SINOTRANS&CSC

中國外運股份有限公司
SINOTRANS LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0598)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

I. GROUP RESULTS

The board of directors (the "**Board**") of Sinotrans Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2016 together with the comparative figures in 2015, which have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and International Accounting Standard 34 "Interim Financial Reporting" as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Notes	For the six months ended 30 June 2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Revenue	3	**21,677,686**	22,918,988
Other income		**144,832**	135,091
Business tax and other surcharges		**(16,245)**	(21,444)
Transportation and related charges		**(18,675,456)**	(20,042,869)
Staff costs		**(1,668,249)**	(1,532,287)
Depreciation and amortisation		**(320,018)**	(306,437)
Office and related expenses		**(216,834)**	(214,091)
Other gains and losses, net		**185,952**	401,439
Other operating expenses		**(241,552)**	(202,820)
Operating profit	4	**870,116**	1,135,570
Finance income		**86,248**	51,244
Finance costs		**(95,975)**	(134,234)
		860,389	1,052,580
Share of profit of joint ventures		**467,847**	497,436
Share of profit of associates		**12,681**	8,945
Profit before income tax		**1,340,917**	1,558,961
Income tax expense	5	**(148,526)**	(469,934)
Profit for the period		**1,192,391**	1,089,027
Attributable to:			
– Owners of the Company		**967,097**	875,429
– Non-controlling interests		**225,294**	213,598
		1,192,391	1,089,027
Earnings per share, basic (RMB)	7	**0.21**	0.19

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2016

		For the six months ended 30 June	
		2016	2015
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Profit for the period		**1,192,391**	1,089,027
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Share of other comprehensive income/(expense) of a joint venture and associates		**8,565**	(19,137)
Reclassification adjustments to profit or loss upon disposal of an associate		**25,629**	–
Fair value (losses)/gains on available-for-sale financial assets	*9*		
– (Losses)/gains arising during the period		**(260,052)**	1,309,281
– Reclassification adjustments to profit or loss during the period upon disposal		**(33,441)**	(19,780)
Currency translation differences		**27,084**	(4,867)
Income tax relating to components of other comprehensive income/(expense)		**68,951**	(322,375)
Other comprehensive (expense)/income for the period, net of tax		**(163,264)**	943,122
Total comprehensive income for the period		**1,029,127**	2,032,149
Total comprehensive income for the period attributable to:			
– Owners of the Company		**889,029**	1,441,118
– Non-controlling interests		**140,098**	591,031
		1,029,127	2,032,149

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Notes	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
ASSETS			
Non-current assets			
Land use rights		**2,710,996**	2,732,850
Prepayments for acquisition of land use rights		**75,113**	83,621
Property, plant and equipment	*8*	**7,827,600**	7,713,273
Investment properties		**157,940**	146,715
Intangible assets		**116,437**	125,899
Investments in joint ventures		**3,592,456**	3,171,423
Investments in associates		**809,242**	803,824
Deferred income tax assets		**165,906**	166,620
Available-for-sale financial assets	*9*	**1,405,803**	1,809,635
Other non-current assets		**59,737**	58,059
		16,921,230	16,811,919
Current assets			
Prepayments and other current assets		**3,541,956**	2,231,225
Inventories		**151,782**	148,706
Trade and other receivables	*10*	**9,391,725**	8,569,559
Restricted cash		**269,663**	260,212
Term deposits with initial terms of over three months		**1,154,629**	903,057
Cash and cash equivalents		**6,322,254**	6,133,308
		20,832,009	18,246,067
Asset classified as held for sale	*11*	**–**	26,875
		20,832,009	18,272,942
Total assets		**37,753,239**	35,084,861
EQUITY			
Equity attributable to owners of the Company			
Share capital		**4,606,483**	4,606,483
Reserves		**11,081,572**	10,515,864
		15,688,055	15,122,347
Non-controlling interests		**3,238,921**	3,337,456
Total equity		**18,926,976**	18,459,803

	Notes	**30 June 2016** *RMB'000* **(Unaudited)**	31 December 2015 *RMB'000* (Audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**54,624**	123,664
Borrowings		**67,000**	40,000
Long-term bonds	*12*	**1,996,264**	996,418
Other non-current liabilities		**333,133**	356,583
		2,451,021	1,516,665
Current liabilities			
Trade payables	*13*	**6,348,936**	6,001,332
Other payables, accruals and other current liabilities		**1,651,065**	1,048,385
Receipts in advance from customers		**2,106,300**	1,948,603
Current income tax liabilities		**264,465**	439,308
Borrowings		**409,968**	524,568
Short-term bonds	*12*	**1,516,986**	2,042,008
Long-term bonds due within one year	*12*	**2,997,499**	1,999,858
Provisions		**335,258**	340,339
Salary and welfare payables		**744,765**	763,992
		16,375,242	15,108,393
Total liabilities		**18,826,263**	16,625,058
Total equity and liabilities		**37,753,239**	35,084,861
Net current assets		**4,456,767**	3,164,549
Total assets less current liabilities		**21,377,997**	19,976,468

1. GENERAL INFORMATION

Sinotrans Limited (the "Company") was established in the People's Republic of China (the "PRC") on 20 November 2002 as a joint stock company with limited liability as a result of a group reorganisation of China National Foreign Trade Transportation (Group) Corporation ("Sinotrans Group Company") in preparation for the listing of the Company's H shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Reorganisation"). In 2009, the former Sinotrans Group Company changed its name to SINOTRANS & CSC Holdings Co., Ltd. ("SINOTRANS & CSC") after it merged with China Changjiang National Shipping (Group) Corporation.

The principal activities of the Company and its subsidiaries (together, the "Group") include freight forwarding, logistics, storage and terminal services, and other services. The Group has operations mainly in the PRC.

These condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

The directors of the Company (the "Directors") regard SINOTRANS & CSC, an unlisted state-owned company established in the PRC, as the immediate and ultimate holding company of the Company.

The Company has been informed that SINOTRANS & CSC has received a notice from the State-owned Assets Supervision and Administration Commission of the State Council (the "SASAC") on 29 December 2015 that the PRC State Council has approved the reorganisation between SINOTRANS & CSC and China Merchants Group Limited ("China Merchants"). Such reorganisation is a strategic reorganisation of the two groups by which SINOTRANS & CSC will be administratively allocated (for no consideration) into, and become a wholly-owned subsidiary of, China Merchants, and therefore, the Company will become a listed subsidiary of China Merchants. As of the date of this report, the relevant legal procedures for such reorganisation have not been completed yet.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. SEGMENT INFORMATION

The Group's chief operating decision maker (the "Management") reviews the Group's internal reporting in order to assess performance and allocate resources. The Management has determined the operating segments based on these reports. No operating segments identified by the Management have been aggregated in arriving at the reportable segments of the Group.

An analysis of the Group's reportable and operating segments is set out below:

- Freight forwarding: primarily involves, at the instruction of its customers, arranging transportation of goods to designated consignees at other locations within specified time limits, including the shipping agency services to shipping companies related to the freight forwarding services.

- Logistics: primarily involves providing customised and professional integrated logistics services to its customers.

- Storage and terminal services: primarily involve providing services of warehousing, container yards, container freight stations and terminals.

- Other services: mainly involve providing services of trucking, shipping and express services.

The Management assesses the performance of the operating segments based on segment results. Segment results is the operating profit excluding the effects of other gains and losses, net and corporate expenses.

Sales between segments are charged at mutually agreed prices.

	Freight forwarding *RMB'000*	Logistics *RMB'000*	Storage and terminal services *RMB'000*	Other services *RMB'000*	Segment total *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
For the six months ended 30 June 2016 (Unaudited)							
Revenue – external	**15,906,491**	**3,825,732**	**929,498**	**1,015,965**	**21,677,686**	**–**	**21,677,686**
Revenue – inter-segment	**215,361**	**72,181**	**138,523**	**178,595**	**604,660**	**(604,660)**	**–**
Total revenue	**16,121,852**	**3,897,913**	**1,068,021**	**1,194,560**	**22,282,346**	**(604,660)**	**21,677,686**
Segment results	**381,367**	**198,837**	**145,205**	**31,595**	**757,004**		**757,004**
Other gains and losses, net							**185,952**
Corporate expenses							**(72,840)**
Operating profit							**870,116**
Finance income							**86,248**
Finance costs							**(95,975)**
Share of profit of joint ventures	**25,686**	**1,034**	**11,523**	**429,604**	**467,847**		**467,847**
Share of profit of associates							**12,681**
Profit before income tax							**1,340,917**
Income tax expense							**(148,526)**
Profit for the period							**1,192,391**

	Freight forwarding *RMB'000*	Logistics *RMB'000*	Storage and terminal services *RMB'000*	Other services *RMB'000*	Segment total *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
For the six months ended 30 June 2015 (Unaudited)							
Revenue – external	17,527,782	3,453,564	962,855	974,787	22,918,988	–	22,918,988
Revenue – inter-segment	296,283	43,614	101,328	194,752	635,977	(635,977)	–
Total revenue	17,824,065	3,497,178	1,064,183	1,169,539	23,554,965	(635,977)	22,918,988
Segment results	380,955	190,128	203,550	30,990	805,623		805,623
Other gains and losses, net							401,439
Corporate expenses							(71,492)
Operating profit							1,135,570
Finance income							51,244
Finance costs							(134,234)
Share of profit of joint ventures	32,675	4,880	7,442	452,439	497,436		497,436
Share of profit of associates							8,945
Profit before income tax							1,558,961
Income tax expense							(469,934)
Profit for the period							1,089,027

4. OPERATING PROFIT

Operating profit is stated after crediting and charging the following items:

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Charging		
Depreciation		
– Owned property, plant and equipment	**297,912**	288,472
– Owned property, plant and equipment leased out under operating leases	**6,445**	6,453
Amortisation of intangible assets	**13,382**	10,277
Operating lease charges on		
– Land use rights	**34,755**	32,292
– Buildings	**117,240**	105,041
– Plant and equipment	**70,073**	57,850
Impairment losses of receivables	**39,580**	3,047
Impairment losses of property, plant and equipment	**2,334**	–
Charges on property management and facilities	**64,123**	59,017
Charges on IT support	**25,018**	24,056
Other tax expenses	**40,758**	44,146
Crediting		
Rental income from		
– Buildings	**20,813**	29,066
– Plant and machinery	**5,698**	3,404
Gross rental income from investment properties	**9,809**	3,540
Less: Depreciation of investment properties	**(2,279)**	(1,235)
Net rental income from investment properties	**7,530**	2,305
Dividend income on available-for-sale financial assets	**12,320**	28,782
Government grants	**84,116**	45,827
Gains on disposal of property, plant and equipment and land use rights	**21,643**	474,513
Gains on disposal of available-for-sale financial assets	**84,684**	21,021
Gains on disposal of investment in an associate	**82,518**	–

5. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– PRC	**217,620**	250,095
– Overseas	**4,005**	4,853
– Hong Kong	**8,201**	1,229
Deferred PRC income tax	**625**	(82)
	230,451	256,095
Land appreciation tax ("LAT")	**(81,925)**	213,839
	148,526	469,934

The provision for PRC current income tax is based on the statutory rate of 25% (six months ended 30 June 2015: 25%) of the assessable income of each of the companies comprising the Group in the Mainland China as determined in accordance with the relevant PRC income tax rules and regulations, except for certain subsidiaries which are taxed at preferential rates ranging from 10% to 20% (six months ended 30 June 2015: 10% to 20%) based on the relevant PRC tax laws and regulations.

Hong Kong profit tax has been provided at the rate of 16.5% on the estimated assessable profit for both periods.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions. During the six months ended 30 June 2016, the Company reversed previously accrued LAT of RMB81,925,000 due to the final settlement of the LAT with tax authority is less than the amount accrued.

6. PROFIT APPROPRIATIONS

(a) Statutory surplus reserve

In accordance with the relevant PRC regulations and the Articles of Association of the Company, every year the Company is required to transfer 10% of the profit after taxation determined in accordance with the relevant accounting principles and financial regulations applicable to enterprises registered in the PRC to a statutory surplus reserve until the balance reaches 50% of the registered share capital. Such reserve can be used to reduce any losses incurred and to increase share capital. Except for the reduction of losses incurred, any other usage should not result in this reserve balance falling below 25% of the registered share capital.

(b) Dividends

In May 2016, a final dividend of RMB0.07 per ordinary share totalling RMB322,454,000 in respect of the year ended 31 December 2015 (six months ended 30 June 2015: RMB0.065 per ordinary share totalling RMB299,421,000 in respect of the year ended 31 December 2014) was declared to the owners of the Company. As at 30 June 2016, such dividend was not yet paid and was included in "other payables, accruals and other current liabilities".

An interim dividend of RMB0.035 per ordinary share for 4,606,483,200 shares as at 23 August 2016, totalling RMB161,227,000 (six months ended 30 June 2015: RMB0.03 per ordinary share for 4,606,483,200 shares as at 18 August 2015, totalling RMB138,194,000), was declared to the owners of the Company on 23 August 2016.

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six-month period.

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company *(RMB'000)*	**967,097**	875,429
Number of ordinary shares in issue *(thousands)*	**4,606,483**	4,606,483
Earnings per share, basic *(RMB)*	**0.21**	0.19

No diluted earnings per share is presented as the Company has no potential ordinary shares outstanding during both periods.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group paid approximately RMB273,813,000 (six months ended 30 June 2015: RMB448,350,000) for construction costs, RMB59,557,000 (six months ended 30 June 2015: RMB82,566,000) for acquisition of plant and machinery, and RMB31,570,000 (six months ended 30 June 2015: RMB45,183,000) for buildings.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2016	31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Listed equity investments, at fair value (a)	**1,126,005**	1,436,245
Unlisted equity investments, at cost less impairment (b)	**279,798**	373,390
	1,405,803	1,809,635

(a) Movements in listed equity investments are analysed as follows:

	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
As at 1 January	**1,436,245**	1,357,670
Change in fair value	**(260,052)**	1,309,281
Disposal	**(50,188)**	(72,300)
As at 30 June	**1,126,005**	2,594,651

(b) During the current interim period, the Group disposed of its entire 4% equity interest in Zhoushan Port Group Co., Ltd. to a third party for cash consideration of RMB146,096,000. Before the disposal, the investment was accounted for as an available-for-sale financial asset carried at cost. This transaction has resulted in the Group recognising a gain of RMB52,404,000 in profit or loss.

10. TRADE AND OTHER RECEIVABLES

	30 June 2016 *RMB'000* (Unaudited)	31 December 2015 *RMB'000* (Audited)
Trade receivables	**7,709,490**	7,043,353
Bills receivables	**350,621**	372,658
Other receivables	**1,022,078**	864,151
Due from related parties	**309,536**	289,397
	9,391,725	8,569,559

	30 June 2016 *RMB'000* (Unaudited)	31 December 2015 *RMB'000* (Audited)
Trade receivables	**7,867,678**	7,164,127
Less: Allowance for impairment of receivables	**(158,188)**	(120,774)
Trade receivables, net	**7,709,490**	7,043,353

Aging analysis of the above trade receivables based on the invoice dates at the end of each reporting period, which approximated the respective revenue recognition dates is as follows:

	30 June 2016 *RMB'000* (Unaudited)	31 December 2015 *RMB'000* (Audited)
Within 6 months	**7,509,216**	6,923,355
Between 6 and 12 months	**153,707**	78,640
Between 1 and 2 years	**43,830**	38,863
Between 2 and 3 years	**2,484**	2,192
Over 3 years	**253**	303
	7,709,490	7,043,353

The aging of amounts due from ultimate holding company and fellow subsidiaries, joint ventures and associates, which are trading in nature based on invoice date, is summarised as follows:

	30 June 2016	31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**152,099**	141,724
Between 6 and 12 months	**1,249**	4,388
Between 1 and 2 years	**1,196**	–
Between 2 and 3 years	**–**	–
Over 3 years	**5**	5
	154,549	146,117

The credit period of the Group's trade receivables generally ranges from 1 to 6 months. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers, both locally and internationally dispersed.

Bills receivables are bills of exchange with maturity dates of less than 6 months.

11. ASSET CLASSIFIED AS HELD FOR SALE

	30 June 2016	31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Asset classified as held for sale	**–**	26,875

On 23 December 2015, the Company announced Sinotrans (Hong Kong) Logistics Limited ("Sinotrans HKL"), a wholly owned subsidiary of the Company, had given irrevocable undertakings to dispose the entire 35.26% shareholding in InterBulk Group plc ("InterBulk"). The directors of Sinotrans HKL had approved the transaction. On the same day, InterBulk and Den Hartogh Holding B.V. ("Den Hartogh") had reached an agreement on terms of a recommended cash acquisition by Den Hartogh of the entire issued share capital of InterBulk at 9 pence per share and the total consideration for disposal of the Group's 35.26% shareholding was approximately RMB135,022,000. The Group's interest in InterBulk was classified as an asset held for sale as at 31 December 2015.

The above transaction was completed on 1 April 2016. Upon completion of the transaction, cumulative exchange losses of RMB25,629,000 which was previously recognised in other comprehensive income was recycled in the condensed consolidated statement of profit or loss, and a gain on disposal of interest in an associate of RMB82,518,000 was recognised during the six months ended 30 June 2016.

12. BONDS

	30 June 2016 *RMB'000* **(Unaudited)**	31 December 2015 *RMB'000* (Audited)
Non-current		
Corporate bonds (a)	**1,996,264**	996,418
Current		
Corporate bonds (b)	**2,997,499**	1,999,858
Short-term bonds (c)	**1,516,986**	2,042,008
	4,514,485	4,041,866

(a) On 21 October 2015, the Company received the approval from China Securities Regulatory Commission to issue the unsecured corporate bonds amounting to RMB3.5 billion by tranches. The issuance of the first tranche of corporate bonds with par value of RMB100 each totalling RMB2 billion was completed on 29 February 2016. The first tranche of corporate bonds are of 5-year term and with fixed annual coupon and effective interest rates of 3.20% and 3.25%, respectively.

(b) On 8 November 2013, the Company received the approval from China Securities Regulatory Commission to issue the unsecured corporate bonds amounting to RMB4 billion by tranches. The issuance of the first tranche of corporate bonds with par value of RMB100 each totalling RMB2 billion was completed on 8 November 2013. The first tranche of corporate bonds are of 3-year term and with fixed annual coupon and effective interest rates of 5.70% and 5.71%, respectively.

In June 2014, a subsidiary of the Company issued unsecured offshore corporate bonds with par value of RMB100 each totalling RMB1 billion. The corporate bonds are of 3-year term and with fixed annual coupon and effective interest rates of 4.50% and 4.76%, respectively.

(c) In May 2015, the Company received the approval from the National Association of Financial Market Institutional Investors to issue short-term bonds with par value of RMB100 each totalling RMB2 billion. The short-term bonds are of 270-day term and with fixed annual coupon and effective interest rates of 3.60% and 3.81%, respectively. The bonds were fully settled in February 2016.

In January 2016, the Company received the approval from the National Association of Financial Market Institutional Investors to issue short-term bonds with par value of RMB100 each totalling RMB1.5 billion. The short-term bonds are of 270-day term and with fixed annual coupon and effective interest rates of 2.60% and 2.81%, respectively.

13. TRADE PAYABLES

The normal credit period for trade payables generally ranges from 1 to 6 months. Aging analysis of trade payables (including amounts due to related parties of trading in nature) at the respective reporting periods end is as follows:

	30 June 2016 *RMB'000* **(Unaudited)**	31 December 2015 *RMB'000* (Audited)
Within 6 months	**5,666,342**	5,491,240
Between 6 and 12 months	**328,544**	135,839
Between 1 and 2 years	**188,372**	171,062
Between 2 and 3 years	**122,874**	171,632
Over 3 years	**42,804**	31,559
	6,348,936	6,001,332

14. EVENTS AFTER THE REPORTING PERIOD

The following events took place subsequent to 30 June 2016:

On 21 October 2015, the Company received the approval from China Securities Regulatory Commission to issue the unsecured corporate bonds amounting to RMB3.5 billion by tranches. On 22 August 2016, the Company announced that the Company plan to issue the second tranche of the corporate bonds with par value of RMB100 each with the total amount up to RMB1.5 billion. The unsecured corporate bonds are of 5-year term and with fixed annual coupon.

II. MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with the consolidated results and the notes thereto of the Company and its subsidiaries (collectively the "Group") detailed in Section I of this announcement.

REVIEW OF OPERATING RESULTS

During the first half of 2016, the world economic recovery was weak, the growth rate of world trade decreased, the geopolitical risks were rising and the Brexit has brought in new and complex changes. The World Bank has further lowered the expected global economic growth in 2016 from 2.9% to 2.4%. The IMF also cut the forecast for the global economic growth from 3.4% to 3.1%. During the first half of the year, the gross value of China's import and export denominated in US dollar fell by 8.7% year-on-year, of which the export decreased by 7.7% and the import decreased by 10.2%, respectively. The total social logistics costs in China increased by 2.7% year-on-year, representing a drop of 1.8% in the growth rate as compared to the corresponding period of last year. The shipping market remained sluggish, while BDI continued to hit new lows at the beginning of this year and China Containerized Freight Index fell by 28.8% year-on-year. The container throughput of nationwide ports above designated size increased by 2.5% year-on-year, of which the container throughput of the coastal ports rose by 2.4%. Overall, China's economy maintained stable in general, but the domestic and international environment remained complex and grave.

During the first half of 2016, with the theme of "integration, transformation and innovation" and the six key work aspects of "explore the market, promote the upgrade, push-forward the transformation, propel the consolidation, adjust the mechanism and control the risk" as measures, the Group propelled external exploration and internal potentials, as well as responded actively. In the tough market environment, most of our major operations achieved sustained growth in business volume, with a positive improvement in the business structure and the customer structure.

For the six months ended 30 June 2016, as compared to the corresponding period of last year, the Group recorded an increase of 8.3% in the number of containers handled by sea freight forwarding services; an increase of 2.3% in the business volume handled by air freight forwarding services; an increase of 0.8% in the number of containers handled by shipping agency; an increase of 15.9% in the cargo volume handled by shipping agency; an increase of 21.4% in the business volume handled by logistics business; a decrease of 5.1% in the number of containers handled in warehouses and yards; an increase of 15.7% in the bulk cargo volume operated in warehouses and yards; an increase of 1.9% in the number of containers handled in terminal business; a decrease of 21.9% in the number of containers handled by trucking service; an increase of 10.8% in the number of containers transported by shipping business; and an increase of 267.7% in the business volume handled by express services.

The Group achieved revenue of RMB21,677.7 million for the six months ended 30 June 2016, representing a decrease of 5.4% as compared to the corresponding period in 2015. Profit attributable to owners of the Company for the six months ended 30 June 2016 was RMB967.1 million, representing an increase of 10.5% as compared to the corresponding period in 2015 and earnings per share was RMB0.21 (corresponding period in 2015: RMB0.19).

COMPARISON AND ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION FOR THE SIX MONTHS ENDED 30 JUNE 2016

Revenue

For the six months ended 30 June 2016, the Group's revenue amounted to RMB21,677.7 million, representing a decrease of 5.4% from RMB22,919.0 million for the corresponding period in 2015. The difference was mainly attributable to the decrease in the revenue of freight forwarding services which was caused by the sharp decline in sea freight rate.

Freight Forwarding

For the six months ended 30 June 2016, external revenue from the Group's freight forwarding services decreased by 9.2% to RMB15,906.5 million from RMB17,527.8 million for the corresponding period in 2015, mainly because of the substantial decline in sea freight rate in the first half of this year. Segment profit from the Group's freight forwarding services amounted to RMB381.4 million, which was flat compared with the corresponding period in 2015.

The volume of containers handled by the sea freight forwarding business increased by 8.3% to 5.024 million TEUs for the first half of 2016 from 4.641 million TEUs for corresponding period in 2015, mainly attributable to the vigorous development of international freight forwarding customers. Cargo tonnage handled by the air freight forwarding services increased by 2.3% to 274.3 million kilograms in the first half of 2016 from 268.1 million kilograms for the first half of 2015, mainly because of the strengthening of domestic business development. The number of containers handled by shipping agency services rose by 0.8% to 8.115 million TEUs for the first half of 2016 from 8.054 million TEUs for the first half of 2015, and the volume of bulk cargo handled by shipping agency services increased by 15.9% to 120.1 million tonnes in the first half of 2016 from 103.6 million tonnes for the first half of 2015, mainly due to the reinforced development in bulk commodity such as crude oil, iron ore and LNG, and the strengthened business cooperation with shipping companies, as well as the rapid growth in the scale of business model of general agent.

Logistics

For the six months ended 30 June 2016, external revenue from the Group's logistics services amounted to RMB3,825.7 million, representing an increase of 10.8% from RMB3,453.6 million for the corresponding period in 2015, mainly attributable to the further increased business scale of logistics services. Segment profit from logistics services amounted to RMB198.8 million, representing an increase of 4.6% from RMB190.1 million for the corresponding period in 2015. The rising business volume and revenue led to segment profit growth, while costs have increased, resulting in segment profit growth rate lower than the revenue growth.

The business volume handled by the Group's logistics services increased by 21.4% to 8.5 million tonnes for the first half of 2016 from 7.0 million tonnes for the first half of 2015, mainly attributable to the Group's active development of new customers, and continuous efforts to exploit international market.

Storage and Terminal Services

For the six months ended 30 June 2016, external revenue from the Group's storage and terminal services amounted to RMB929.5 million, representing a decrease of 3.5% from RMB962.9 million for the corresponding period in 2015, mainly attributable to the restructuring of the business of a certain subsidiary into a joint venture. Segment profit from the Group's storage and terminal services amounted to RMB145.2 million, representing a decrease of 28.7% from RMB203.6 million for the corresponding period in 2015, mainly because of the dividends reduction in respect of individual terminal company, and also reasons including some of the storage and terminal business being in the cultivation period.

During the first half of 2016, the number of containers handled in the Group's warehouses and yards decreased by 5.1% to 3.555 million TEUs from 3.745 million TEUs for the first half of 2015, mainly attributable to the impact of some of the shipping company customers' cessation of container lines. The Group's warehouses and yards handled 5.9 million tonnes of bulk cargo, representing an increase of 15.7% from 5.1 million tonnes for the first half of 2015, mainly because the Group strengthened the development of the bulk commodity market. The number of containers handled through terminals increased by 1.9% to 1.800 million TEUs from 1.766 million TEUs for the first half of 2015, mainly attributable to the further deepening of the business cooperation with the shipping companies, hub ports and other core customers.

Other Services

For the six months ended 30 June 2016, the Group's external revenue from other services (mainly involves trucking, shipping and express services) amounted to RMB1,016.0 million, representing an increase of 4.2% from RMB974.8 million for the corresponding period in 2015, mainly attributable to the increase of business scale caused by growing business volume of the express services and shipping business. Segment profit from the Group's other services amounted to RMB31.6 million for the first half of 2016, representing an increase of 2.0% from RMB31.0 million for the corresponding period in 2015, mainly attributable to the rise in the profit of shipping business.

During the first half of 2016, the volume of containers handled by the Group's trucking service decreased by 21.9% to 407,000 TEUs for the first half of 2016 from 521,000 TEUs for the first half of 2015, mainly because the Group changed from self-operating to outsourcing model in some trucking service. The number of containers handled by shipping business increased by 10.8% to 1.199 million TEUs from 1.082 million TEUs for the first half of 2015, mainly attributable to the continuous efforts to optimize the route setting and the reinforcement of the business cooperation with the trunk shipping companies. The number of documents and parcels handled in the express services increased by 267.7% to 3.089 million pieces from 0.84 million pieces for the first half of 2015, mainly attributable to the substantial growth in business cooperation with Cainiao Logistics.

The Group's joint ventures recorded an investment gain of RMB431.6 million from the operation of express services, representing a decrease of 5.3% compared to the corresponding period of last year. The business volume of international express services of the joint ventures was up by 5.3% from 10.75 million units for the first half in 2015 to 11.32 million units for the first half of 2016.

Transportation and Related Charges

Transportation and related charges was down by 6.8% to RMB18,675.5 million for the six months ended 30 June 2016, compared with RMB20,042.9 million for the corresponding period in 2015. Such decrease was mainly because of the drop in freight cost caused by the decline of sea freight rate.

Depreciation and Amortization

Depreciation and amortization amounted to RMB320.0 million for the six months ended 30 June 2016, representing an increase of 4.4% from RMB306.4 million for the corresponding period in 2015, mainly as a result of the increase in depreciation of newly acquired fixed assets.

Office and Related Expenses

Office and related expenses amounted to RMB216.8 million for the six months ended 30 June 2016, representing an increase of 1.3% from RMB214.1 million for the corresponding period in 2015.

Other Gains and Losses, Net

Other gains and losses, net decreased from RMB401.4 million for the six months ended 30 June 2015 to RMB186.0 million for the reporting period, primarily due to the one-off pre-tax gains for the disposal of Sungang land being recorded for the corresponding period in 2015.

Operating Profit

The Group's operating profit was RMB870.1 million for the six months ended 30 June 2016, representing a decrease of 23.4% from RMB1,135.6 million for the corresponding period in 2015. Operating profit as a percentage of total revenue decreased to 4.0% for the six months ended 30 June 2016 from 4.9% for the six months ended 30 June 2015, or decreased to 27.6% for the six months ended 30 June 2016 from 37.7% for the six months ended 30 June 2015 as a percentage of net revenue (total revenue less transportation and related charges), primarily due to the one-off pre-tax gains for the disposal of Sungang land included in the operating profit for the corresponding period in 2015.

Share of Profit of Joint Ventures

The Group's share of profit of joint ventures was RMB467.8 million for the six months ended 30 June 2016, representing a decrease of 5.9% from RMB497.4 million for the corresponding period in 2015. Such decrease was mainly due to the drop of profit of DHL-Sinotrans International Air Courier Ltd. for the reporting period.

Income Tax Expense

For the six months ended 30 June 2016, income tax expense of the Group amounted to RMB148.5 million, representing a decrease of 68.4% from RMB469.9 million for the corresponding period in 2015. Income tax expense as a percentage of profit before income tax for the six months ended 30 June 2016 declined to 11.1% from 30.1% for the six months ended 30 June 2015. Such decrease was mainly because the provision of land appreciation tax caused by the disposal of Sungang land for the corresponding period in 2015, while there was no such issue for the reporting period; also the actual amount of tax paid in that regard was lower than the provision so that the difference was released to the reporting period.

Profit for the Period

The Group's profit for the six months ended 30 June 2016 was RMB1,192.4 million, representing an increase of 9.5% from RMB1,089.0 million for the corresponding period in 2015.

Profit Attributable to Non-controlling Interests

For the six months ended 30 June 2016, profit attributable to non-controlling interests amounted to RMB225.3 million, representing an increase of 5.5% as compared with RMB213.6 million for the corresponding period in 2015, which was mainly due to the increase in profit of non-wholly owned subsidiaries of the Group for the reporting period.

Profit Attributable to Owners of the Company

The Group's profit attributable to owners of the Company for the six months ended 30 June 2016 amounted to RMB967.1 million, representing an increase of 10.5% from RMB875.4 million for the corresponding period in 2015.

Liquidity and Capital Resources

The following table summarizes the Group's cash flows for the periods indicated:

	For the six months ended 30 June	
	2016	2015
	In RMB million	In RMB million
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	**276.3**	499.0
Net cash used in investing activities	**(1,356.6)**	(1,522.4)
Net cash generated from financing activities	**1,255.1**	708.1
Exchange gains/(losses) on cash and cash equivalents	**14.2**	(4.6)
Net increase/(decrease) in cash and cash equivalents	**188.9**	(319.9)
Cash and cash equivalents at 30 June	**6,322.3**	5,012.2

Operating Activities

Net cash inflows generated from the Group's operating activities for the six months ended 30 June 2016 amounted to RMB276.3 million, representing a decrease of 44.6% from RMB499.0 million for the corresponding period in 2015. Such decrease was primarily attributable to an increase in trade and other receivables of RMB882.8 million (corresponding period in 2015: an increase of RMB448.5 million), and a drop in provision of RMB5.1 million (corresponding period in 2015: an increase of RMB92.8 million), partially offset by an increase in advances from clients of RMB157.7 million (corresponding period in 2015: an increase of RMB26.0 million), as well as an increase in inventory of RMB3.1 million (corresponding period in 2015: an increase of RMB134.6 million).

For the six months ended 30 June 2016, the average age of trade receivables was 64 days, as compared to 60 days for the corresponding period in 2015.

Investing Activities

For the six months ended 30 June 2016, net cash used in investing activities amounted to RMB1,356.6 million, primarily comprising RMB1,074.5 million used for the purchase of available-for-sale financial assets and RMB447.7 million used for the purchase of property, machinery and equipment, as well as an increase in over-three-month time deposit of RMB251.6 million, partially offset by RMB225.9 million received from the disposal of available-for-sale financial assets, RMB135.0 million received from the disposal of associates, and RMB82.5 million received from the dividend of joint ventures.For the six months ended 30 June 2015, net cash used for investing activities amounted to RMB1,522.4 million, primarily comprising RMB1,294.7 million used for the purchase of available-for-sale financial assets and RMB654.8 million used for the purchase of property, machinery and equipment, partially offset by RMB417.5 million received from the disposal of property, machinery and equipment, and land use rights.

Financing Activities

Net cash generated from the Group's financing activities for the six months ended 30 June 2016 amounted to RMB1,255.1 million, compared with net cash generated from financing activities of RMB708.1 million for the corresponding period in 2015.

Net cash generated from financing activities for the six months ended 30 June 2016 primarily comprised RMB1,497.8 million received from the issuance of short-term bonds, RMB1,996.0 million received from the issuance of corporate bonds and RMB767.7 million received from loans, partially offset by RMB2,000 million of repayment of short-term bonds in cash, RMB873.1 million paid in cash for the repayment of borrowings, and RMB87.0 million for the payment of interest. Net cash generated from financing activities for the six months ended 30 June 2015 primarily comprised RMB4,000 million received from the issuance of short-term bonds, RMB895.4 million received from disposal of equity interests in a non-wholly owned subsidiary, partially offset by RMB2,000 million paid in cash for the redemption of short-term bonds, RMB2,000 million paid in cash for the redemption of corporate bonds, RMB196.6 million paid for the acquisition of subsidiaries.

Capital Expenditure

For the six months ended 30 June 2016, the Group's capital expenditure amounted to RMB488.5 million, primarily comprising RMB447.7 million for acquisition of property, plant and equipment, RMB25.8 million for purchase of land use rights, RMB9.3 million for acquisition of other non-current assets, and RMB5.6 million for acquisition of intangible assets, among which, RMB314.6 million was used for renovation and construction of terminals, warehouses, logistics centers and container yards, RMB102.1 million for purchase of vehicles, vessels, plant and equipment, RMB51.3 million for purchase of property and others, and RMB20.5 million for IT investment and refurbishment and purchase of office equipment.

Contingent Liabilities and Guarantees

As at 30 June 2016, the Group's contingent liabilities mainly comprised outstanding lawsuits of RMB255.5 million (31 December 2015: RMB241.7 million).

As at 30 June 2016, the amount of guarantees provided by the Group in favor of its joint ventures was RMB151.7 million (31 December 2015: RMB220.7 million).

Borrowings

As at 30 June 2016, the Group's total borrowings amounted to RMB477.0 million (31 December 2015: RMB564.6 million), all being bank borrowings which comprised 266.6 million denominated in RMB, 168.5 million in US dollars, and 41.9 million in Hong Kong dollars. The weighted average interest rate for the above bank borrowings was 3.05% per annum.

Secured and Guaranteed Borrowings

As at 30 June 2016, the Group pledged property, plant and equipment (with net book value of approximately RMB63.6 million) and land use rights (with net book value of approximately RMB18.6 million) for borrowings.

Debt-to-Asset Ratio

As at 30 June 2016, the debt-to-asset ratio of the Group was 49.9% (31 December 2015: 47.4%), which was arrived at dividing the total liabilities by the total assets of the Group as at 30 June 2016.

Foreign Exchange Risk

Since a portion of the Group's revenue and transportation and related charges is denominated in US dollars, the Group's exposure to foreign exchange risks is mainly related to US dollars. There is no assurance that future fluctuations in Renminbi against the US dollars and other currencies would not adversely affect the Group's results and its financial position (including the ability to declare dividends).

Credit Risk

The Group's exposure to credit risks is represented by the aggregated balances of trade and other receivables, financial assets at fair value through profit or loss, available-for-sale financial assets, restricted cash, and term deposits with initial terms of over three months. The maximum credit risk exposure in the event that other parties fail to perform their obligations under these financial instruments was the book values of these financial instruments.

Employees

As at 30 June 2016, the number of employees of the Group was 26,413 (31 December 2015: 27,150). Details of our remuneration policies and staff development were approximately the same as those disclosed in the 2015 Annual Report with no significant changes.

III. BUSINESS DEVELOPMENT AND OUTLOOK

Business Development

Looking into the second half of 2016, the economic recovery will continue to slow down, the monetary policy and geopolitical risks spawned uncertainties and the global trade barriers and disputes continue to ferment. In the environment where the global economy is facing serious challenges, China will continue to promote market-oriented reforms and structural adjustments, while the economic downward pressure is still heavy. However, with the deepening of China's structural reforms, the logistics demand structure will be further optimized, which is in line with the increasing growth of logistics demand in areas of innovation drives, industrial upgrades and model innovations. The implementation of "One Belt and One Road" strategies and the free trade zone policies shall hopefully lead the growth of China's import and export trade. Overall, the Group faces challenges and opportunities at the same time.

We will effectively incorporate the trend of change, innovation and integration, as well as go all out to promote the works in the second half of the year. We will focus on the implementation of the 13th "Five-Year-plan" and aim to achieve results, with major breakthrough in the construction of the "Five Channels", to pull and drive the in-depth enforcement of the planning. We will develop the customer base, expand the market and maintain growth to strengthen the external expansion, the internal potentials and the business collaboration. We will focus on production, transform the mode, and promote the industrial upgrade, while pushing the transformation of the freight forwarding and related business to the entire supply chain management, propelling the transformation of logistics to the value chain integration, as well as advancing the transformation of e-business to build up platform and ecosystem. We will focus on the operations, control the costs, increase efficiency and enhance the overall abilities on operational management and control according to the requirements of "benchmarking traction, innovation-driven and self-management". We will focus on the integration, gather resources and enhance efficiency, to strengthen the efforts of internal resources sharing and external resources integration. We will focus on the mechanism, control the risks and ensure safety, in order to innovate and improve the working mechanism, implement the refined management, further control the operating risks and ensure safe production. The Group will see the implementation of the 13th "Five-Year-plan" as our main concern. In order to strive to achieve the goal of becoming the world-class logistics enterprise, we will explore actively and enhance our implementation through reformation and innovation.

Resources Consolidation

The Group will continue to discuss with Sinotrans & CSC regarding further resources consolidation, with a view to consolidating appropriate core businesses and related assets into the Group, eliminating potential competition between the Group and Sinotrans & CSC in logistics segment, and expanding business coverage of the Group. The method and subject matter of any such further reorganisation is still under consideration, and may be implemented over a period of time. Such reorganisation, if implemented, will constitute connected transactions of the Company under the Listing Rules. The Company shall comply with the disclosure and shareholders' approval requirements to extent applicable under the Listing Rules. Such transactions may or may not proceed.

Strategic Reorganisation of Sinotrans & CSC with China Merchants

At the end of 2015, the SASAC approved the strategic reorganisation of Sinotrans & CSC, the parent company of the Company, with China Merchants Group Limited ("China Merchants"), according to which, Sinotrans & CSC will be administratively allocated (for no consideration) into, and become a wholly-owned subsidiary of, China Merchants, and therefore, the Company will become a listed subsidiary of China Merchants. Upon completion of the reorganisation, Sinotrans & CSC will no longer be directly supervised by the SASAC, but Sinotrans & CSC will remain the controlling shareholder of the Company and SASAC will remain the ultimate controller of the Company. As of the date of this report, the relevant legal procedures for the reorganisation have not been completed yet.

IV. INTERIM DIVIDENDS AND BOOK CLOSURE PERIOD

The Board has declared an interim dividend of RMB0.035 per share for the six months ended 30 June 2016. Shareholders at the annual general meeting of the Company for the year 2015 authorized the Board of the Company to decide on matters relating to the recommendation, declaration and payment of the interim dividends for the year 2016.

It is expected that the interim dividend will be paid on or before Wednesday, 23 November 2016 to shareholders whose names appear on the register of members on Monday, 12 September 2016. The register of members of the Company will be closed from Wednesday, 7 September 2016 to Monday, 12 September 2016 (both days inclusive), during which no transfers will be registered for the purposes of ascertaining entitlements to the Company's 2016 interim dividend.

In order to qualify for the interim dividend, holders of H Shares whose transfers have not been registered are requested to lodge their instruments of transfer together with the relevant share certificates with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 6 September 2016, for registration.

Pursuant to the Articles of Association of the Company, dividends payable to the holders of Domestic Shares will be paid in Renminbi ("RMB"), and dividends payable to the holders of H Shares will be paid in Hong Kong dollars ("HK$"). The exchange rate for dividends payable in HK$ is the average of middle rates of RMB to HK$ published by the People's Bank of China during the week (16 August 2016 to 22 August 2016) preceding the date of declaration of the dividend. The average exchange rate of RMB to HK$ for the said week was HK$1 = RMB0.8550. Accordingly, the amount of interim dividend for each H Share of the Company is HK$0.0409.

In accordance to the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations which took effect on 1 January 2008, the Company is obliged to withhold and pay enterprise income tax at a tax rate of 10% on behalf of non-resident corporate shareholders on its H share register when making payments of dividend to these shareholders. Shares registered in the name of non-individual shareholders, including HKSCC Nominees Limited, other nominees or trustees or other organizations or bodies shall be deemed as shares held by non-resident corporate shareholders. Such shareholders will receive their dividend net of the enterprise income tax.

The Company will withhold and pay on behalf of the individual holders of H Share the income tax in accordance with the tax regulations of the People's Republic of China (the "PRC"). Pursuant to the letter titled "Tax arrangements on dividends paid to Hong Kong residents by Mainland companies" issued by The Stock Exchange of Hong Kong Limited to the issuers on 4 July 2011, for non-foreign investment companies of the Mainland which are listed in Hong Kong distributing dividends to their shareholders, the individual shareholders in general will be subject to a withholding tax rate of 10%. They do not have to make any applications for entitlement to the above-mentioned tax rate. However, for shareholders who are residents of other countries and whose home countries have reached an agreement with China on an applicable withholding tax rate higher or lower than 10%, they have to follow the bilateral tax agreement in paying tax in connection with dividends paid by Mainland companies listed in Hong Kong. When making payments of dividend, the Company acting like a withholding agent in general will withhold 10% of the dividend on behalf of the individual H shareholders as individual income tax. Unless otherwise specified by the relevant tax regulations and tax agreements, in which case the Company will withhold individual income tax of such dividend in accordance with the tax rates and according to the relevant procedures as specified by the relevant regulations.

V. REVIEW OF THE INTERIM RESULTS

Deloitte Touche Tohmatsu, the Company's auditors, and the Audit Committee of the Company have reviewed the condensed consolidated financial statements of the Group for the six months ended 30 June 2016.

VI. CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance and has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing of the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") issued by the Stock Exchange of Hong Kong Limited. The Company has confirmed that it has complied with all the code provisions in effect as set out in the CG Code throughout the six months ended 30 June 2016 except the deviation from Code Provision A.6.7 which provides that independent non-executive Directors should attend general meetings, and Code Provision E.1.2 which provides that the Chairman of the Board should invite the Chairmen of the audit committee, remuneration committee and nomination committee to attend the annual general meeting. As the 2016 annual general meeting of the Company was held in Beijing and no holders of H-shares of the Company and/or their representatives attended the meeting in person, the Company did not invite the Chairmen of these committees to attend the annual general meeting, and independent non-executive Directors of the Company did not attend the annual general meeting.

VII. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") contained in Appendix 10 to the Listing Rules as the code of conduct for securities transactions by the Company's Directors and Supervisors.

The Directors and Supervisors have confirmed, following specific enquiry by the Company that they have complied with the required standards set out in the Model Code throughout the reporting period from 1 January 2016 to 30 June 2016.

VIII. PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption of the listed securities of the Company either by the Company or by any members of the Group during the six months ended 30 June 2016.

IX. PUBLICATION OF INTERIM RESULTS AND 2016 INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinotrans.com). The 2016 Interim Report will be dispatched to the Company's shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board of
Sinotrans Limited
Gao Wei
Company Secretary

Beijing, 23 August 2016

As at the date of this announcement, the board of directors of the Company comprises: Zhao Huxiang (Chairman), Zhang Jianwei (Vice-chairman), Li Guanpeng (executive director), Wang Lin (executive director), Yu Jianmin (executive director), Wu Xueming (executive director), Jerry Hsu (non-executive director), and four independent non-executive directors, namely Guo Minjie, Lu Zhengfei, Han Xiaojing and Liu Junhai.