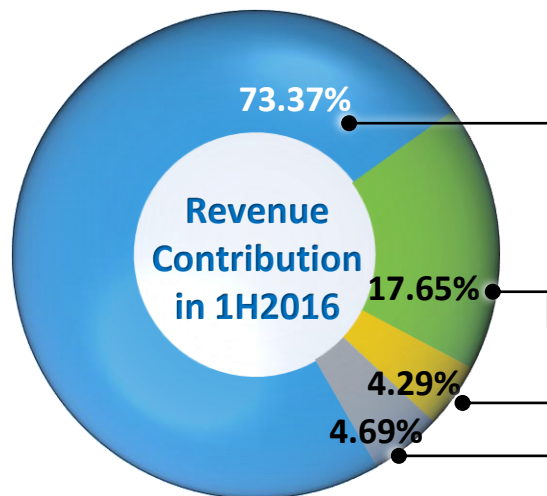
<i>– Packages (in ten thousand units)</i>	<i>1,132</i>	<i>1,075</i>	<i>5.3%</i>
<i>– Investment Income (RMB million)</i>	<i>431.6</i>	<i>455.8</i>	<i>-5.3%</i>



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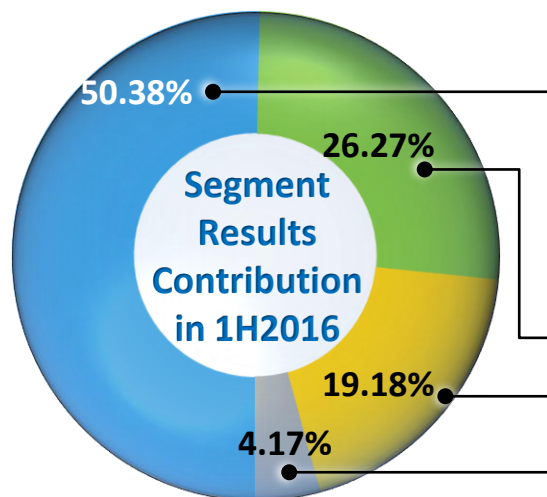
FINANCIAL REVIEW

Revenue and Segment Results



Revenue

(RMB million)	1H2016 (Unaudited)	1H2015 (Unaudited)	Change
Freight Forwarding	15,906.5	17,527.8	-9.2%
Logistics	3,825.7	3,453.6	10.8%
Storage and Terminal Services	929.5	962.9	-3.5%
Other Services	1,016.0	974.8	4.2%



Segment Results

(RMB million)	1H2016 (Unaudited)	1H2015 (Unaudited)	Change
Freight Forwarding	381.4	381.0	0.1%
Logistics	198.8	190.1	4.6%
Storage and Terminal Services	145.2	203.6	-28.7%
Other Services	31.6	31.0	2.0%

Cost Structure



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<i>(RMB million)</i>	1H2016 (Unaudited)	1H2015 (Unaudited)	Change
Transportation and Related Charges	18,675.5	20,042.9	-6.8%
Staff Costs	1,668.2	1,532.3	8.9%
Depreciation and Amortization	320.0	306.4	4.4%
Office and Related Expenses	216.8	214.1	1.3%
Other Gains and Losses, Net	186.0	401.4	-53.7%
Other Operating Expenses	241.6	202.8	19.1%
Income Tax Expense	148.5	469.9	-68.4%

Statement of Financial Position



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<i>(RMB million)</i>	As at 30 Jun 2016 (Unaudited)	As at 31 Dec 2015 (Audited)	Change
Cash and Cash Equivalents	6,322.3	6,133.3	3.1%
Current Assets	20,832.0	18,272.9	14.0%
Total Assets	37,753.2	35,084.9	7.6%
Current Liabilities	16,375.2	15,108.4	8.4%
Total Liabilities	18,826.3	16,625.1	13.2%
Non-controlling Interests	3,238.9	3,337.5	-3.0%
Equity Attributable to Owners of the Company	15,688.1	15,122.3	3.7%
Total Assets Less Current Liabilities	21,378.0	19,976.5	7.0%

Statement of Cash Flows



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<i>(RMB million)</i>	1H2016 (Unaudited)	1H2015 (Unaudited)	Change
Net Cash Generated from Operating Activities	276.3	499.0	-44.6%
Net Cash Used in Investing Activities	(1,356.6)	(1,522.4)	-10.9%
-Capital Expenditure	(488.5)	(762.8)	-36.0%
Net Cash Generated from Financing Activities	1,255.1	708.1	77.2%
Exchange Gains /(Losses) on Cash and Cash Equivalents	14.2	(4.6)	407.3%
Net Increase /(Decrease) in Cash and Cash Equivalents	188.9	(319.9)	159.1%
Cash and Cash Equivalents as at 30 June	6,322.3	5,012.2	26.1%



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PROSPECTS

Challenges and Opportunities



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Challenges

- The pace of global economic recovery continued to slow down. Monetary policy and geopolitical risks have created greater uncertainties
- Global trading barriers and disputes continued to ferment
- China will continue to implement market reform and structural adjustment, while the downward pressure on the economy remains strong

Opportunities

- Following further structural reform in China, the structure of logistics demand will continue to optimize, in line with the fast-growing demand for logistics services from “innovation-driven development, structural upgrade, innovative model,” etc.
- Implementation of “One Belt One Road” Initiative, and development of free trade zones will boost China’s import and export trade growth



Development Strategies



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Integration



Adhere to 13th “Five-Year-Plan” and get results

Secure clients, expand market and maintain growth

Focus on products, transform model and advance upgrade

Transformation

Focus on operations, control costs and improve efficiency

Push-forward consolidation, integrate resources and improve effectiveness

Optimize mechanism, control risks and maintain safety



Innovation



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IR Contact

**Securities and Legal Affairs Dept
Sinotrans Limited**

Tel : +8610 5229 6667
Fax : +8610 5229 6655
Email : ir@sinotrans.com
Website : www.sinotrans.com

