



# 2016 ANNUAL RESULTS

## CORPORATE PRESENTATION



中國外運股份有限公司  
SINOTRANS LIMITED



# Forward-Looking Statement Disclaimer



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*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.*



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- Financial Review

## Prospects

- Challenges and Opportunities
- Development Strategies







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# MACRO ECONOMY AND INDUSTRIES

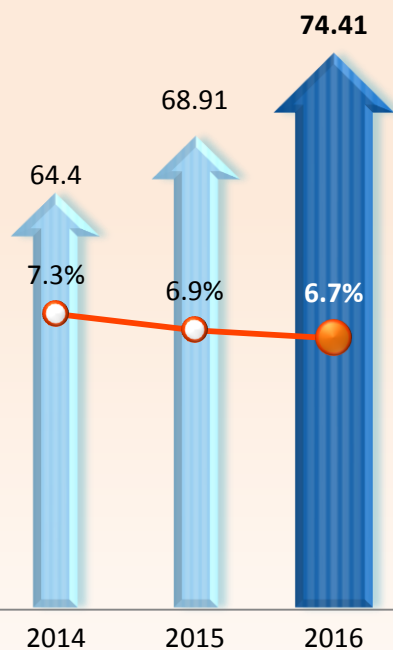


# Macro Economy and Industries



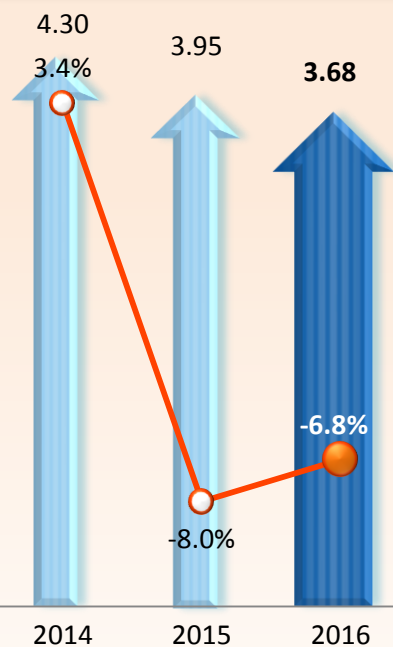
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## GDP of China



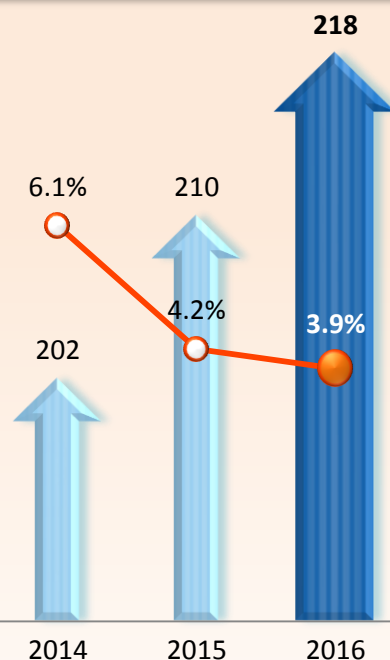
Trillion RMB  
Year-on-year growth

## Total Value of Import and Export



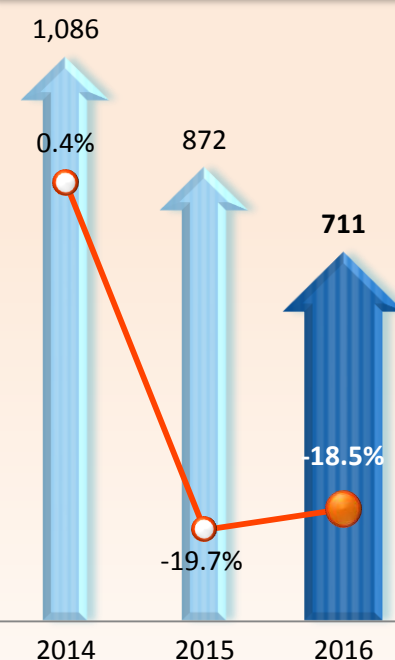
Trillion USD  
Year-on-year growth

## Container Throughput Growth of China



Million TEUs  
Year-on-year growth

## China Containerized Freight Index (CCFI)



Point  
Year-on-year growth



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## HIGHLIGHTS OF 2016




# Achievements



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The Group achieved satisfactory operating results through propelling external expansion and internal exploration and improved the quality of its business operations as a whole.

- Put more efforts on execution and achieved satisfactory results in the implementation of the “13<sup>th</sup> Five-Year” Plan.
- Achieved a remarkable success in market exploration by adopting a combination of measures.
- Promoted innovation-driven development and accelerated the transformation and upgrade of its three major business sectors.
- Made major breakthroughs in the construction of the five channels leveraging the integrated networks.
- Overcame obstacles and continued to deepen the resources integration.
- Continued to reform and improve its organizational and management systems.

 Most of its major operations achieved sustained growth in business volume; obvious results were achieved in the structural adjustment of its business and the implementation of the “One, Three, Five” strategy; the customer structure was improved actively, with rising revenue generated by core direct customers as a proportion of the total revenue of the Group.



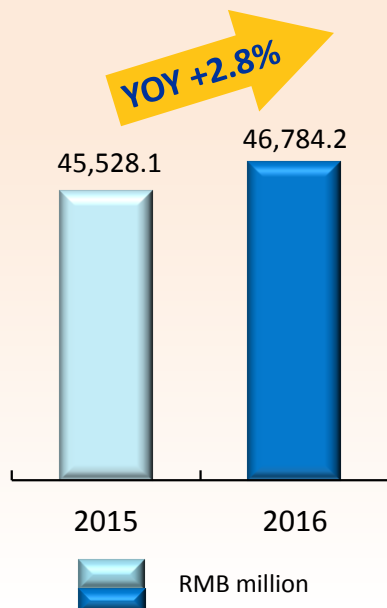


# Financial Highlights

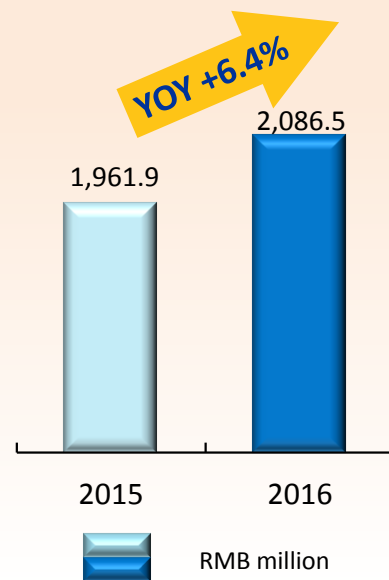


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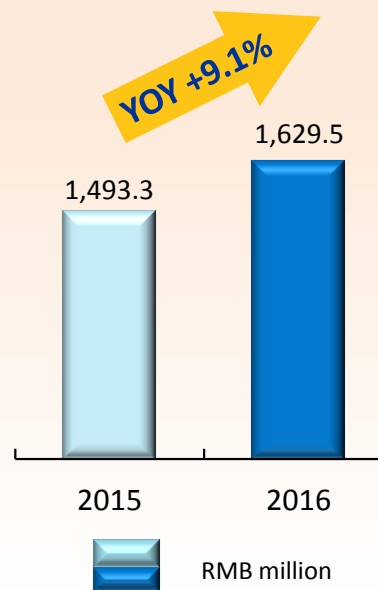
## Revenue



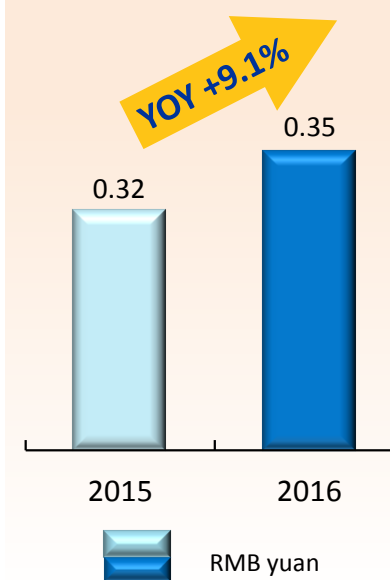
## Profit for the Year



## Profit Attributable to Owners of the Company



## Earnings Per Share







# Operational Highlights



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## Volume

		2016	2015	Change
Freight Forwarding	Sea Freight Forwarding Containers ( <i>in ten thousand TEUs</i> )	1,002.6	952.0	5.3%
	Air Freight Forwarding Cargo ( <i>in million kilograms</i> )	532.4	522.6	1.9%
	Shipping Agency Containers ( <i>in ten thousand TEUs</i> )	1,669.4	1,652.0	1.1%
	Bulk Cargo ( <i>in million tonnes</i> )	246.3	208.6	18.1%
Logistics	( <i>in million tonnes</i> )	18.2	15.6	16.7%
Storage and Terminal Services	Warehouse and Yard Operation Containers ( <i>in ten thousand TEUs</i> )	794.7	769.8	3.2%
	Bulk Cargo ( <i>in million tonnes</i> )	12.4	11.6	6.9%
	Terminal Throughput Containers ( <i>in ten thousand TEUs</i> )	378.2	363.7	4.0%
Other Services	Trucking Containers ( <i>in ten thousand TEUs</i> )	80.4	103.2	-22.1%
	Shipping Containers ( <i>in ten thousand TEUs</i> )	245.1	214.9	14.1%
	Express Services Documents and Packages ( <i>in ten thousand units</i> )	772.9	277.9	178.1%



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# BUSINESS REVIEW



# Freight Forwarding



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<i>(RMB million)</i>	2016	2015	Change
<b>External Revenue</b>	<b>34,665.8</b>	34,603.9	<b>0.2%</b>
<b>Segment Results</b>	<b>725.0</b>	716.7	<b>1.2%</b>

<b>Volume</b>	2016	2015	Change
<b>Sea Freight Forwarding Containers</b> <i>(in ten thousand TEUs)</i>	<b>1,002.6</b>	952.0	<b>5.3%</b>
<b>Air Freight Forwarding Cargo</b> <i>(in million kilograms)</i>	<b>532.4</b>	522.6	<b>1.9%</b>
<b>Shipping Agency Containers</b> <i>(in ten thousand TEUs)</i>	<b>1,669.4</b>	1,652.0	<b>1.1%</b>
<b>Bulk Cargo</b> <i>(in million tonnes)</i>	<b>246.3</b>	208.6	<b>18.1%</b>



# Logistics



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<i>(RMB million)</i>	2016	2015	Change
External Revenue	7,803.1	6,921.0	12.8%
Segment Results	358.3	322.2	11.2%
<i>Volume</i>	2016	2015	Change
Logistics <i>(in million tonnes)</i>	18.2	15.6	16.7%





# Storage and Terminal Services



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<i>(RMB million)</i>	2016	2015	Change
<b>External Revenue</b>	<b>2,015.2</b>	1,935.6	<b>4.1%</b>
<b>Segment Results</b>	<b>252.1</b>	354.0	<b>-28.8%</b>

<b>Volume</b>	2016	2015	Change
<b>Warehouse and Yard Operation</b>			
<b>Containers</b> <i>(in ten thousand TEUs)</i>	<b>794.7</b>	769.8	<b>3.2%</b>
<b>Bulk Cargo</b> <i>(in million tonnes)</i>	<b>12.4</b>	11.6	<b>6.9%</b>
<b>Terminal Throughput</b>			
<b>Containers</b> <i>(in ten thousand TEUs)</i>	<b>378.2</b>	363.7	<b>4.0%</b>



## Other Services



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<i>(RMB million)</i>	2016	2015	Change
<b>External Revenue</b>	<b>2,300.0</b>	2,067.5	<b>11.3%</b>
<b>Segment Results</b>	<b>25.3</b>	51.8	<b>-51.3%</b>

<b>Volume</b>	2016	2015	Change
<b>Trucking Containers</b> <i>(in ten thousand TEUs)</i>	<b>80.4</b>	103.2	<b>-22.1%</b>
<b>Shipping Containers</b> <i>(in ten thousand TEUs)</i>	<b>245.1</b>	214.9	<b>14.1%</b>
<b>Express Services Documents and Packages</b> <i>(in ten thousand units)</i>	<b>772.9</b>	277.9	<b>178.1%</b>

\* *Express Services*

*Joint Ventures*

– *Volume (in ten thousand units)*

2,315      2,239      3.4%

– *Investment Income (RMB million)*

806.0      888.6      -9.1%



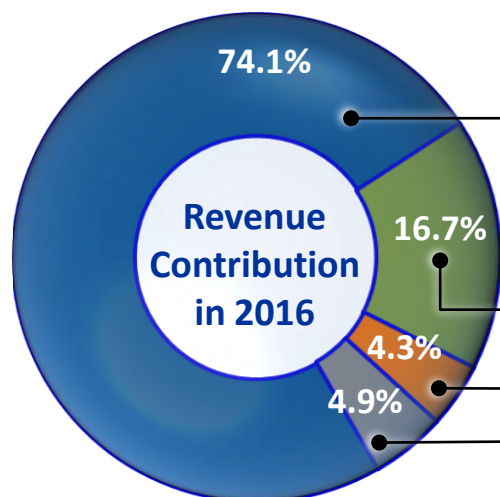
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# FINANCIAL REVIEW

# Revenue and Segment Results

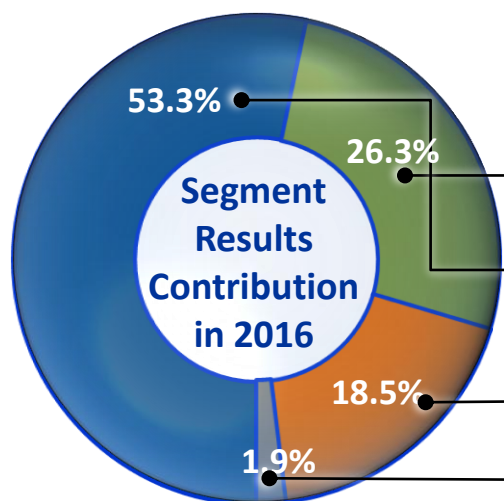


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## Revenue

(RMB million)	2016	2015	Change
Freight Forwarding	34,665.8	34,603.9	0.2%
Logistics	7,803.1	6,921.0	12.8%
Storage and Terminal Services	2,015.2	1,935.6	4.1%
Other Services	2,300.0	2,067.5	11.3%



## Segment Results

(RMB million)	2016	2015	Change
Freight Forwarding	725.0	716.7	1.2%
Logistics	358.3	322.2	11.2%
Storage and Terminal Services	252.1	354.0	-28.8%
Other Services	25.3	51.8	-51.3%





## Cost Structure



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<i>(RMB million)</i>	2016	2015	Change
Transportation and Related Charges	(40,653.6)	(39,680.3)	2.5%
Staff Costs	(3,544.9)	(3,349.4)	5.8%
Depreciation and Amortization	(647.4)	(625.3)	3.5%
Office and Related Expenses	(492.9)	(467.3)	5.5%
Other Gains and Losses, Net	407.8	378.3	7.8%
Other Operating Expenses	(487.6)	(392.5)	24.2%
Income Tax Expense	(384.7)	(613.2)	-37.3%



# Statement of Financial Position



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<i>(RMB million)</i>	2016	2015	Change
Cash and Cash Equivalents	7,118.6	6,133.3	16.1%
Current Assets	20,604.9	18,272.9	12.8%
Total Assets	37,366.9	35,084.9	6.5%
Current Liabilities	12,697.7	15,108.4	-16.0%
Total Liabilities	17,737.1	16,625.1	6.7%
Non-controlling Interests	3,557.6	3,337.5	6.6%
Equity Attributable to Owners of the Company	16,072.3	15,122.3	6.3%
Total Assets Less Current Liabilities	24,669.2	19,976.5	23.5%

# Statement of Cash Flows



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<i>(RMB million)</i>	2016	2015	Change
<b>Net Cash Generated from Operating Activities</b>	<b>1,701.3</b>	2,433.6	<b>-30.1%</b>
<b>Net Cash (Used in) Investing Activities</b>	<b>(256.5)</b>	(905.5)	<b>-70.7%</b>
-Capital Expenditure	<b>1,463.4</b>	1,653.0	<b>-11.5%</b>
<b>Net Cash (Used in) Financing Activities</b>	<b>(487.0)</b>	(741.3)	<b>-34.3%</b>
Exchange Gains/(Losses) on Cash and Cash Equivalents	<b>27.6</b>	14.4	<b>91.7%</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>985.3</b>	801.2	<b>23.0%</b>
<b>Cash and Cash Equivalents as at 31 December</b>	<b>7,118.6</b>	6,133.3	<b>16.1%</b>



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# PROSPECTS





# Challenges and Opportunities



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## Challenges

- A slow-moving global economy in general is expected
- Complex and volatile international political and economy situations lead to uncertainties and fluctuations
- China's economy in a "slowdown in growth but improvement in quality" manner
- The proportion of total social logistics cost as a percentage of GDP in China grows in a steady trend of downward growth rate, weighing on the industry

## Opportunities

- International development of Chinese enterprises and construction of "One Belt, One Road"
- Rise of sharing economy and sharing platform as well as the arrival of intelligent logistics
- More potential mergers and acquisitions in the industry
- Vigorous support from the Chinese government on developing logistics e-commerce, multimodal transportation (railway-ocean through logistics, international railway liner services and river-ocean through logistics) and other logistics
- Reorganization of Sinotrans & CSC with China Merchants



# Development Strategies



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Exploring

- Accelerate strategic transformation and cultivate new competitive advantages and business growth.

Integrating

- Implement development positioning as an “integrator of logistics services” and accelerate the transformation of core business.

Transforming

- Promote integration through consolidation and strive to implement an integrated operation.

Innovating

- Insist on continuous reform greatly and improve the operation ability.

Reforming

- Strive to cut cost and expand source of income, and achieve quality and efficiency elevation.

Managing

- Strengthen fundamental management and enhance operation and controlling standard.



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