Sinotrans Air Transportation
Development Co., Ltd (SINOAIR)
Presentation
(stock code: 600270.SH)

Sep 2010. Beijing
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2. Sinoair Profile
3. Sinoair Northern Branch Profile
The Volume of Air Cargo Import and Export in China

<table>
<thead>
<tr>
<th>Year</th>
<th>Import</th>
<th>Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>89.72</td>
<td>174.99</td>
</tr>
<tr>
<td>2006</td>
<td>108.19</td>
<td>214.80</td>
</tr>
<tr>
<td>2007</td>
<td>128.15</td>
<td>259.69</td>
</tr>
<tr>
<td>2008</td>
<td>131.03</td>
<td>283.68</td>
</tr>
<tr>
<td>2009</td>
<td>126.04</td>
<td>253.31</td>
</tr>
</tbody>
</table>

Market Environment

The data of air cargo import and export volume in China
Market Environment

The Trend of Business Development

**the impacts of policy**
- the regulations in air freight market
- the policy changes by WTO

**the entry of foreign freight enterprises**
- market investment
- network construction
- quality of service, information technology

**changes in the owner logistic chain**
- transport speed and increasing demand for timely arrival
- the development of global and cross-regional market

**development of alternative freight mode: road, rail**
- development trend
- price

**the growth in supply of airline capacity**
- increase in cargo cabin space
- increase in volume of flight courses

**airport development**
- volume growth of cargo in airport
- airport throughput scale and special services

Air Cargo Market Growth
Express Service Market in China

*International Express Service*

The annual growth rate of documents and packages handled by international express services in China is approximately 20%. Express services including domestic intra-city, cross-city, international and Hong Kong, Macao and Taiwan represented 7.3%, 55.7% and 31.7% of the whole revenue, moreover, amounted to 23.5%, 70.4% and 6.1% of the total business volume respectively.
The domestic express service market continued to expand in 2010, representing an increase of 22% year-on-year. The rapid growth of E-commerce has been a strong drive to the development of logistic industry.
**Sinoair Profile**

Sinotrans Air Transportation Development Co., Ltd (SINOAIR)

- **Listing Time:** Dec. 2000 in the Shanghai Stock Exchange
- **Shareholding Structure:**
  63.46% shares owned by Sinotrans Limited
- **Registered Capital:** RMB905 million
- **Total Assets:** RMB5.7756068 billion (until 30 June.2010)
- **Employees:** 2,781 (until 30 June.2010)
## Revenue and Profit of SINOAIR

*For the Six Months Ended 30 June 2010*

<table>
<thead>
<tr>
<th>Business</th>
<th>Revenue</th>
<th>Change (%)</th>
<th>Operating Costs</th>
<th>Change (%)</th>
<th>Profit Margin (%)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Air Freight Forwarding</td>
<td>130,917.28</td>
<td>107.46</td>
<td>120,098.21</td>
<td>115.34</td>
<td>8.26</td>
<td>-3.36</td>
</tr>
<tr>
<td>Express Services</td>
<td>10,511.1</td>
<td>-0.17</td>
<td>8,890.76</td>
<td>-16.5</td>
<td>15.42</td>
<td>16.55</td>
</tr>
<tr>
<td>Domestic Transportation and Logistics</td>
<td>19,166.43</td>
<td>10.83</td>
<td>6,388.53</td>
<td>-1.95</td>
<td>14.49</td>
<td>11.13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>160,594.8</td>
<td>76.62</td>
<td>145,377.5</td>
<td>74.87</td>
<td>9.48</td>
<td>0.91</td>
</tr>
</tbody>
</table>
4 regional companies and 65 branches; a powerful self-operated business network covering every city of China.

An international service network system reaching out to every continent of the world by having a full cooperation with more than 100 overseas cargo companies.
In 2009, the air cargo market share of SINOAIR amounted to 5.9%, among which 10.7% of imports market and 3.6% of exports market.
Sinoair Profile

Customers and Partners
Sinoair Profile

Qualification

Sinotrans Air Transportation Development Eastern Company

ISO 9001:2000

Certificate CN08017765

Additional Address:

Sinotrans Air Transportation Development Eastern Company
No. 15, Lane 268 Huqingping Road,
Shanghai, P.R. China
Sinotrans Air Transportation Development Eastern Company
No. 203, Helifan Road (No. 1), Pudong International Airport,
Shanghai, P.R. China
Sinotrans Air Transportation Development Eastern Company
Air Cargo Business Building, Pudong International Airport,
Pudong New District,
Shanghai, P.R. China
Sinoair Profile

Sinoair line network and applications
**Sinoair Profile**

**Investment**

- **Major Joint Ventures**

  - **Sinotrans-DHL** (SINOAIR 50%; DHL 50%)

    Sinotrans-DHL is an important part of the DHL global service networks. It set up 73 branches, 88 express service centers and its service network covers 318 cities across the country. Its core business are international and domestic express services.

    Registered Capital: USD14.5 million.
## Sinoair Profile

### Revenue and Profit of Sinotrans-DHL

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue of Core Business (In million RMB)</th>
<th>Net Profit (In million RMB)</th>
<th>Volume (In million kilogram)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>5,381.2900</td>
<td>720.1800</td>
<td>18.87</td>
</tr>
<tr>
<td>2008</td>
<td>5,627.4615</td>
<td>760.5947</td>
<td>19.25</td>
</tr>
<tr>
<td>2009</td>
<td>5,406.4651</td>
<td>581.8346</td>
<td>18.94</td>
</tr>
<tr>
<td>1H 2010</td>
<td>3,295.943</td>
<td>383.9076</td>
<td>10.14</td>
</tr>
</tbody>
</table>

### Volume

<table>
<thead>
<tr>
<th>Year</th>
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<tr>
<td>2007</td>
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### Revenue of Core Business

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</table>
GRAND STAR (51% shares owned by SINOAIR)

GRAND STAR is based in Tianjin and the first cargo airline with scheduled non-stop flights from Tianjin to Europe, America, and Asia.

Registered Capital: USD65 million

Net Profit of GRAND STAR

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Profit (In million RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>-181.9168</td>
</tr>
<tr>
<td>2009</td>
<td>-94.3196</td>
</tr>
<tr>
<td>1H 2010</td>
<td>3.4765</td>
</tr>
</tbody>
</table>
Sinoair Profile

- **Major Investment Projects**
  - Sinotrans Logistics Center
  - Shanghai Pudong International Airport Logistics Center
  - Chengdu Airport Logistics Center
Strategies and Plans

- **Freight Forwarding**
  promote the business transformation and innovation; improve marketing capabilities; strengthening operation abilities; continue to promote lean operations.

- **Express Services**
  utilize the existing network to maintain the leading position in investment and operation in express service industry in China.

- **Aviation Business**
  focus on the development of GRAND STAR; actively seek for partners in aviation and strengthen the ground networks to bring out the synergy.

- **Investment**
  reinforce the cooperation with the important JV and Strategic Partners; positively create new investment and purchase opportunities.
## Sinoair Northern Branch Profile

### Company overview

as at 31 Dec 2009

<table>
<thead>
<tr>
<th>Branch</th>
<th>Total Employees</th>
<th>Bonded Warehouse</th>
<th>Normal Warehouse</th>
<th>Trucks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing (BJS)</td>
<td>300</td>
<td>27600m²</td>
<td>18000m²</td>
<td>5tons*15</td>
</tr>
<tr>
<td>Tianjin (TSN)</td>
<td>76</td>
<td>2000m²</td>
<td>2000m²</td>
<td>5tons<em>3, 3tons</em>1</td>
</tr>
<tr>
<td>Qingdao (TAO)</td>
<td>167</td>
<td>1500m²</td>
<td>600m²</td>
<td>2tons<em>10, 8tons</em>4, 10tons<em>2, 15tons</em>1</td>
</tr>
<tr>
<td>Shenyang (SHP)</td>
<td>17</td>
<td>N.A</td>
<td>200m²</td>
<td>2tons*1</td>
</tr>
<tr>
<td>Shijiazhuang (SJW)</td>
<td>104</td>
<td>300m²</td>
<td>2000m²</td>
<td>2tons*2</td>
</tr>
<tr>
<td>Zhengzhou (CGO)</td>
<td>50</td>
<td>1000m²</td>
<td>3000m²</td>
<td>2tons*2</td>
</tr>
<tr>
<td>Hohhot (HOT)</td>
<td>21</td>
<td>N.A</td>
<td>N.A</td>
<td>5tons*1</td>
</tr>
<tr>
<td>Taiyuan (TYN)</td>
<td>14</td>
<td>N.A</td>
<td>N.A</td>
<td>N.A</td>
</tr>
</tbody>
</table>
Sinoair Northern Branch Profile

Regional Networks

- HOT Branch
- SJW Branch
- TYN Branch
- CGO Branch
- BJS Branch
- SHP Branch
- TAO Branch
- TSN Branch
Sinoair Northern Branch Profile

Major Business

• **Airfreight Forwarding**
  – Door to Door/Airport to Airport airfreight forwarding

• **Local Handling Service**
  – customs brokerage
    • Class A customs broker certified by Beijing Customs.
  – CCIB brokerage
  – storage for import & export shipments
  – break-bulk and aircraft container operation
  – pick up and delivery.
  – providing local handling service to global forwarding partners
Sinoair Northern Branch Profile

• **Domestics Logistics Service**
  – national wide door to door delivery
  – warehousing & storage
  – spare parts inventory management
  – spare parts on-line supply
  – VMI storage
**Sinoair Northern Branch Profile**

- **Road Feeders**
  - Running a Road Feeders system surrounding Beijing for airfreight shipments.

  - BJS<->TSN, Daily
  - BJS<->TAO, Daily
  - BJS<->SHP<->SHE, Daily
  - BJS<->SJW, Daily
  - BJS<->CGO, Daily

The Road Feeder is provided to shippers and Airlines, this Service are the extensions of Airlines’ flights.
Sinoair Northern Branch Profile

Facilities in Beijing

Sinotrans Logistics Center
18000m² (Owned)

17000m² Courier Operation Center (Owned)

2600m² Bonded Warehouse (Leased)

8000m² Sony Ericsson Parts Warehouse (Leased)

2000m² Export Operation Warehouse (Leased)
Sinotrans logistics center was constructed in 2006, contains 8,000m² bonded warehouse, 10,000m² normal warehouse, and a 6-floor office building, 10,000m² office area.

All import goods would be temporarily stored here before customs released.
CCTV systems, motion detectors, The security equipments can match TAPA A standard.

-18°C~0°C frozen storage, and 0°C~18°C refrigerator.

X-ray machine for the security inspection of export cargo.
Future Prospect

• continue to maintain and expand the operating capacity of the airports, enlarge the airport facilities in Beijing, Tianjin, Qingdao, Dalian, etc.

• in addition to the traditional import and export business, make full use of airport facilities and actively develop the integrated logistic services based on air transportation

• fully cooperate with GRAND STAR and other aviation companies to bring out the synergy of freight forwarding and carrier services
For more information

Please visit the company’s website:

WWW.SINOTRANS.COM

www.sinoair.com

THANK YOU!