



2017 INTERIM RESULTS CORPORATE PRESENTATION

24 August, 2017



中國外運股份有限公司
SINOTRANS LIMITED
(Stock Code: 0598.HK)



Forward-Looking Statement Disclaimer



中國外運股份有限公司
SINOTRANS LIMITED

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.



Contents



中國外運股份有限公司
SINOTRANS LIMITED



2017 Interim Results

- Macro Economy and Industries
- Highlights of 1H2017
- Business Review
- Financial Review

Prospects

- Challenges and Opportunities
- Development Strategies





中國外運股份有限公司
SINOTRANS LIMITED

MACRO ECONOMY AND INDUSTRIES

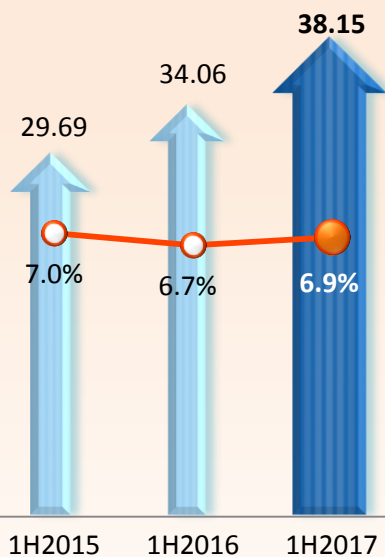


Macro Economy and Industries



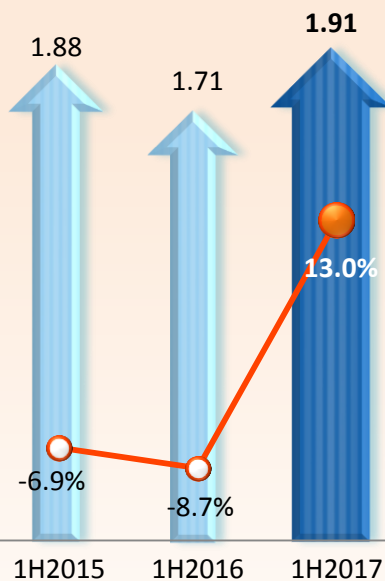
中國外運股份有限公司
SINOTRANS LIMITED

GDP of China



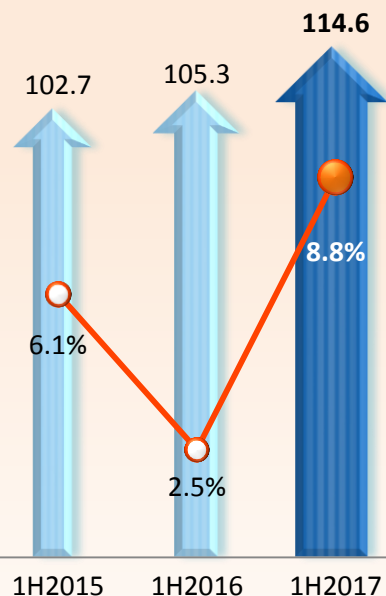
Trillion RMB
Year-on-year growth

Total Value of Import and Export



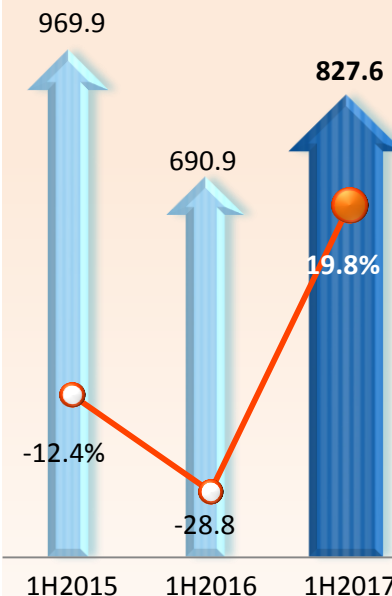
Trillion USD
Year-on-year growth

Container Throughput Growth of China



Million TEUs
Year-on-year growth

China Containerized Freight Index (CCFI)

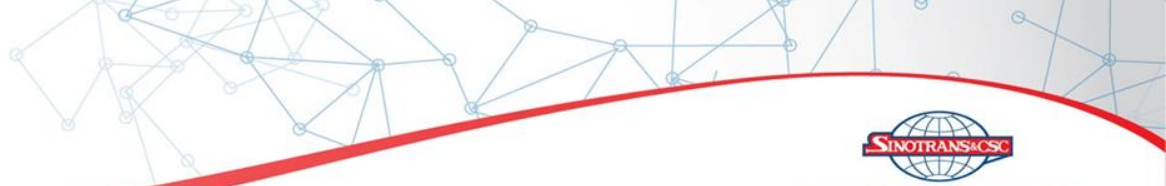


Average Point
Year-on-year growth



中國外運股份有限公司
SINOTRANS LIMITED

HIGHLIGHTS OF 1H2017



中國外運股份有限公司
SINOTRANS LIMITED

- Stuck to the “13th Five-Year” Plan
- Focused on “exploration, integration, transition, innovation, transformation and management”
- Followed the requirements of “clear thoughts, concrete measures, realistic focus, and impressive results”



Achieved active progresses in terms of business scale, operating effectiveness and continuous improvement on organizational efficiency

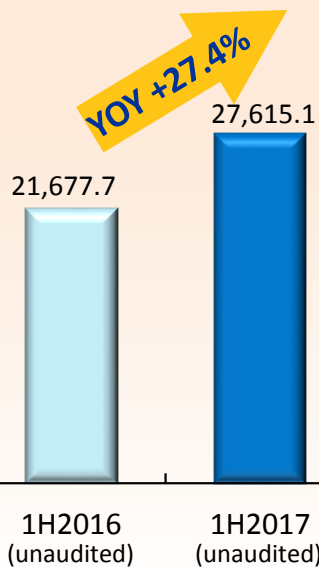


Financial Highlights



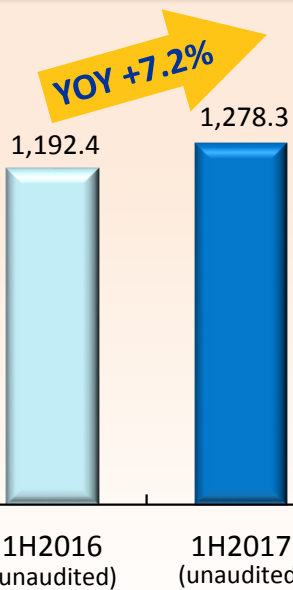
中國外運股份有限公司
SINOTRANS LIMITED

Revenue



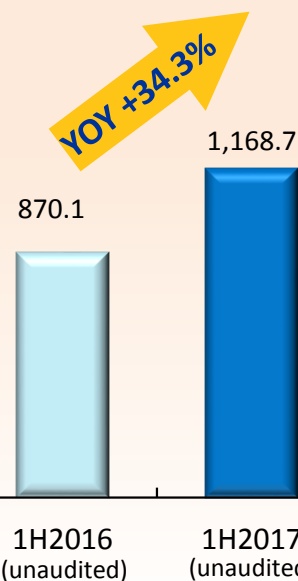
RMB million

Profit for the Period



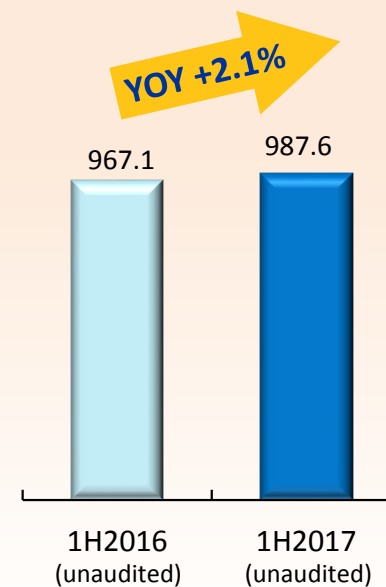
RMB million

Operating Profit



RMB million

Profit Attributable to Owners of the Company



RMB million



Operational Highlights



中國外運股份有限公司
SINOTRANS LIMITED

Volume

		1H2017 (unaudited)	1H2016 (unaudited)	Change
Freight Forwarding	Sea Freight Forwarding Containers <i>(in ten thousand TEUs)</i>	535.0	502.4	6.5%
	Air Freight Forwarding* Cargo <i>(in million kilograms)</i>	255.2	227.2	12.3%
	Shipping Agency Containers <i>(in ten thousand TEUs)</i>	856.8	811.5	5.6%
	Bulk Cargo <i>(in million tonnes)</i>	136.6	120.1	13.7%
Logistics	<i>(in million tonnes)</i>	9.9	8.5	16.5%
Storage and Terminal Services	Warehouse and Yard Operation Containers <i>(in ten thousand TEUs)</i>	424.1	355.5	19.3%
	Bulk Cargo <i>(in million tonnes)</i>	7.1	5.9	20.3%
	Terminal Throughput Containers <i>(in ten thousand TEUs)</i>	194.0	180.0	7.8%
Other Services	Trucking Containers <i>(in ten thousand TEUs)</i>	44.9	40.7	10.3%
	Shipping Containers <i>(in ten thousand TEUs)</i>	118.4	119.9	-1.3%
	Express Services Documents and Packages <i>(in ten thousand units)</i>	1,978.0	308.9	540.3%



中國外運股份有限公司
SINOTRANS LIMITED

BUSINESS REVIEW



Freight Forwarding



中國外運股份有限公司
SINOTRANS LIMITED

<i>(RMB million)</i>	1H2017 (unaudited)	1H2016 (unaudited)	Change
External Revenue	20,529.9	15,906.5	29.1%
Segment Results	499.7	381.4	31.0%

Volume	1H2017 (unaudited)	1H2016 (unaudited)	Change
Sea Freight Forwarding Containers <i>(in ten thousand TEUs)</i>	535.0	502.4	6.5%
Air Freight Forwarding Cargo <i>(in million kilograms)</i>	255.2	227.2	12.3%
Shipping Agency Containers <i>(in ten thousand TEUs)</i>	856.8	811.5	5.6%
Bulk Cargo <i>(in million tonnes)</i>	136.6	120.1	13.7%



Logistics



中國外運股份有限公司
SINOTRANS LIMITED

<i>(RMB million)</i>	1H2017 (unaudited)	1H2016 (unaudited)	Change
External Revenue	4,458.3	3,825.7	16.5%
Segment Results	239.3	198.8	20.3%
<i>Volume</i>			
Logistics <i>(in million tonnes)</i>	9.9	8.5	16.5%



Storage and Terminal Services



中國外運股份有限公司
SINOTRANS LIMITED

<i>(RMB million)</i>	1H2017 (unaudited)	1H2016 (unaudited)	Change
External Revenue	1,121.0	929.5	20.6%
Segment Results	190.5	145.2	31.2%
Volume	1H2017 (unaudited)	1H2016 (unaudited)	Change
Warehouse and Yard Operation			
Containers <i>(in ten thousand TEUs)</i>	424.1	355.5	19.3%
Bulk Cargo <i>(in million tonnes)</i>	7.1	5.9	20.3%
Terminal Throughput			
Containers <i>(in ten thousand TEUs)</i>	194.0	180.0	7.8%



Other Services



中國外運股份有限公司
SINOTRANS LIMITED

<i>(RMB million)</i>	1H2017 (unaudited)	1H2016 (unaudited)	Change
External Revenue	1,505.8	1,016.0	48.2%
Segment Results	32.9	31.6	4.0%

Volume	1H2017 (unaudited)	1H2016 (unaudited)	Change
Trucking Containers <i>(in ten thousand TEUs)</i>	44.9	40.7	10.3%
Shipping Containers <i>(in ten thousand TEUs)</i>	118.4	119.9	-1.3%
Express Services Documents and Packages <i>(in ten thousand units)</i>	1,978.0	308.9	540.3%

* Express Services

Joint Ventures

– Volume *(in ten thousand units)*

1,173 1,132 3.6%

– Investment Income *(RMB million)*

431.9 431.6 0.1%



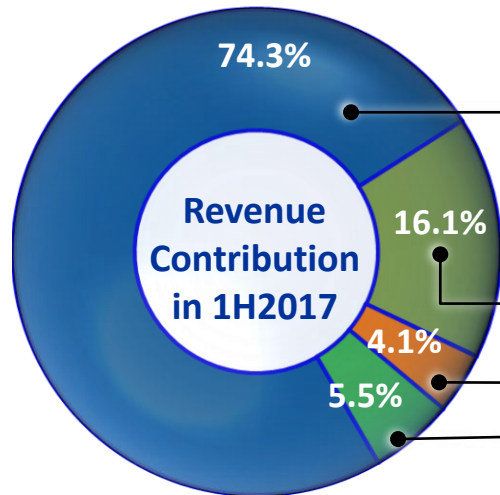
中國外運股份有限公司
SINOTRANS LIMITED

FINANCIAL REVIEW

Revenue and Segment Results

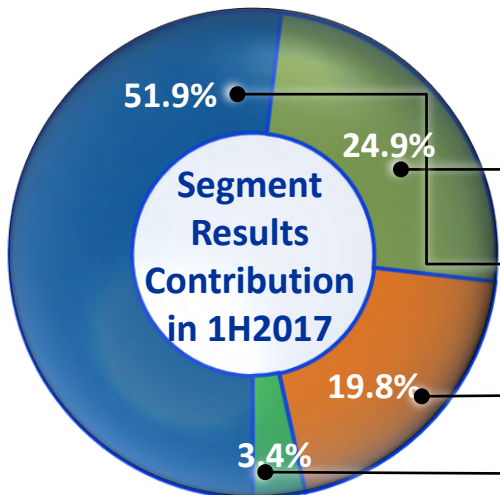


中國外運股份有限公司
SINOTRANS LIMITED



Revenue

(RMB million)	1H2017 (unaudited)	1H2016 (unaudited)	Change
Freight Forwarding	20,529.9	15,906.5	29.1%
Logistics	4,458.3	3,825.7	16.5%
Storage and Terminal Services	1,121.0	929.5	20.6%
Other Services	1,505.8	1,016.0	48.2%



Segment Results

(RMB million)	1H2017 (unaudited)	1H2016 (unaudited)	Change
Freight Forwarding	499.7	381.4	31.0%
Logistics	239.3	198.8	20.3%
Storage and Terminal Services	190.5	145.2	31.2%
Other Services	32.9	31.6	4.0%



Cost Structure



中國外運股份有限公司
SINOTRANS LIMITED

<i>(RMB million)</i>	1H2017 (unaudited)	1H2016 (unaudited)	Change
Transportation and Related Charges	(24,289.3)	(18,675.5)	30.1%
Staff Costs	(1,741.2)	(1,668.2)	4.4%
Depreciation and Amortization	(321.0)	(320.0)	0.3%
Office and Related Expenses	(223.8)	(216.8)	3.2%
Other Gains and Losses, Net	237.9	186.0	28.0%
Other Operating Expenses	(201.4)	(200.8)	0.3%
Income Tax Expense	(285.8)	(148.5)	92.4%



Statement of Financial Position



中國外運股份有限公司
SINOTRANS LIMITED

<i>(RMB million)</i>	As at 30 Jun 2017 (Unaudited)	As at 31 Dec 2016 (Audited)	Change
Cash and Cash Equivalents	6,347.0	7,118.6	-10.8%
Current Assets	22,095.3	20,604.9	7.2%
Total Assets	39,551.5	37,366.9	5.8%
Current Liabilities	12,982.3	12,697.7	2.2%
Total Liabilities	19,214.3	17,737.1	8.3%
Non-controlling Interests	3,630.5	3,557.6	2.0%
Equity Attributable to Owners of the Company	16,706.7	16,072.3	3.9%
Total Assets Less Current Liabilities	26,569.3	24,669.2	7.7%

Statement of Cash Flows



中國外運股份有限公司
SINOTRANS LIMITED

<i>(RMB million)</i>	As at 30 Jun 2017 (Unaudited)	As at 30 Jun 2016 (Unaudited)	Change
Net Cash (Used in) /Generated from Operating Activities	(147.8)	276.3	-153.5%
Net Cash (Used in) Investing Activities	(1,188.0)	(1,356.6)	-12.4%
- Capital Expenditure	(531.3)	(488.5)	8.8%
Net Cash Generated from (Used in) Financing Activities	572.9	1,255.1	-54.4%
Exchange Gains/(Losses) on Cash and Cash Equivalents	(8.7)	14.2	-161.8%
Net Increase/(Decrease) in Cash and Cash Equivalents	(771.6)	188.9	-508.3%
Cash and Cash Equivalents as at 30 June	6,347.0	6,322.3	0.4%



中國外運股份有限公司
SINOTRANS LIMITED

PROSPECTS



Challenges and Opportunities



中國外運股份有限公司
SINOTRANS LIMITED

Challenges

- The world economy shows a state of weak recovery
- Trade protectionism aggravates and geopolitical contradictions intensify
- The Fed's pace of rate rises faster than expected and the plan of reducing the size of balance sheet will bring a lot of risks and uncertainties
- Cross-border competition is more intense in the logistics industry
- Personalized demands of customers put forward higher requirements for logistics enterprises

Opportunities

- China's economy continues to deepen the structural reform of the supply side, and further promote the five tasks of "reducing excess capacity, reducing inventory, deleveraging, reducing costs and improving weak links"
- Import and export are expected to continue to stabilize and maintain positive growth with foreign trade structure continuing to optimize
- Intelligent logistics development speeds up, the trend of inter-industrial restructure and integration is normalizing



Development Strategies



中國外運股份有限公司
SINOTRANS LIMITED



- Insist on the strategy stability, and make dynamic adjustments to the special sub-planning
- Strictly control the business risk, and speed up the transformation of business model
- Conceptualize the Group as an integrator of logistics service to form core competitiveness of differentiated values
- Take digital drive as the original source of intelligent logistics and the core of intelligent logistics development
- Give full play to synergies, and continuously enhance the integration capability
- Strengthen the flat operation system and interaction of internal and external resources, and enhance corporate culture driving force
- Make efforts in the construction of system and quality of implementation, and strengthen risk control and safety management

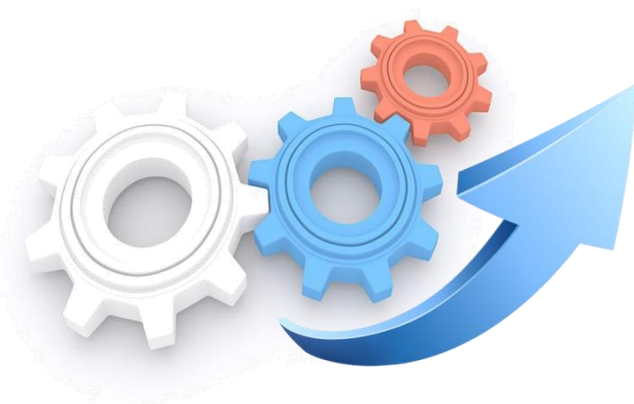


Strategic Reorganization and Resources Integration



中國外運股份有限公司
SINOTRANS LIMITED

☆Announcement



On 22 August 2017, the Company announced an acquisition agreement between it and China Merchants by which the Company has agreed, subject to the fulfilment of certain conditions precedent, to purchase from China Merchants a company that holds certain logistic operations and assets.

For more information, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company dated 22 August 2017.



- ✓ Extraordinary General meeting
- ✓ H Shares Class Meeting



Reasons and Benefit of the Acquisition



中國外運股份有限公司
SINOTRANS LIMITED

1

To enable Sinotrans to further solidify its position as the largest logistics company in China by consolidating its already extensive logistics network and resources with that of the Target Group, to form a gigantic logistics network that are the most capable of providing integrated full-cycled logistics services to the Group's clients both onshore and offshore

2

To provide Sinotrans with the opportunity to tap into new markets, or expand its existing client base and to achieve potential synergies through effective integration of logistics resources and enhanced business collaboration

3

To allow Sinotrans to take advantage of the established overseas network of the Target Group including the logistics park in Belarus to extend the Enlarged Group's reach overseas, riding on the national development strategy of "One Belt One Road" and the "Going-Global" policies



中國外運股份有限公司
SINOTRANS LIMITED

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

