



Chengdu Hatrans YHF INTERMODAL Logistics Co., Ltd

“New vision of Silk Road”
China-Europe international
AIR-TRAIN
from Chengdu/China
to Poland/Europe

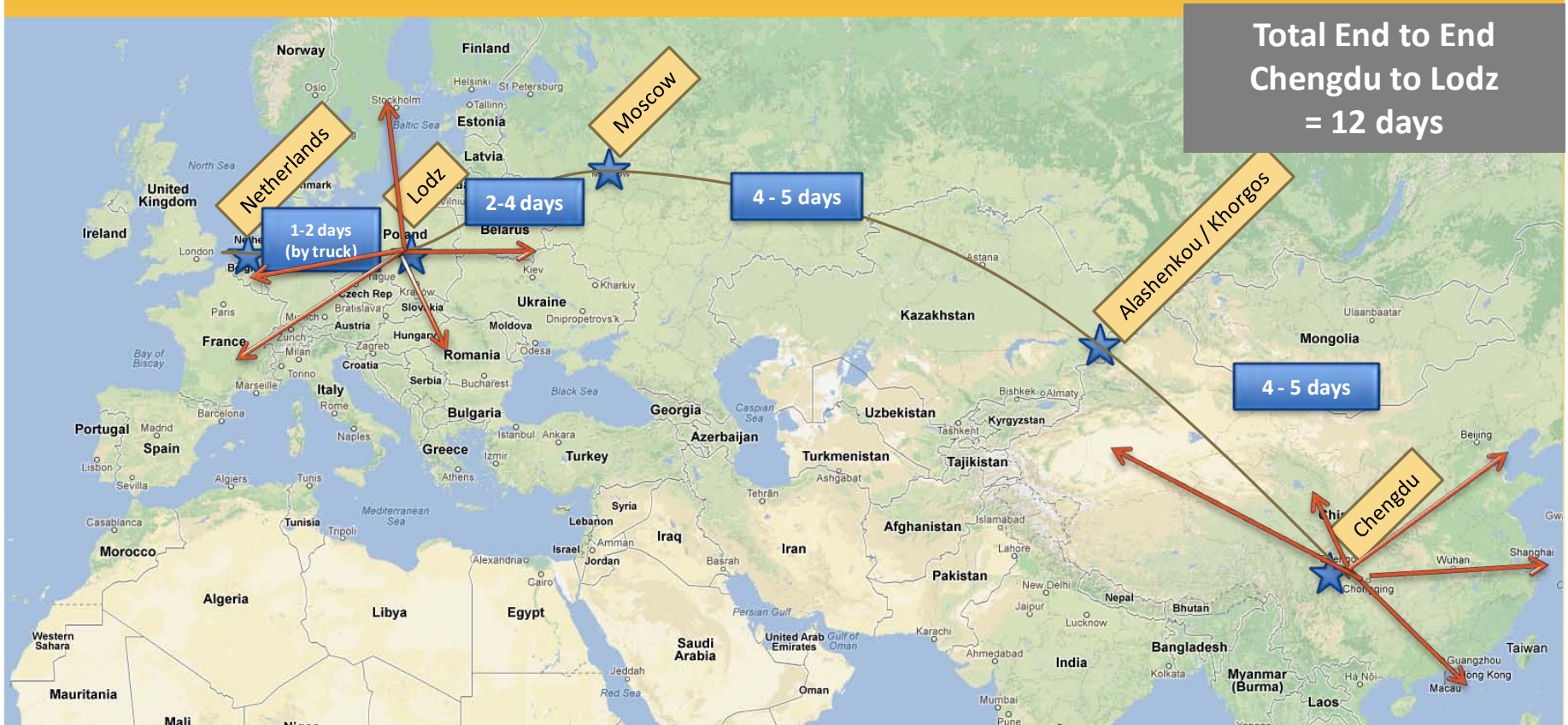


The Solution offered by YHF :

- ➔ Train shipments both ways China - Europe
- ➔ Delivery in Russia and Kazakhstan
- ➔ Containers, Pallets or Boxes cargo shipments and dispatch.
- ➔ Hub and Bonded Warehouse in China, Russia and Europe.
- ➔ Light Manufacturing / Repacking / Final differentiation in each location
- ➔ End to End Custom Clearance Process from origin to destination
- ➔ Hub in Poland can cover European countries and Russian Countries (Russia, Ukraine, Kazakhstan and Belorussia).

End to End model ready but Customers can decide to use different provider or supplier on each portion like a menu or to take the Integrated Model.

Route and Lead times



Shipments are possible :

- By 40ft container
- By pallet
- By box



The Fastest Train from China continent to Europe within 12 - 14 days max Station to Station !

Final Destination	Departing from Chengdu
Any city in Poland	+1 day
Any city in Czech Republic	+1 to 2 days
Pardubice (Czech Republic)	+1 day
Brno (Czech Republic)	+1 day
Moscow (Russia)	+2 to 3 days
St. Petersburg	+2 to 3 days
Rotterdam (Netherlands)	+1 to 2 days

Benefits



Current situation

- * Expensive Hub solution in the Netherlands
- * Transportation to and from China expensive (Air) or long transit time (Sea)
- * Immobilization of a lot of Cash flow in transit by sea shipments.
- * High Freight Costs by Air.
- * => **Impact on Service Supply Chain Costs and Competitiveness**

With Air-Train Solution

- * Major savings on Freight and Cash Flow
- * Savings of more than **4 to 8 times** of Air Freight and more than half of sea freight inventory in transit
- * Hub total costs in Poland are **from 30% to 50% less** than in NL Hub total costs
- * Possibility to combine and consolidate shipments to and from China in Train then dispatch in EU or in China.
- * The best freight solutions to Russia and Kazakhstan growing markets
- * => Optimization of Supply Chain thanks to Air-Train and Hub/Bonded Warehouse in Lodz and Chengdu

Benefits

CO2
emissions

customer
satisfaction

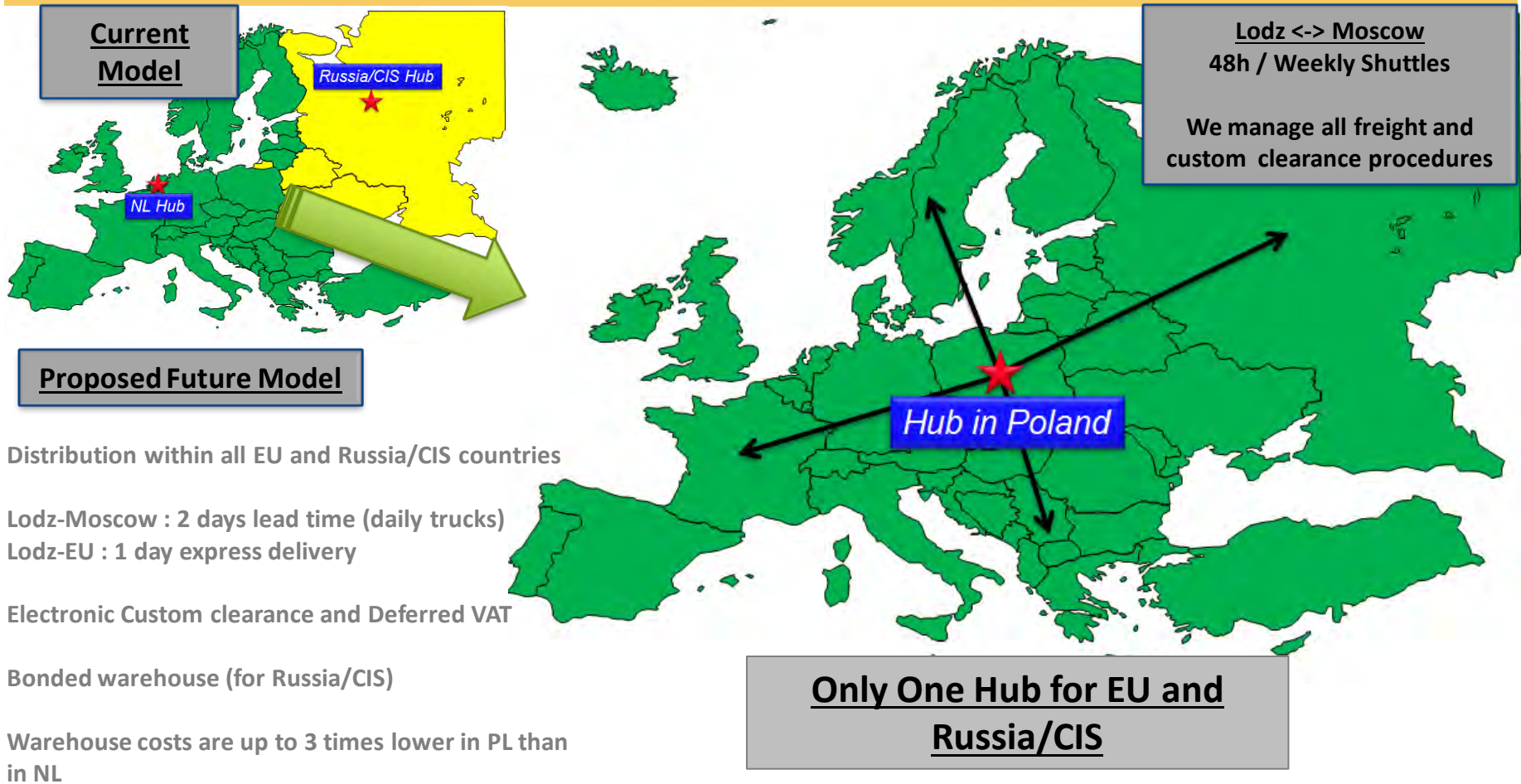
- * Air Freight + truck shuttles = High CO2 emission
- * Complexity triggers issues

<u>Transport Mode</u>	<u>Grams CO2 / tonne-km</u>
Air Freight	602
Road Transport	62
Intermodal road/rail	26
Rail Transport	22
Deep-Sea Container	8

Source: Alan McKinnon

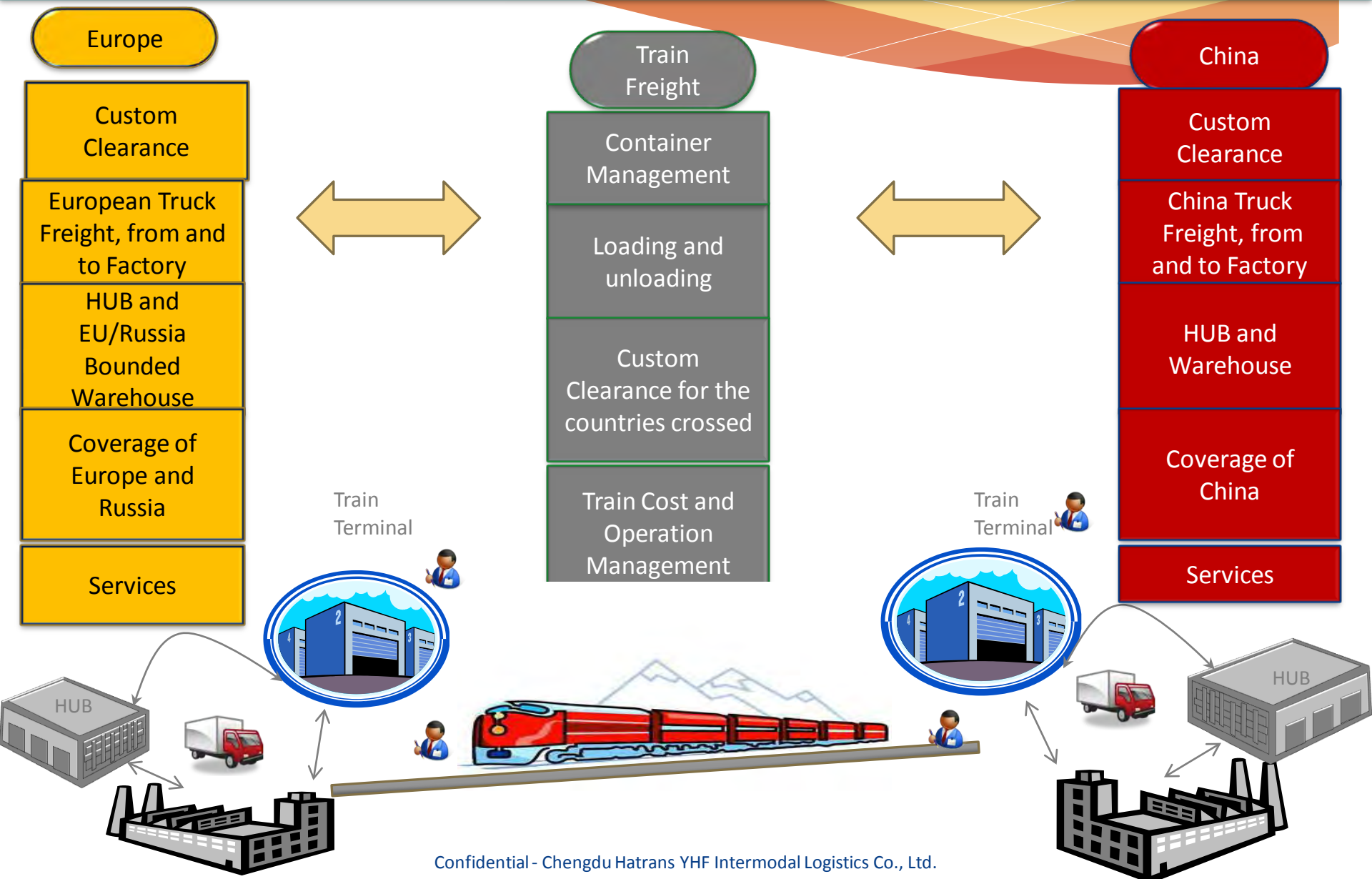
- * Rail Freight + less truck shuttles = Low CO2 emission
- * Simplification allows a better overall performance with better repair lead times and therefore better customer satisfaction

One logistic hub to cover entire EMEA



➔ **One hub in Poland, addressing the entire EMEA, Russia, and CIS Countries, connected to China by Rail**

END TO END SOLUTION



Competitiveness of AIR-TRAIN

- ➔ Price Efficiency and Cash Flow savings
- ➔ Transit Time Efficiency
- ➔ Railway Operation Advantages
- ➔ HUB Services at both ends: departure and destination locations but also Russia/Kazakhstan

PRICE EFFICENCY



Air-Train is a solution working ALL YEAR LONG, no Winter Interruption

PRICE COMPARISON

Comparison of End to End, factory to factory costs and transit time by AIR, SEA, TRAIN shipment for 40' container loaded with 10 tons of good (which is the most common).

China=> Europe

<u>AIR</u> :	40 000 USD to 80 000 USD	5 to 15 days
<u>SEA</u> :	5000 USD to 8000 USD	35 to 42 days

China => Russia

<u>AIR</u> :	60 000 to 120 000 USD	4 to 15 days
<u>SEA</u> :	8000 USD	40 to 60 days.

- => AIR TRAIN is 4 to 8 times less expensive than Air Shipments**
- => AIR TRAIN can compete with Air Shipments in transit time**
- => AIR TRAIN is 2 to 3 times quicker than sea shipments**



= Supply Chain Optimization = SAVINGS in Freight And in Cash Flow

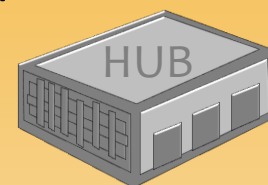


Bonded warehouse-Fiscal & VAT optimization solution implement platform



The European Union bonded qualification

- ➔ Guarantee of available Hub space in Centre of Poland
- ➔ Pay duty on the arrival, not pay on out of warehouse



Russian (CIS) bonded qualification

VAT in Russia for Buyer can be deferred up to 160 days.

Customs clearances carried out in the system of simplified procedures at any location designated by customer -deferred VAT/DUTY

2 In 1

Two systems in one same warehouse, without segmentation inventory

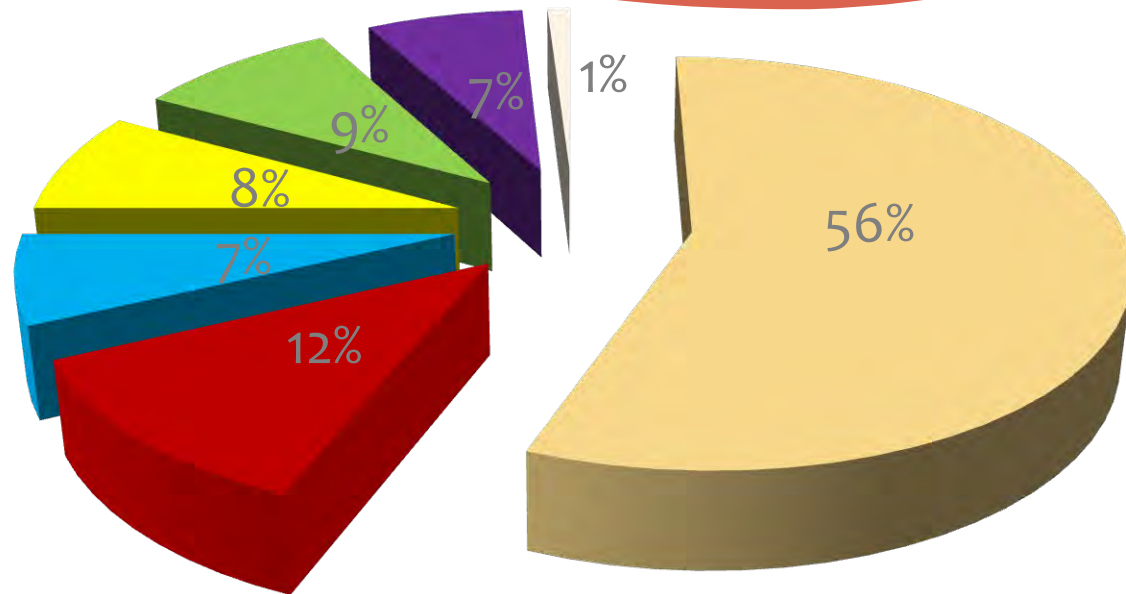
TRANSIT TIME EFFICIENCY : AIR TRAIN operation advantages

- Alashankou / Altynkol rail-change center
 - **all-weather** rail change facility to avoid being affected by wind or snow
 - Our own facilities therefore no need to queue
- **Outbound customs clearance/declaration via EDI system**
 - The train will complete custom declaration before arrival at the border



Main reasons for delays in deliveries of all shipments China/Europe

Incorrect fulfillment of transport or contract documents	56%
Late supply with empty rolling stock for carriages	12%
Technical mistakes	7%
Commercial mistakes	8%
Problems with documents for the Customs Service	9%
Infrastructure shortage	7%
Enactment of new laws	1%



AIR-Train solution reduces this problem.

Outbound procedure – IT system

- Outbound procedure takes max 30 min.
- IT connection is tailor made for each customers (EDI, FTP, Platform website)
- Real time visibility of Custom Clearance and shipment location.
- All information is consolidated in one IT platform for real time information sharing



IT System easy to connect, easy to use

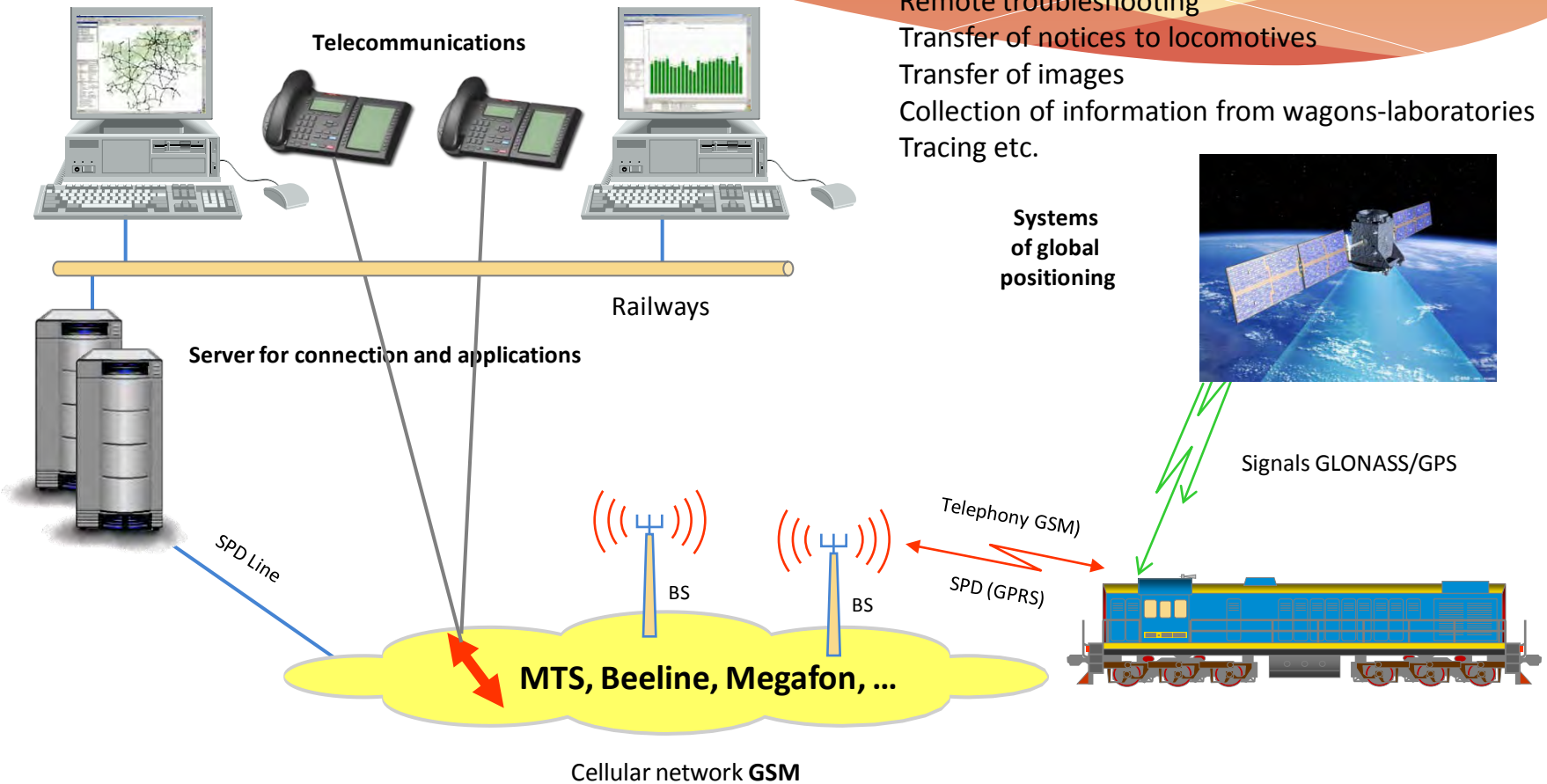
- IT Connection is tailor made for each customers (EDI, FTP, Platform website)
- Real time visibility of Custom Clearance and shipment location.
- All information is consolidated for all partners in one IT platform for real time information sharing

Localization and traceability system of the AIR-Train

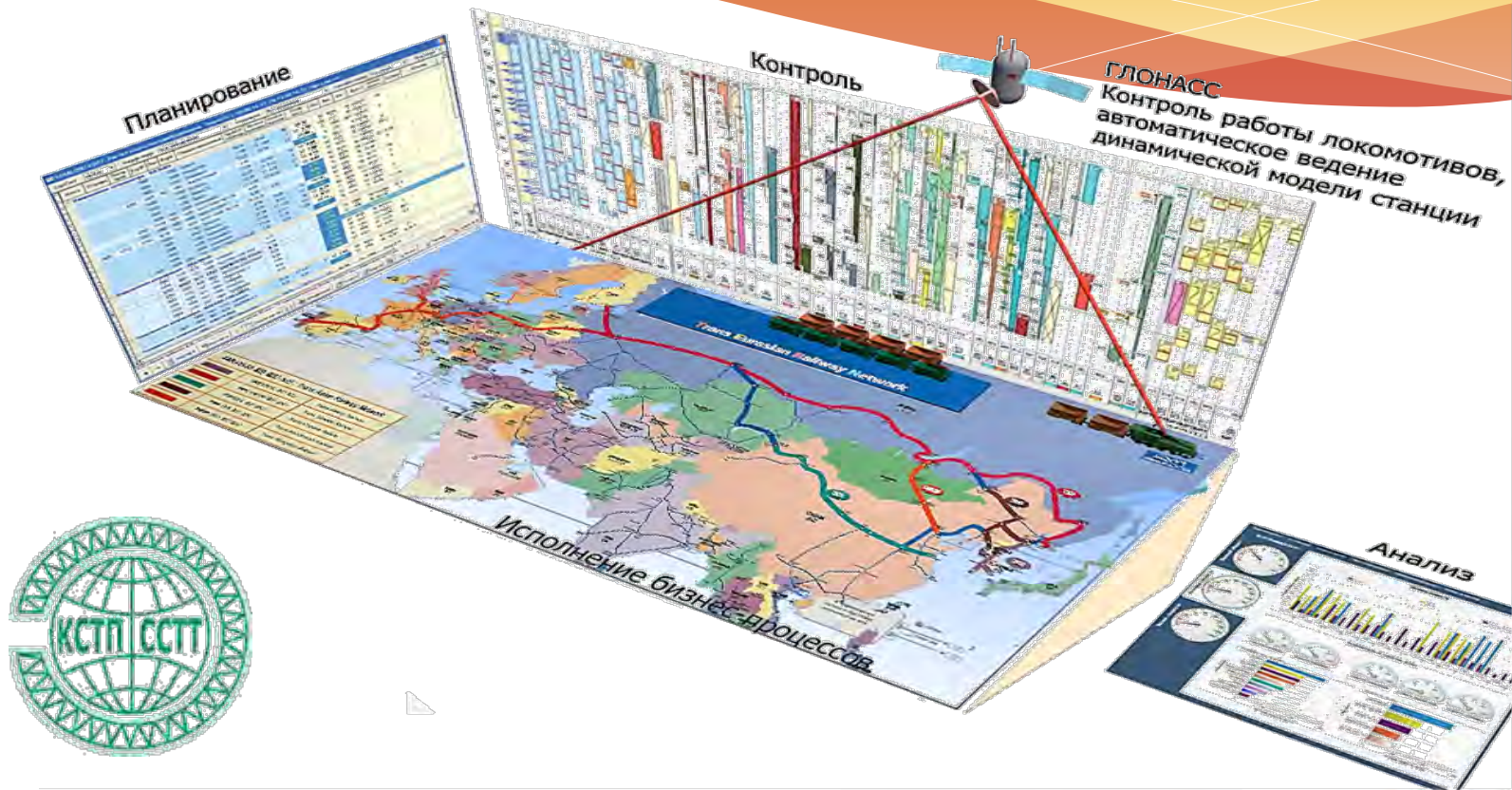
Computer work station
Coordinating managers

Computer work station
diagnostics

Telecommunications via coordinating managers
Position location and mileage
Measurement of fuel consumption
Remote troubleshooting
Transfer of notices to locomotives
Transfer of images
Collection of information from wagons-laboratories
Tracing etc.



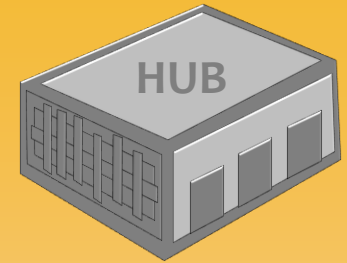
Tracing during transportation



Tracing is provided by the information from the IT-systems of railway

- current location of carried containers
- technical and commercial state
- schedule deflection
- forecasts concerning transportation
- information from satellite (GPS/GLONASS) navigation systems.

Supporting Logistics Solutions of Hubs at departure station in China



Warehousing Facilities

- ➔ Common warehouse
- ➔ Bonded warehouse : bonded logistics park
- ➔ Value-added services in warehouse

Custom Clearance Services

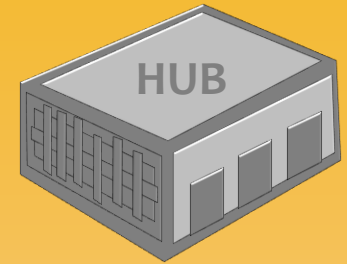
Consolidation and Distribution of Cargo in China

- ➔ Highway transportation
- ➔ Railway transportation
- ➔ Airway transportation



**Delivery of cargo should arrive in QINBAIJIANG depot
2 days before the departure of AIR-TRAIN.
Can be reduced for weekly shipments agreement.**

Supporting Logistics Solutions of Hubs at departure station in Poland



Warehousing Facilities

- ➔ Common Warehouse
- ➔ **Bonded Warehouse with bonded licenses with EU & Russia (CIS)**
- ➔ Value-added Services in warehouse

Customs Services

- ➔ Efficient customs clearance (EDI) efficiency with Russian countries (CIS) and European customs
- ➔ **Consolidation and Distribution of Cargo in Europe by truck, pallet or box shipments.**
 - Highway transportation
 - Railway transportation
 - Airway transportation



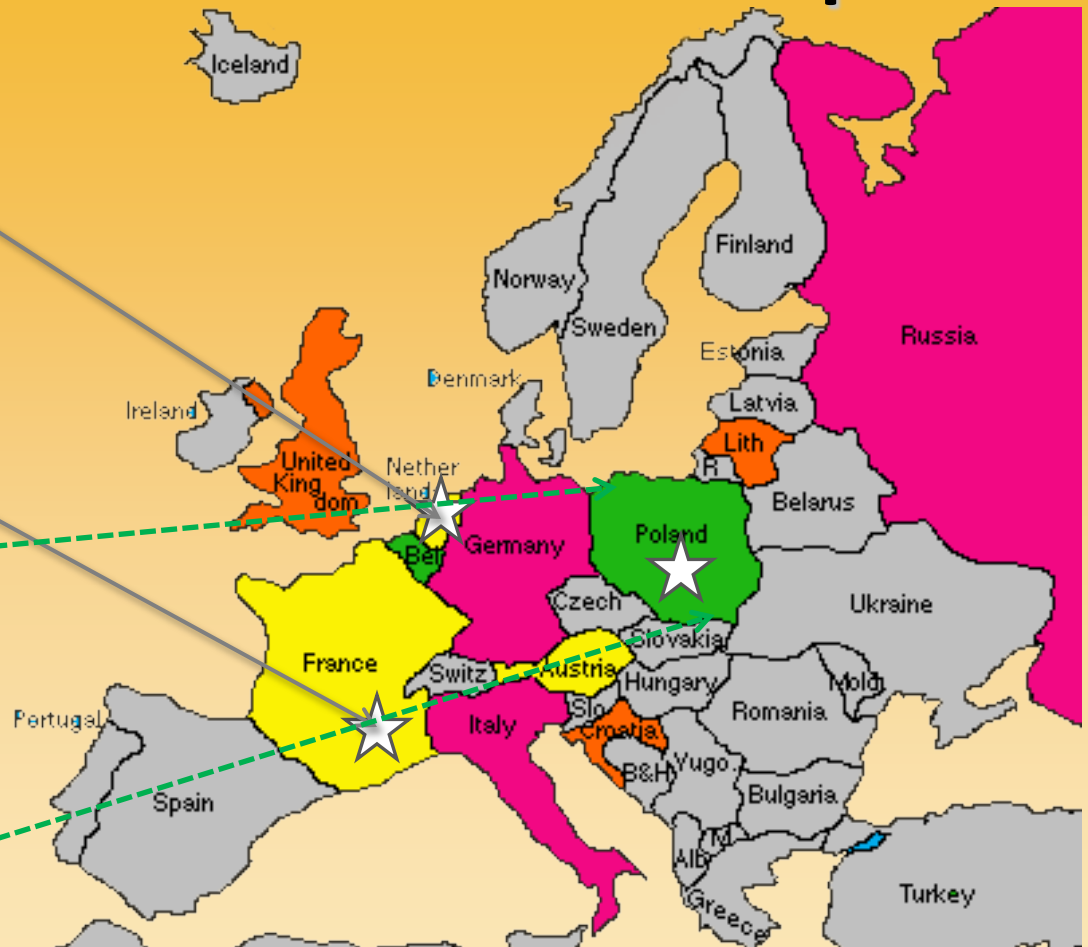
Poland: Main Hub in center of Europe

Netherlands:

Historical location of IT businesses EMEA hubs

France:

Ideal to address Southern Europe and Africa



Poland is located in the centre of Europe

Lodz and Sochaczew are in the centre of Poland.

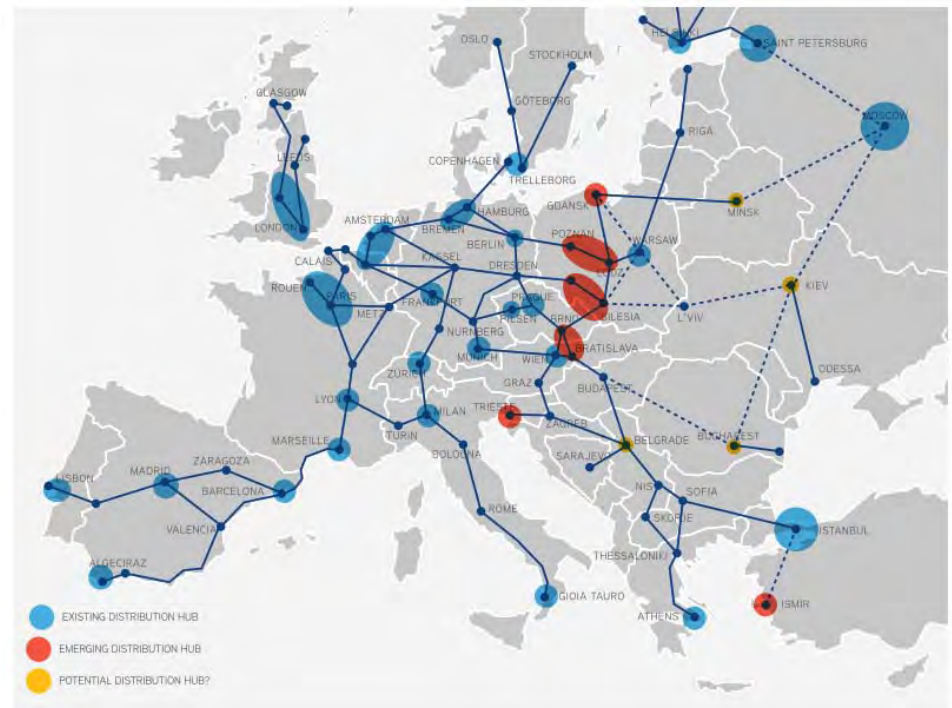
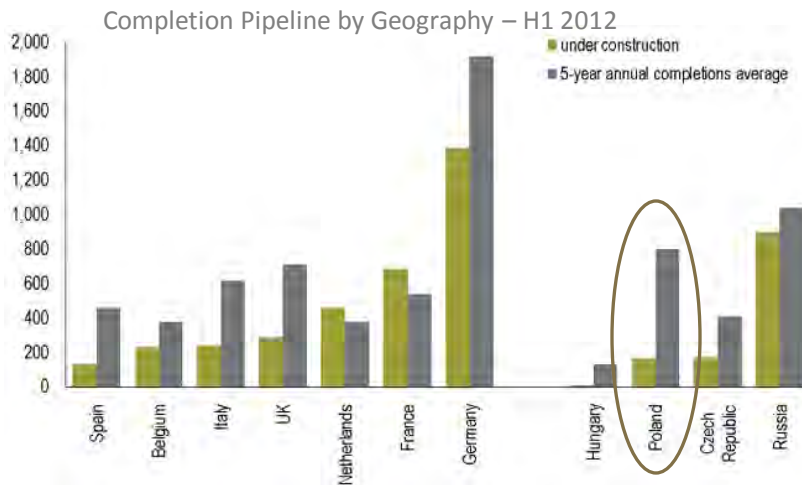
Sochaczew is in between the 2 largest cities of Poland (Lodz and Warsaw)

Poland: The fastest growing location for Logistic Hubs in Europe

Logistics and Industrial Investment Volumes (€ million)

	FY 2011	Q1-Q3 2011	Q1-Q3 2012	9M YoY (%)	9M YoY (€ million)
Belgium	260	200	146	-27	-54
Czech Republic	390	234	17	-93	-217
Finland	220	120	23	-88	-97
France	900	545	810	+49	+265
Germany	1,150	915	1,300	+42	+385
Italy	180	160	41	-75	-119
Netherlands	590	495	235	-53	-260
Norway	720	585	35	-94	-550
Poland	120	83	147	+77	+64
Russia	230	185	260	+40	+75
Spain	120	117	28	-76	-89
Sweden	790	600	260	-57	-340
UK	4,000	2,200	2,100	-6	-100
Total Europe	9,900	6,800	5,600	-18	-1,200

For the past few years, Poland is leading the growth for logistic hubs in EMEA. The country is expected to take a leading position in the next few years thanks to the support from growing consumption in Poland, Eastern Europe, and Russia/CIS countries, while becoming the leading location for new manufacturing plants.



(Source COLLIERS INTERNATIONAL - November 2012)

Poland: Traffic network

Lodz and Sochaczew are located at the center of Poland highway and railway network, close to major airports:



Thank you for your time!

Contact: contact@YHF-logistics.com
Please visit our website: www.YHF-logistics.com

