



# 2019 INTERIM RESULTS

## CORPORATE PRESENTATION

AUGUST, 2019



**中國外運股份有限公司**  
**SINOTRANS LIMITED**  
(Stock Code: 00598.HK, 601598.SH)



# 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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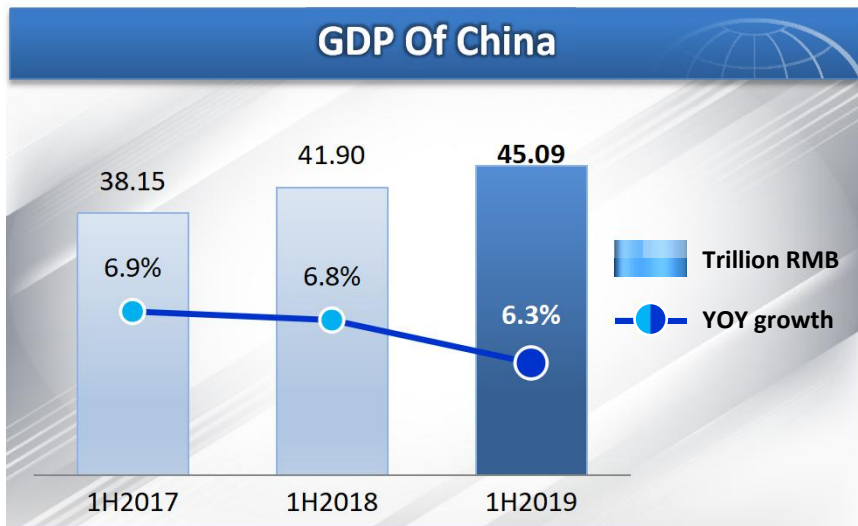




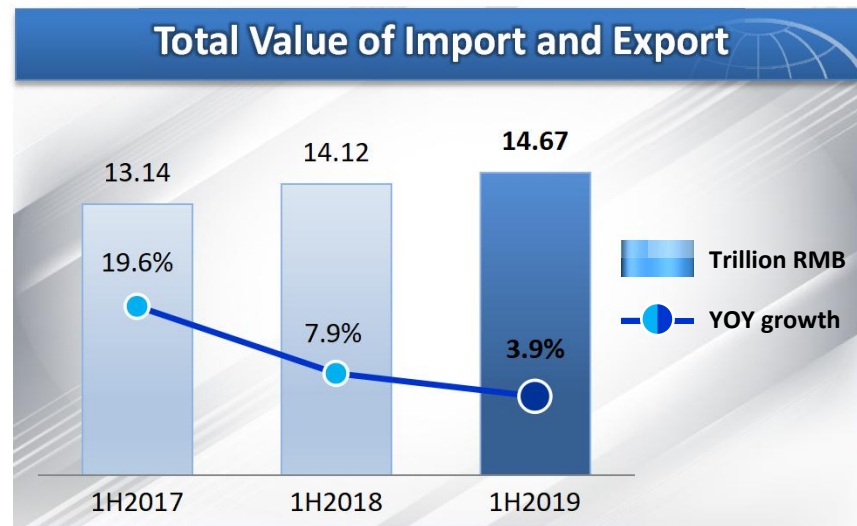
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# 1H2019 Macro Economy and Industry

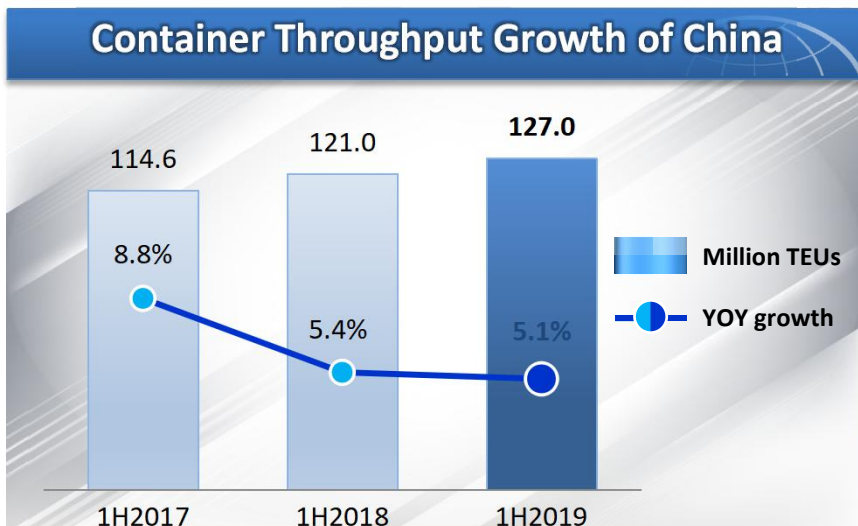
## GDP Of China



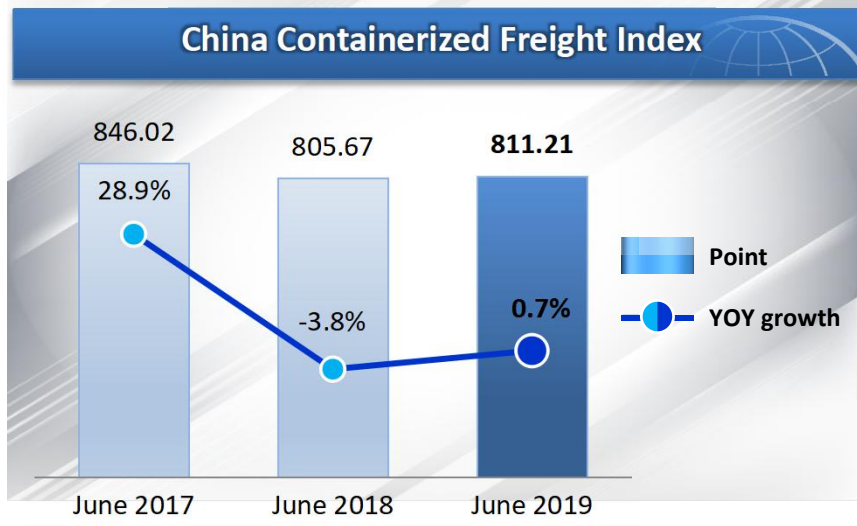
## Total Value of Import and Export



## Container Throughput Growth of China



## China Containerized Freight Index



## ▶ Strong Support and Guidance from Government to Logistics Industry

- Government launched a series of important measures to promote the high-quality development of logistics
- Estimation from the Ministry of Transport:
  - Logistics costs to reduce by RMB120.9 billion in 2019
  - Volume of port shipping and railway joint transportation to increase by more than 15%

## ▶ Improvement in Logistics Market Structure

- Structure reform of logistics industry resulted in
  - Shift of growth drivers and acceleration of transformation and upgrade of the industry
  - Corporates and residents being a boost to logistics demand





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# 1H2019 Company Highlights



## Quality And Profitability Enhancement Became Precise And Far-reaching

### PMO

Center of quality and profitability improvement, with continuous development and optimization measures taken to increase revenue and reduce cost. The actual ROE was improved to 6.05%(1H 2018: 5.97%).



## Full Integration Of Overseas Resources Was Started With The Establishment Of Overseas Subsidiary

### Sinotrans Overseas

Platform for the construction of overseas channel, better facilitate OROB and transfer of production capacity







## Digitalized Transformation Was Effectively Pushed Forward Along Clear Pathway

Acceleration of the on-line principal operations increased customer experience through the methods of service visualization, traceability and provision of product online services

Formation of research and development capabilities on business solutions to achieve mutual sharing of business systems and resources through logistics control tower technology to realize digitalization of operational management and control and visualization of logistics resources

The application of new logistics technologies of ABCDT to the actual scenario was speeded up

A digital management and innovation mechanism was built, then formulated digital planning, established a digital team, conducted innovation management and promoted the commercialization of innovation





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# 1H2019 Major Financial Data and Segment Review

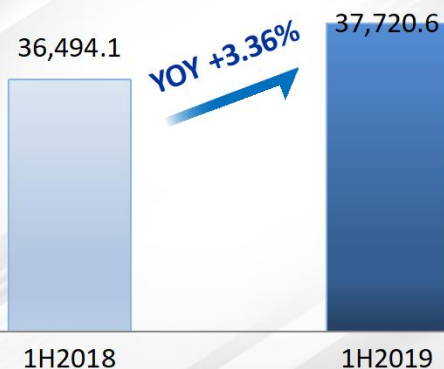
# Major Financial Data



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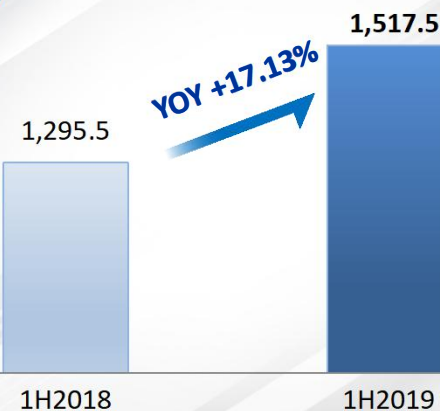
## Operating Income

(RMB million)



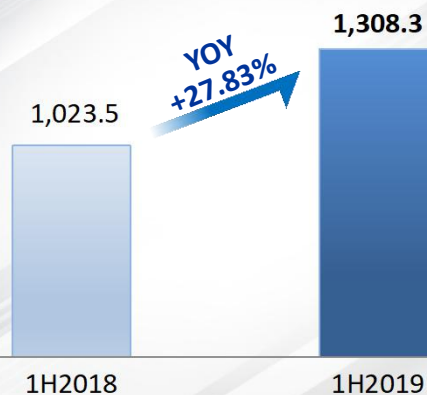
## Net Profit Attributable to Shareholders of the Company

(RMB million)



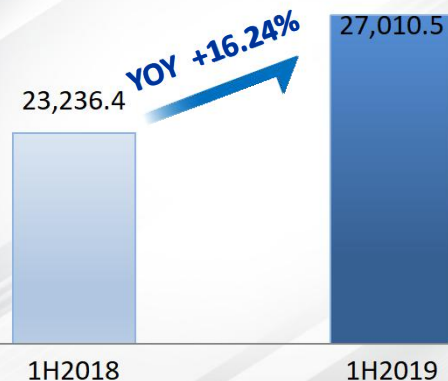
## Net Profits Net Of Non-recurring Gains Or Losses Attributable to Shareholders Of The Company

(RMB million)



## Net Asset Attributable to Shareholders of the Company

(RMB million)

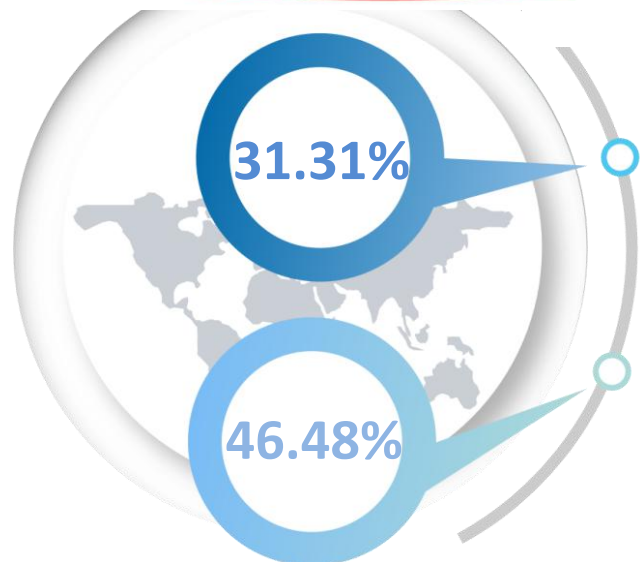




# Direct Customer Contribution



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Core Direct Customer\* Contribution to Revenue



Direct Customer Contribution to Revenue

	1H 2019
Core Direct Customer* Contribution to Revenue	31.31%
Direct Customer Contribution to Revenue	46.48%

*\*Core Direct Customer: Annual Revenue Contribution More than RMB 5,000,000*

## Freight Forwarding

- Sea freight forwarding
- Air freight forwarding
- Shipping agency



## Logistics

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



## Other Services

- Container leasing
- Shipping
- Trucking
- Express service



## Storage and Terminal Services

- Warehouse and yard operation
- Terminal operation



# Segment Volume



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Volume		1H2019	1H2018
Freight Forwarding	Sea Freight Forwarding Containers <i>(in ten thousand TEUs)</i>	630.3	612.8
	Air Freight Forwarding Cargo <i>(in million Kilograms)</i>	235.1	272.3
	Shipping Agency		
	Containers <i>(in ten thousand TEUs)</i>	1,303.9	1,236.5
	Bulk Cargo <i>(in million tonnes)</i>	213.2	186.9
Logistics	Contract Logistics <i>(in million tonnes)</i>	20.0	20.0
	Project Logistics <i>(in million tonnes)</i>	3.2	5.7
	Chemical Logistics <i>(in million tonnes)</i>	1.6	1.5
	Cold Chain Logistics <i>(in million tonnes)</i>	0.6	0.5
Storage and Terminal Services	Warehouse and Yard Operation		
	Containers <i>(in ten thousand TEUs)</i>	439.8	429.0
	Bulk Cargo <i>(in million tonnes)</i>	7.5	7.8
	Terminal Throughput <i>(in ten thousand TEUs)</i>	181.9	193.8
Other services	Container Leasing <i>(in ten thousand TEUs/day)</i>	8.4	8.4
	Trucking Container <i>(in ten thousand TEUs)</i>	147.3	141.5
	Shipping Containers <i>(in ten thousand TEUs)</i>	43.4	40.5
	Express Services <i>(in ten thousand units)</i>	6,245.0	4,614.0



# Segment Revenue and Segment Profit



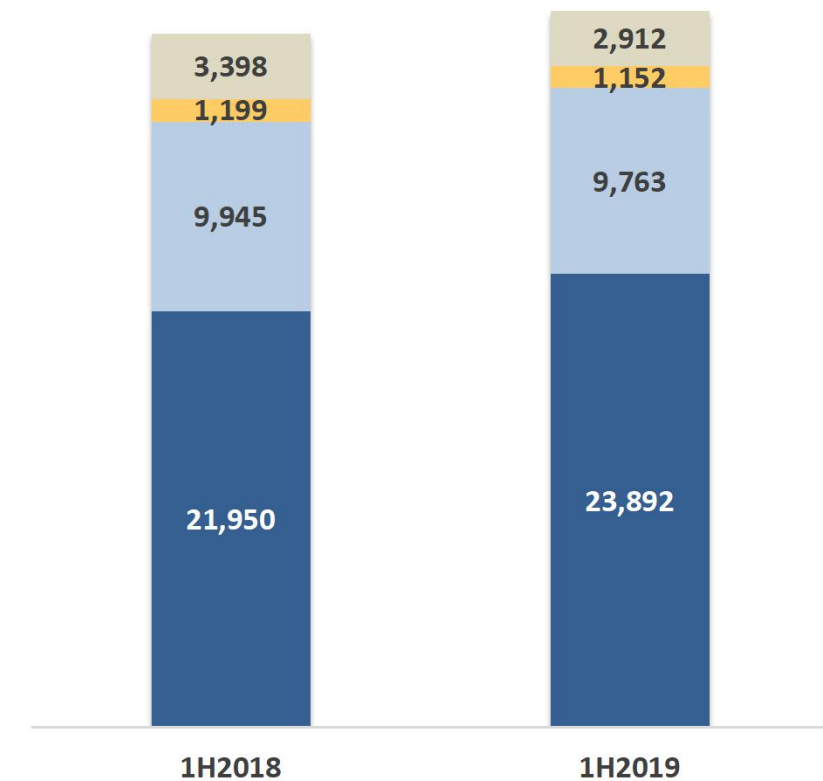
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## External Revenue

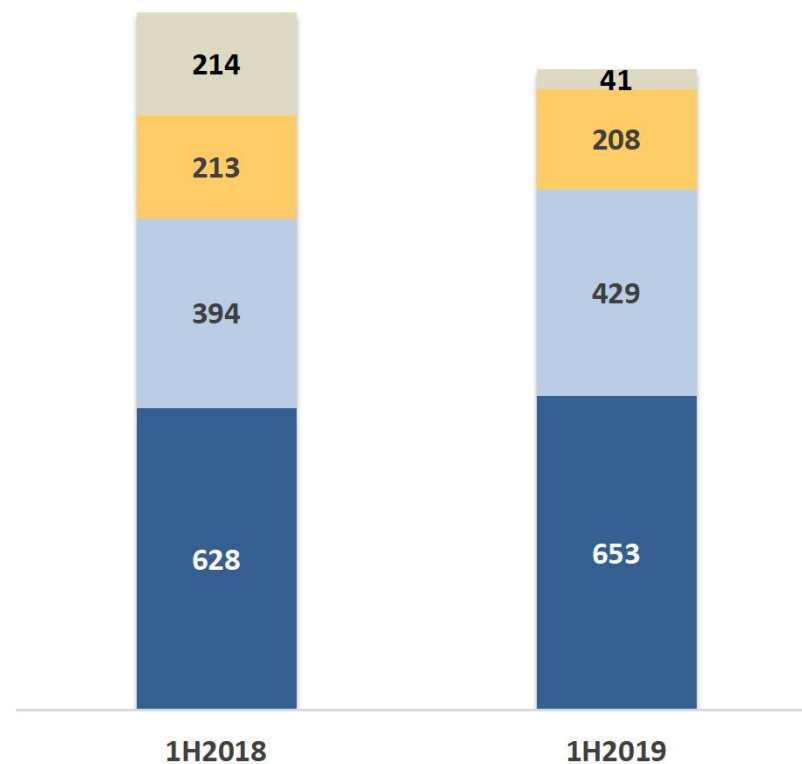
(RMB Million)

## Segment Profit\*

(RMB Million)



■ Freight Forwarding    ■ Logistic  
■ Storage and Terminal Services    ■ Other Services



■ Freight Forwarding  
■ Logistics  
■ Storage and Terminal Services  
■ Other Services

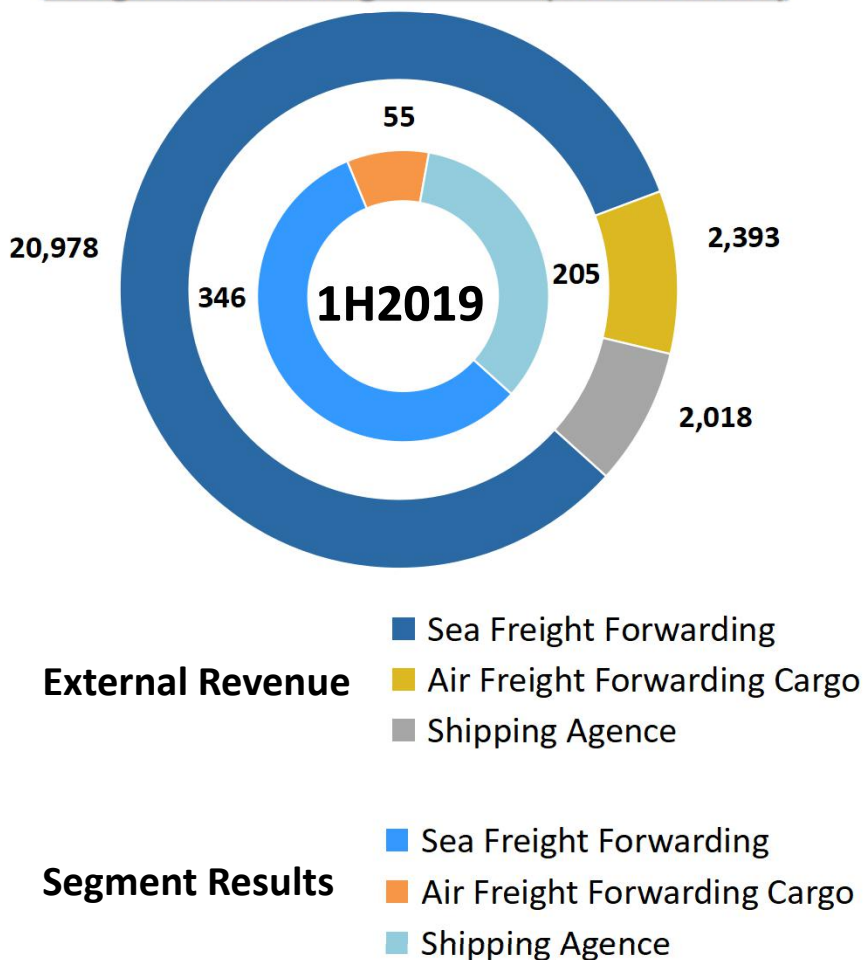
*\*Segment Profit: gross profit net of investment income* 15

# Freight Forwarding



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## Freight Forwarding (RMB Million)



	1H2019	1H2018	Change
(RMB million)			
External Revenue	23,893	21,950	8.85%
Segment Results	653	628	4.04%

	1H2019 Revenue	1H2019 Operating Profit
(RMB million)		
Sea Freight Forwarding	20,978	346
Air Freight Forwarding	2,393	55
Shipping Agency	2,018	205

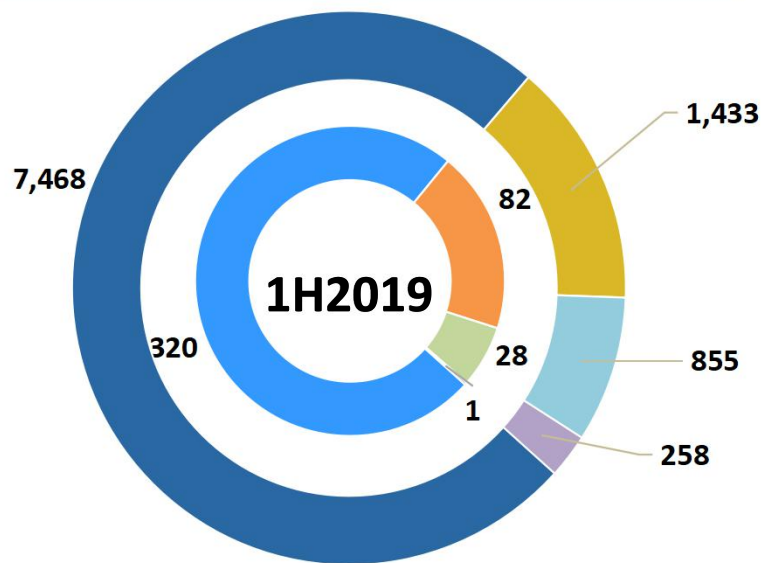


# Logistics



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## Logistics (RMB Million)



### External Revenue

- Contract Logistics
- Project Logistics
- Chemical Logistics
- Cold Chain Logistics

### Segment Results

- Contract Logistics
- Project Logistics
- Chemical Logistics
- Cold Chain Logistics

(RMB million)	1H2019	1H2018	Change
<b>External Revenue</b>	<b>9,763</b>	9,945	<b>-1.83%</b>
<b>Segment Results</b>	<b>429</b>	394	<b>8.99%</b>

(RMB million)	1H2019 Revenue	1H2019 Operating Profit
<b>Contract Logistics</b>	<b>7,468</b>	320
<b>Project Logistics</b>	<b>1,433</b>	82
<b>Chemical Logistics</b>	<b>855</b>	28
<b>Cold Chain Logistics</b>	<b>258</b>	1



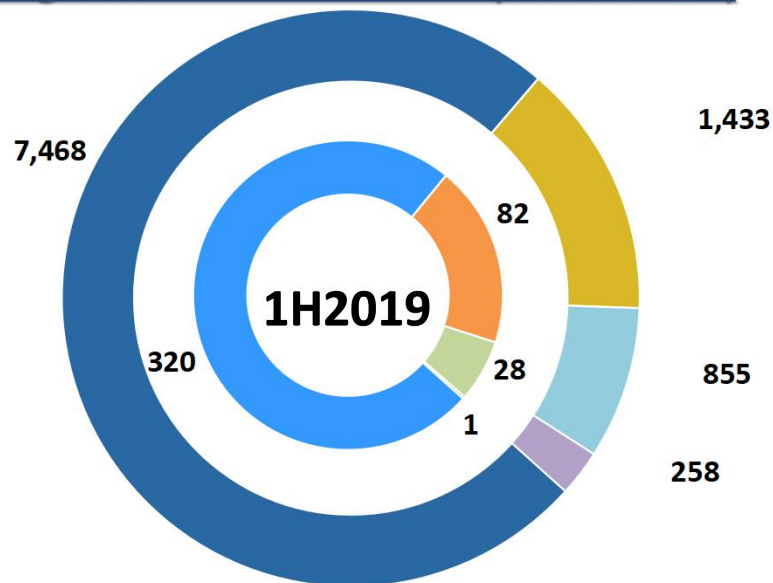


# Logistics



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## Logistics (RMB Million)



### External Revenue

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# Outlook and Working Plan

# Outlook and Working Plan



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## Intelligent logistics creation

Transformation of principal  
operations

Quality and profitability  
enhancement



Resources integration

Refine corporate  
culture





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