



# 2017 ANNUAL RESULTS

## CORPORATE PRESENTATION

MARCH, 2018



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.*



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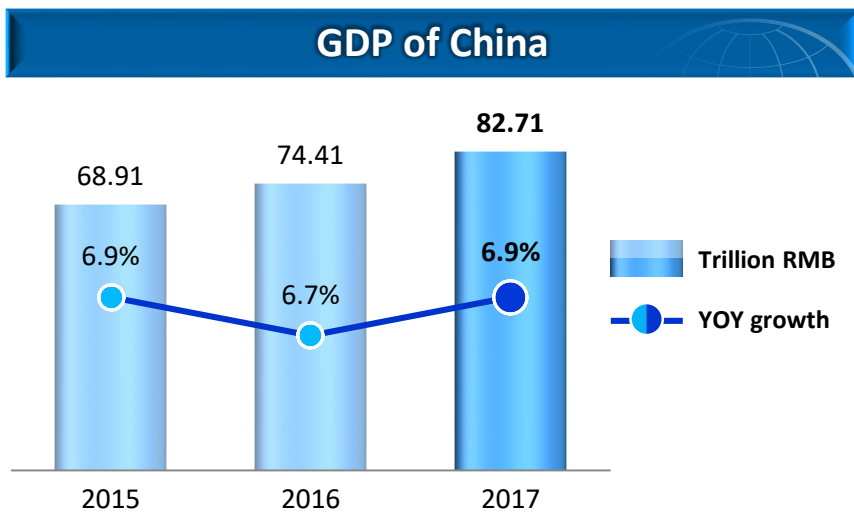




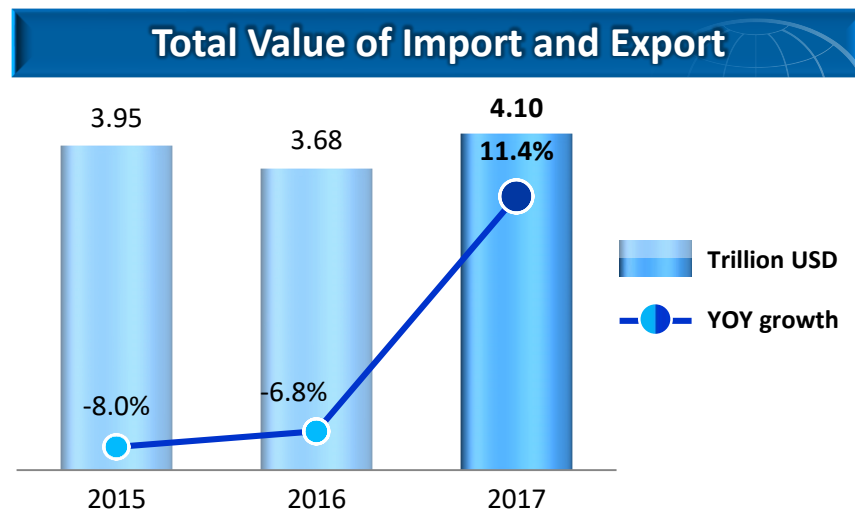
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# 2017 Macro Economy and Company Highlights

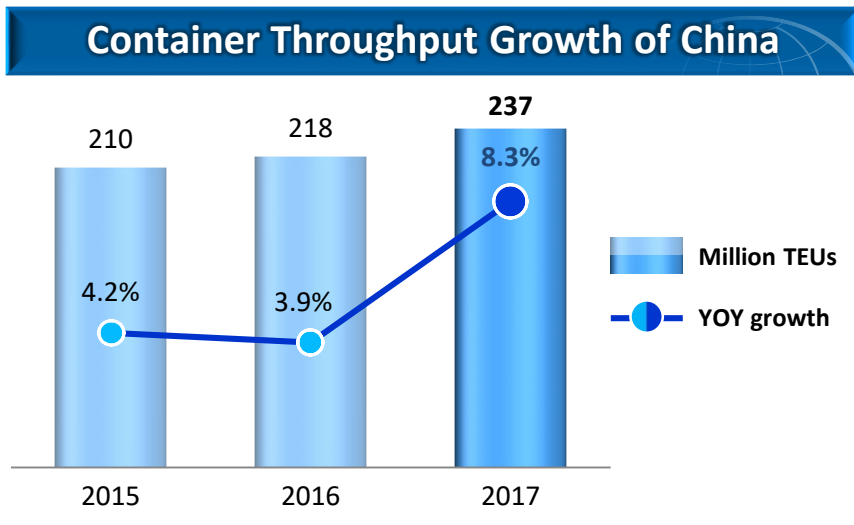
## GDP of China



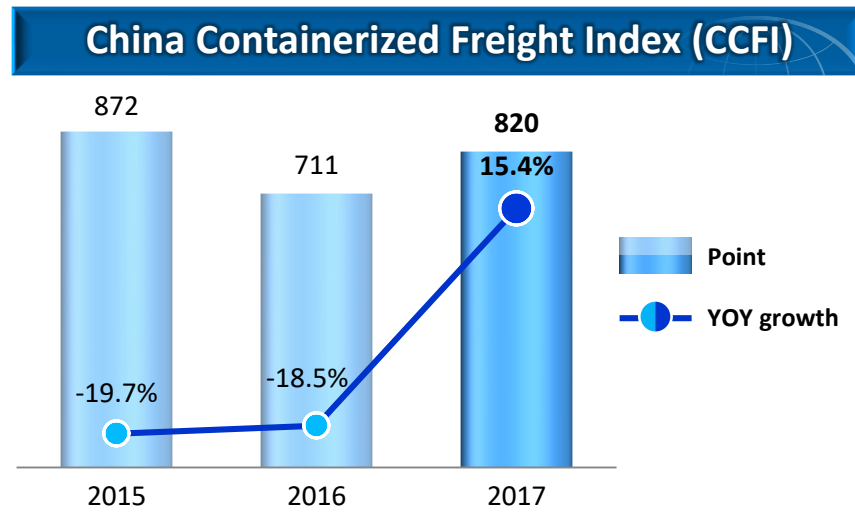
## Total Value of Import and Export



## Container Throughput Growth of China



## China Containerized Freight Index (CCFI)



# Company Highlights



中國外運股份有限公司  
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● Acquisition of China Merchant Logistics



● Innovation of logistics related technologies



● Strong alliance and strategic cooperation



● Participated in E-Commerce and the “Belt and Road” related activities



● Provided logistics services to international and domestic fairs and exhibitions



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# Business and Resources



# Business Segments



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## Freight Forwarding

- Sea freight forwarding
- Air freight forwarding
- Shipping agency



## Logistics

- Contract logistics
- Project logistics
- Chemical logistics
- Cold-chain logistics



## Logistics equipment leasing

- Pallet leasing
- Container leasing



## Storage and terminal services

- Warehouse and yard operation
- Terminal operation



## Other services

- Shipping
- Trucking
- Express service





# Domestic Land Resources



中國外運股份有限公司  
SINOTRANS LIMITED

**Total land area :  
12+ million square meters**

Region	Land Area (10,000m <sup>2</sup> )
Guangdong	185.47
Shandong	141.12
Jiangsu	120.94
Shanghai	117.60
Liaoning	86.52
Fujian	84.30
Tianjin	78.66
Sichuan	74.74
Zhejiang	65.26
Anhui	52.01
Guangxi	47.48
Jilin	34.26
Hubei	27.02
Guizhou	18.41
Beijing	17.60
Shanxi	16.43
Chongqing	15.33
Hunan	13.72
Heilongjiang	12.57
Yunnan	11.89
Henan	9.87
Jiangxi	8.62
Hebei	2.68
Hong Kong	2.40



# Overseas Network: Branches



中國外運股份有限公司  
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Overseas Branches: **120+**  
Countries & Regions: **30+**

# Overseas Network: Agencies



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## America/Europe

New York  
Los Angeles  
Chicago  
San Francisco  
Rio de Janeiro  
Frankfurt  
Paris

## Middle Asia

Almaty  
Ulaanbaatar

## East Asia

Tokyo  
Osaka  
Seoul  
Busan  
Hong Kong  
Macao

## Southeast Asia

Bangkok  
Kelang  
Kuantan  
Johor Baru  
Jakarta  
Surabaya  
Semarang  
Sihanouk  
Phnom Penh  
Rangoon  
Bandar Seri  
Begawan  
Ho Chi Minh  
Haiphong  
Vientiane

## Middle East

Dubai  
Dammam  
Jeddah  
Istanbul  
Tehran  
Basra

## South Asia

Karachi  
Sust  
Dhaka  
Mumbai

## Oceania

Perth

## Africa

Cairo  
Luanda  
Pointe-Noire  
Dar es Salaam  
Djibouti  
Addis Ababa

Overseas Branches: **80+**  
Countries & Regions: **70+**



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# 2017 Financial Performances





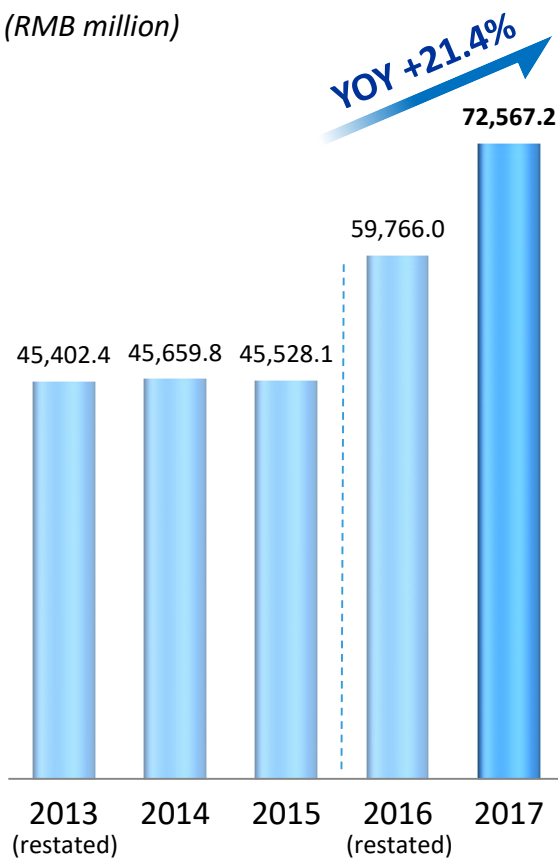
# Financial Highlights



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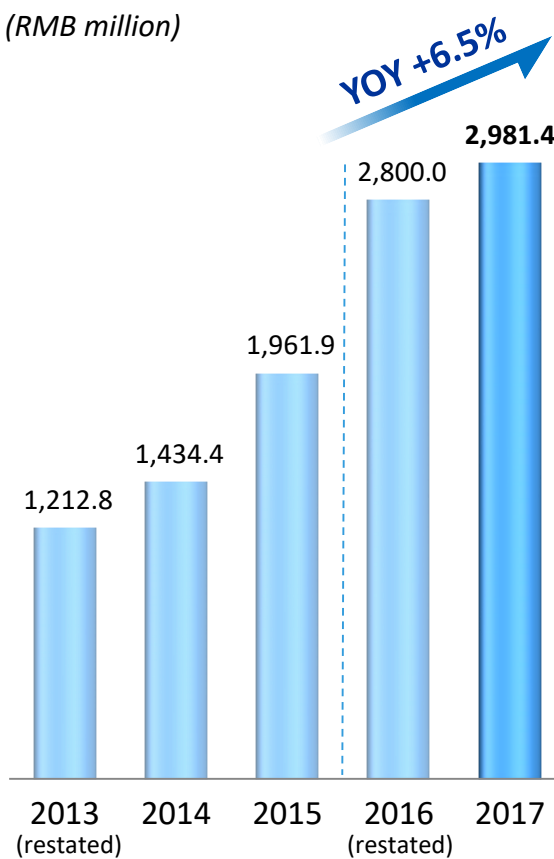
## Revenue

(RMB million)



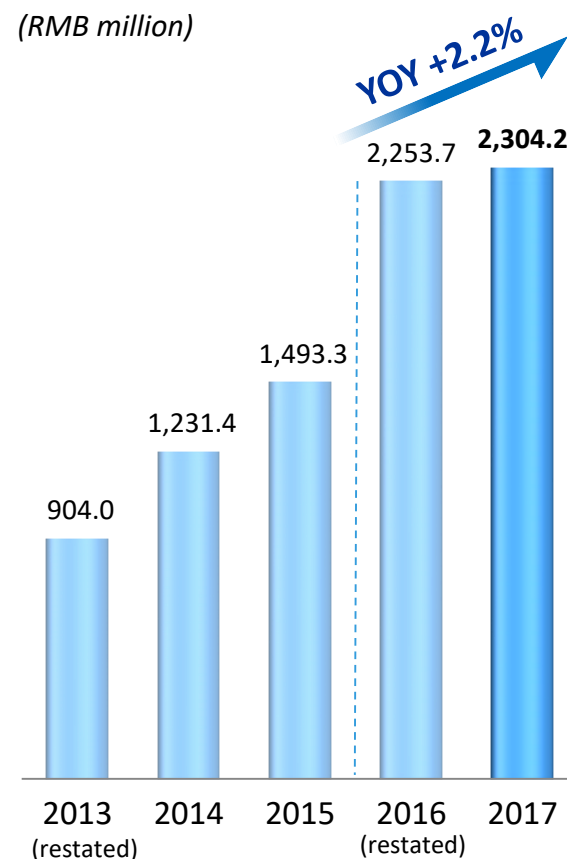
## Profit for the Year

(RMB million)



## Profit Attributable to Owners of the Company

(RMB million)



# Statements of Financial Position



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<i>(RMB million)</i>	2017	2016 (restated)	Change
Cash and cash equivalents	9,709.4	9,324.0	4.1%
Current assets	30,072.1	27,176.8	10.7%
Total Assets	62,101.9	57,614.4	7.8%
Total equity	25,577.0	23,227.9	10.1%
Current liabilities	24,940.6	24,336.2	2.5%
Non-current liabilities	11,584.3	10,050.2	15.3%
Total liabilities	36,524.9	34,386.4	6.2%
Total Assets Less Current Liabilities	37,161.3	33,278.1	11.7%



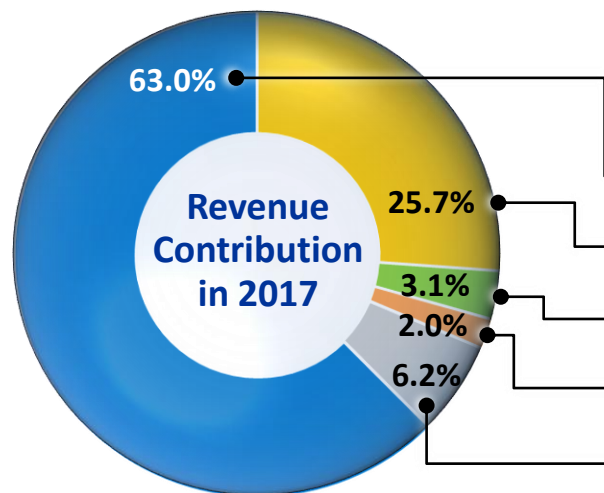
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# 2017 Segment Review

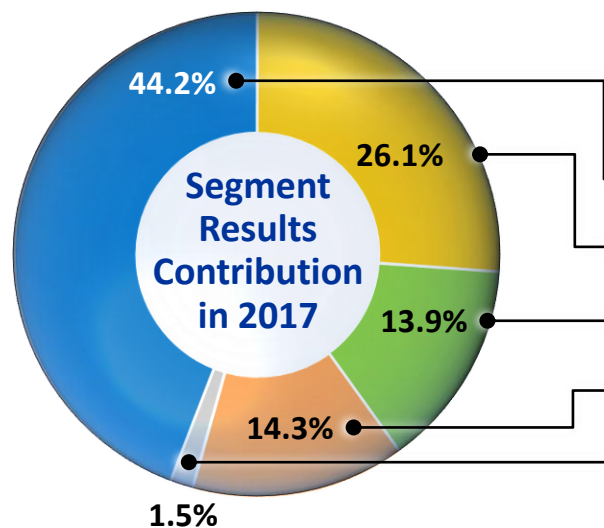
# Revenue and Segment Results



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Revenue (RMB million)	2017	2016 (restated)	Change
Freight Forwarding	45,718.7	37,548.7	21.8%
Logistics	18,669.2	15,705.6	18.9%
Storage and Terminal Services	2,276.3	1,948.9	16.8%
Logistics Equipment Leasing	1,456.1	1,288.7	13.0%
Other Services	4,446.9	3,274.1	35.8%



Segment Results (RMB million)	2017	2016 (restated)	Change
Freight Forwarding	1,101.9	836.4	31.7%
Logistics	649.7	616.5	5.4%
Storage and Terminal Services	346.2	246.5	40.4%
Logistics Equipment Leasing	355.4	318.1	11.7%
Other Services	37.6	35.9	4.8%



# Freight Forwarding



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<i>(RMB million)</i>	2017	2016 (restated)	Change
<b>External Revenue</b>	<b>45,718.7</b>	37,548.7	<b>21.8%</b>
<b>Segment Results</b>	<b>1,101.9</b>	836.4	<b>31.7%</b>
<b>Volume</b>	2017	2016 (restated)	Change
<b>Sea Freight Forwarding</b> <b>Containers</b> <i>(in ten thousand TEUs)</i>	<b>1,168.2</b>	1,025.8	<b>13.9%</b>
<b>Air Freight Forwarding</b> <b>Cargo</b> <i>(in million Kilograms)</i>	<b>533.3</b>	492.5	<b>8.3%</b>
<b>Shipping Agency</b> <b>Containers</b> <i>(in ten thousand TEUs)</i> <b>Bulk Cargo</b> <i>(in million tonnes)</i>	<b>2,436.5</b> <b>338.7</b>	2,349.2 285.4	<b>3.7%</b> <b>18.7%</b>

<i>(RMB million)</i>	2017	2016 (restated)	Change
<b>External Revenue</b>	<b>18,669.2</b>	15,705.6	<b>18.9%</b>
<b>Segment Results</b>	<b>649.7</b>	616.5	<b>5.4%</b>
<b>Volume</b>	2017	2016 (restated)	Change
<b>Logistics</b> <i>(in million tonnes)</i>	<b>48.5</b>	43.2	<b>12.3%</b>

# Storage and Terminal Services



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<i>(RMB million)</i>	2017	2016 (restated)	Change
<b>External Revenue</b>	<b>2,276.3</b>	1,948.9	<b>16.8%</b>
<b>Segment Results</b>	<b>346.2</b>	246.5	<b>40.4%</b>
<b>Volume</b>	2017	2016 (restated)	Change
<b>Warehouse and Yard Operation</b>			
<b>Containers</b> <i>(in ten thousand TEUs)</i>	<b>881.5</b>	794.7	<b>10.9%</b>
<b>Bulk Cargo</b> <i>(in million tonnes)</i>	<b>17.3</b>	13.9	<b>24.5%</b>
<b>Terminal Throughput</b>			
<b>Containers</b> <i>(in ten thousand TEUs)</i>	<b>401.9</b>	378.2	<b>6.3%</b>

# Logistics Equipment Leasing



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<i>(RMB million)</i>	2017	2016 (restated)	Change
<b>External Revenue</b>	<b>1,456.1</b>	1,288.7	<b>13.0%</b>
<b>Segment Results</b>	<b>355.4</b>	318.1	<b>11.7%</b>
<b>Volume</b>	2017	2016 (restated)	Change
<b>Pallet Leasing</b> <i>(in ten thousands/day)</i>	<b>2,293.2</b>	2019.8	<b>13.5%</b>
<b>Container Leasing</b> <i>(in ten thousand TEUs/day)</i>	<b>8.2</b>	6.7	<b>23.0%</b>



# Other Services



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<i>(RMB million)</i>	2017	2016 (restated)	Change
<b>External Revenue</b>	<b>4,446.9</b>	3,274.1	<b>35.8%</b>
<b>Segment Results</b>	<b>37.6</b>	35.9	<b>4.8%</b>
<b>Volume</b>	<b>2017</b>	<b>2016 (restated)</b>	<b>Change</b>
<b>Trucking</b>			
<b>Containers</b> <i>(in ten thousand TEUs)</i>	<b>88.8</b>	80.4	<b>10.4%</b>
<b>LTL</b> <i>(in ten thousand tonnes)</i>	<b>47.1</b>	45.9	<b>2.6%</b>
<b>Shipping</b>			
<b>Containers</b> <i>(in ten thousand TEUs)</i>	<b>246.6</b>	245.1	<b>0.6%</b>
<b>Express Services</b>			
<b>Documents and Packages</b> <i>(in ten thousand units)</i>	<b>6,134.4</b>	772.9	<b>693.7%</b>

\* *Express Services*

*Joint Ventures*

– <i>Volume (in ten thousand units)</i>	2,429	2,315	4.9%
– <i>Investment Income (RMB million)</i>	895.2	807.0	10.9%



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# Strategic Reorganization and Resources Consolidation

# Profit from CML



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2017.8.22	Major and connected transaction						
2017.9.6	Circular of shareholders' general meetings						
2017.9.25	Update on the major and connected transaction Profit Undertaking: <table><tr><th>Financial year ending</th><th>Guaranteed profit</th></tr><tr><td>31 December 2017</td><td>RMB560 million</td></tr><tr><td>31 December 2018</td><td>RMB580 million</td></tr></table>	Financial year ending	Guaranteed profit	31 December 2017	RMB560 million	31 December 2018	RMB580 million
Financial year ending	Guaranteed profit						
31 December 2017	RMB560 million						
31 December 2018	RMB580 million						
2017.11.3	Completion of acquisition of a logistics company						
2018.3.26	2018 annual results announcement						

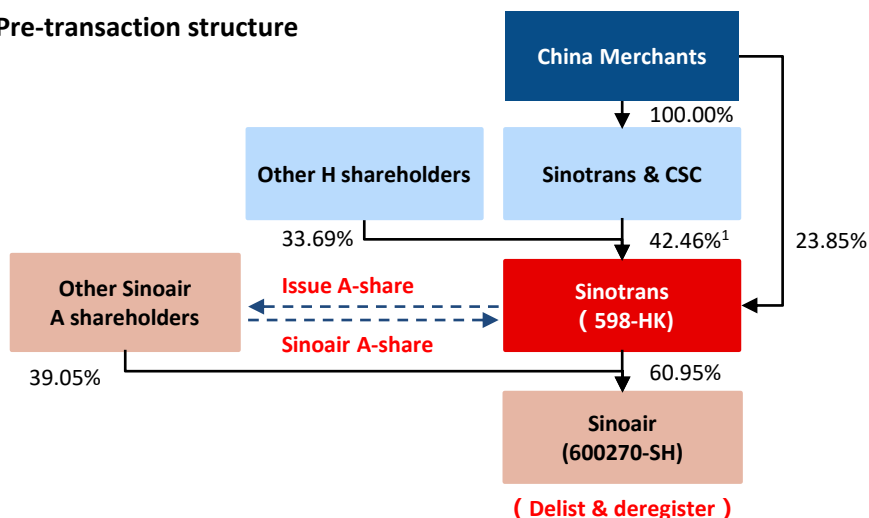
**Profit of CML: RMB574 million**

# Sinoair Related Transaction

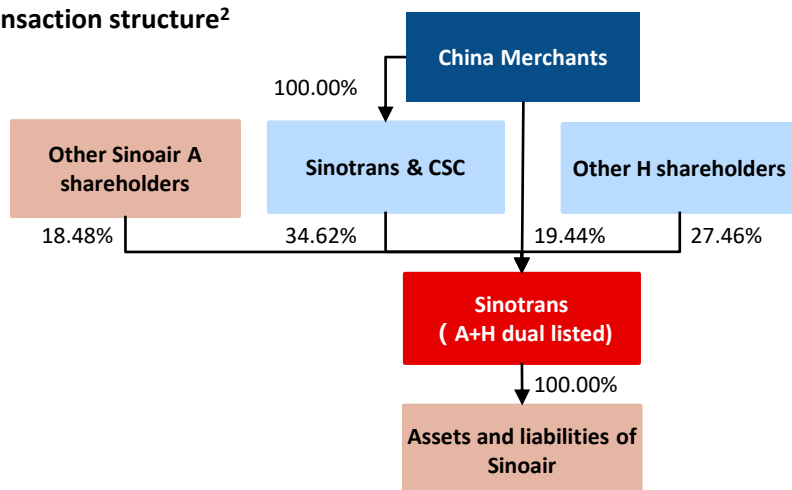


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## Pre-transaction structure



## Post-transaction structure<sup>2</sup>



## Transaction brief overview

- The Company will issue A shares as Consideration Shares at the Initial Issue Price of RMB 5.32 per Consideration Share in exchange for Target Shares at the Initial Exchange Price of RMB 20.63 per Target Share held by Participating Shareholders of Sinoair at the Initial Exchange Ratio of 3.8778
- The Company will list the Consideration Shares on the Shanghai Stock Exchange and convert all existing domestic shares into A shares and list the same on the Shanghai Stock Exchange

## Price adjustment mechanism

- The Initial Issue Price and the Initial Exchange Price will be adjusted for cash dividend, scrip dividend or bonus shares, share issues by capitalization of reserves and equity issues / other distributions by way of rights to shareholders made by the Company and / or Sinoair respectively
- Based on the final results announcement dated 26 March 2018, the board of Sinotrans recommends a final dividend of RMB 0.08 per share and the board of directors of Sinoair recommends a final dividend of RMB 0.60 per share for the financial year ended 31 December 2017
- Assuming approval from shareholders of the two companies of the respective dividend proposal will be obtained, the Adjusted Issue Price would be RMB 5.24 per share, Adjusted Exchange Price would be RMB 20.03 per share, Adjusted Cash Alternative would be RMB 16.68 per share, and Adjusted Exchange Ratio would be 3.8225

### Notes:

- This comprises of 2,461,596,200 domestic shares and 107,183,000 H shares held by Sinotrans & CSC and its wholly-owned subsidiaries respectively represents the post-transaction structure prior to any price adjustment.
- Based on the recommended dividends of Sinotrans and Sinoair, the pro-forma shareholding in Sinotrans will be 34.71% by Sinotrans & CSC, 27.53% by other H-shareholders, 19.49% by China Merchants, and 18.26% by other original A-shareholders of Sinoair.



# Sinoair Related Transaction



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## Sinotrans

**2 Jan 2018**

- Announced that Sinoair is planning and discussing a major proposal, and has applied for the suspension of trading in its shares on the Shanghai Stock Exchange

**15 Jan 2018**

- Announced that Sinotrans has been involved in planning and discussions with Sinoair in relation to the major asset reorganization involving Sinoair

**1 Feb 2018**

- Announced that the reorganization may involve the issue and listing of A shares of Sinotrans in exchange for shares of Sinoair which will then be merged into Sinotrans

**28 Feb 2018**

- Published the announcement of the proposed listing of A shares and the merger of Sinoair, in which the key terms of the transaction are disclosed

**3 Jan 2018**

- Announced that Sinoair is planning and discussing a major proposal, and has applied for the suspension of trading in its shares on the Shanghai Stock Exchange

**16 Jan 2018**

- Announced to be involved in a major asset reorganization with Sinotrans and the continued suspension of trading in its shares

**2 Feb 2018**

- Announced the reorganization may involve the merger of Sinoair by Sinotrans with issuance and listing of A shares of Sinotrans

**1 Mar 2018**

- Published the announcement of the proposed merger of Sinoair into Sinotrans with the key terms of the transaction disclosed

**26 Mar 2018**

- Sinoair resumed trading on the Shanghai Stock Exchange

**Trading Halt Period**

## Sinoair



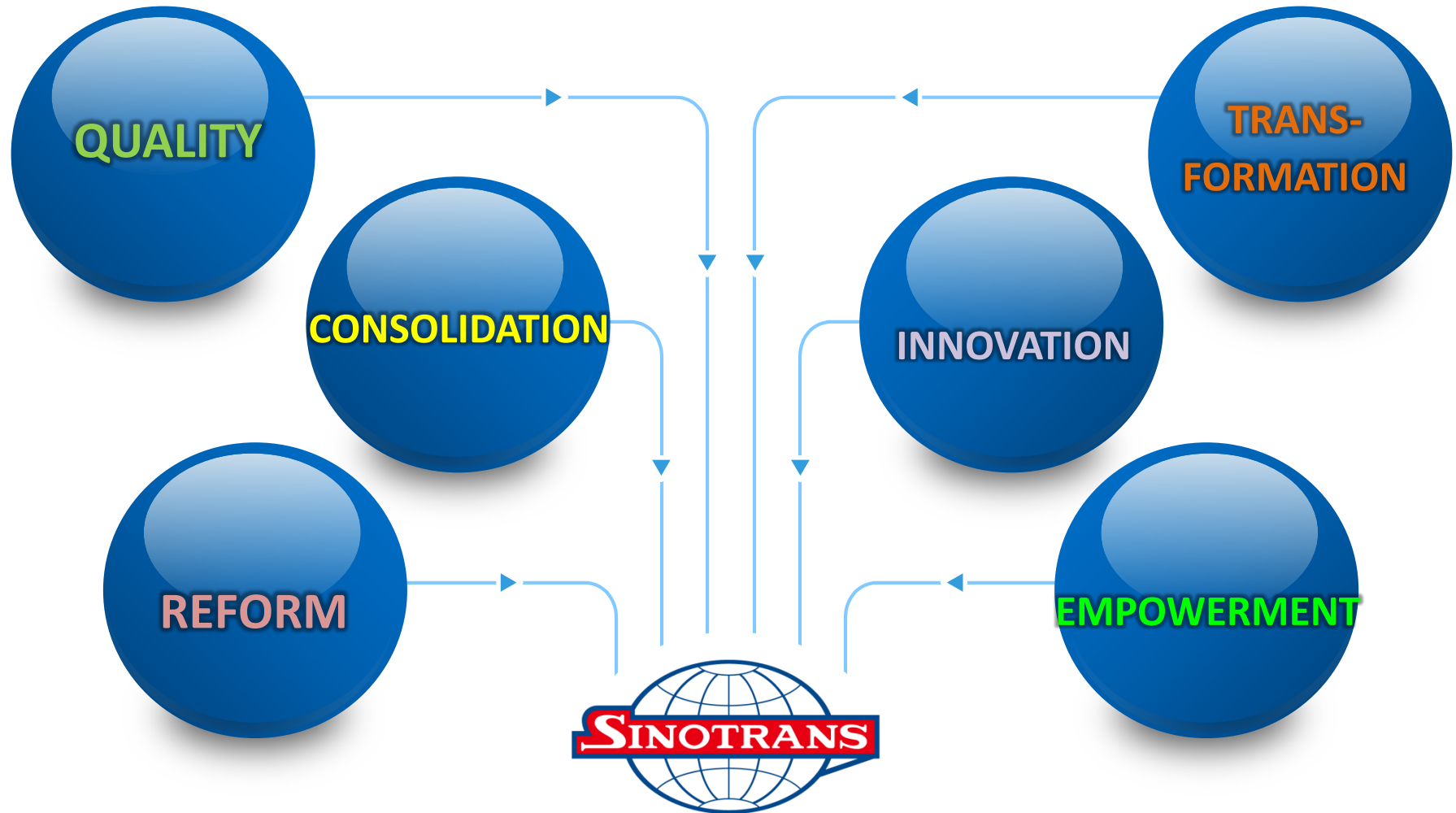
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# Strategy and Prospects

# Strategy and Prospects



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WORLDCLASS INTELLIGENT LOGISTICS PLATFORM



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