China-European block train: achievement and diversity
Due to economy downturn from both EU and China, the trade of China and EU in 2015 decreased 6.7%. However, China has overtaken Switzerland as the Second largest export market for EU.

2016-4-11 IMF forecast that the Chinese economy would expand by 6.5 percent in 2016, up 0.2 percentage point from its January predictions.
In 2014 the average cargo value of 1 block train is $15.8 Million. Estimation of Trade amount by Eurasian railway in 2015 and 2016 are calculated as cargo value $15.8 Million per train.

- The forecast on China-European block train in 2016 is up to 1200 trains, which takes almost 10% of the total export volume by rail from China.
- The growth of Eurasian rail market is exceeding the EU-China trade growth speed, and changes the traditional trade contract terms.

### China-European Rail Market Scale in 2013-2016

<table>
<thead>
<tr>
<th>Year</th>
<th>China-European Block Train</th>
<th>Trade volume via China-European railway (Billion)</th>
<th>EU-China Total Trade (Billion)</th>
<th>Trade proportion by China-European rail</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>72</td>
<td>1.136</td>
<td>566.2</td>
<td>0.20%</td>
</tr>
<tr>
<td>2014</td>
<td>308</td>
<td>4.862</td>
<td>616.51</td>
<td>0.79%</td>
</tr>
<tr>
<td>2015</td>
<td>815</td>
<td>12.877※</td>
<td>574.7</td>
<td>2.24%</td>
</tr>
<tr>
<td>2016 forecast</td>
<td>1200</td>
<td>18.96</td>
<td>574.7※</td>
<td>3.3%</td>
</tr>
</tbody>
</table>
Performance of “China-Europe freight trains”

- Train frequency & lines fast increasing
- Effectiveness on running time
- Normalized Block train in operation
- Diversified demand on services
Currently over 10 cities in China stably run block train to over 11 destinations of 7 European countries. The cargo volumes on China-European block train are in multiplying growth. **Eastbound** block train transport rapidly increased in 2015.

<table>
<thead>
<tr>
<th></th>
<th>Eastbound</th>
<th>Westbound</th>
<th>Lines</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014H1</td>
<td>1</td>
<td>76</td>
<td>7</td>
<td>78</td>
</tr>
<tr>
<td>2014H2</td>
<td>20</td>
<td>210</td>
<td>19</td>
<td>230</td>
</tr>
<tr>
<td>2015H1</td>
<td>50</td>
<td>194</td>
<td>19</td>
<td>244</td>
</tr>
<tr>
<td>2015H2</td>
<td>215</td>
<td>356</td>
<td>21</td>
<td>571</td>
</tr>
</tbody>
</table>
Effectiveness on running time

According to China Railway’s plan

- Block train are arranged with fixed schedule.
- The train frequency will be 3 train per day in 2016.

- Running speed in Chinese territory is 120KM/hour, in CIS countries is 1000KM/day, and from Brest to Hamburg is 36 hours.
  - West lines are most stable. Transit time from Alashankou to Hamburg is 10-11 days.
  - For middle line (via Mongolia-Russia) the cargo detention in Mongolian-Russian border is much improved. The transit time from Erlian to Hamburg is 13-15 days.
  - East lines are more stable, keeping speed of 1000KM/day, transit time from Manzhouli to Hamburg is 15-16 days.
## Normalized Eurasian Block train in operation

<table>
<thead>
<tr>
<th>Line</th>
<th>Route</th>
<th>Starting City</th>
<th>Frequency</th>
<th>Destination</th>
<th>Transit Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>West line</td>
<td>Westbound</td>
<td>Chongqing</td>
<td>3/week 2/week</td>
<td>Duisburg</td>
<td>15-18</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West line</td>
<td>Westbound</td>
<td>Zhengzhou</td>
<td>3/week 2/week</td>
<td>Hamburg</td>
<td>15-18</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West line</td>
<td>Westbound</td>
<td>Wuhan</td>
<td>3/week 2/week</td>
<td>Hamburg/Duisburg Lodz Pardubice</td>
<td>14 14</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East line</td>
<td>Westbound</td>
<td>Changsha</td>
<td>5/month</td>
<td>Hamburg</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East line</td>
<td>Westbound</td>
<td>Suzhou</td>
<td>1/week</td>
<td>Warsaw/Hamburg</td>
<td>15/17</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West line</td>
<td>Westbound</td>
<td>Chengdu</td>
<td>3/week 2/week</td>
<td>Lodz</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West line</td>
<td>Westbound</td>
<td>Yiwu</td>
<td>1/week</td>
<td>Hamburg/Madrid</td>
<td>17 21</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East line</td>
<td>Westbound</td>
<td>Ha’erbin</td>
<td>1/week</td>
<td>Hamburg</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East line</td>
<td>Eastbound</td>
<td>Germany</td>
<td>1/week</td>
<td>Shenyang</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Westbound</td>
<td>Shilong</td>
<td>1/week</td>
<td>Warsaw/Duisburg</td>
<td>15 18-19</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Hamburg/Lodz</td>
<td></td>
</tr>
<tr>
<td>West line</td>
<td>Westbound</td>
<td>Hefei</td>
<td>2/month</td>
<td>Lodz Hamburg</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Diversified demand on services

After over three years’ cultivation, the China-European block train has been acknowledged and accepted by many Chinese and European clients. The increasing lines offers more potions for clients, meanwhile, diversified demands on the block train services are emerging:

- Competitiveness on freight and transit time;
- Stability on schedule and space-booking;
- Multimodal service such as combination with shipping lines, lorries, airlines and other dry ports;
- Transit China Rail transport from third country to Europe;
- LCL;
- E-commerce;
- Solutions on whole logistics including packing, warehouse, bond service, etc.
Sinotrans Block Train Practice

China South: Shilong
China Central: Changsha
China Northwest: Lanzhou
## Changsha-European block train service

<table>
<thead>
<tr>
<th>Departure</th>
<th>Destination</th>
<th>Route</th>
<th>Frequency</th>
<th>TT</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changsha</td>
<td>Malaszewicze</td>
<td>East line</td>
<td>1-2/week</td>
<td>16 days</td>
<td>from 2015-9-1 to 2015-12-31: 39 trains</td>
</tr>
<tr>
<td></td>
<td>Hamburg/Duisburg</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changsha</td>
<td>Malaszewicze</td>
<td>West line</td>
<td>1/week (planning)</td>
<td>14 days</td>
<td>Westbound service through West line will be offered by May, 2016</td>
</tr>
<tr>
<td></td>
<td>Hamburg/Duisburg</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hamburg</td>
<td>Changsha</td>
<td>West line</td>
<td>1/week (planning)</td>
<td>14 days</td>
<td>Eastbound service through West line will be offered by later this year</td>
</tr>
<tr>
<td>Duisburg</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Changsha block train is normalized in operation since September, 2015. From end of 2015 until present, every train is fully loaded and overbooking often occur. More diversified services are being offered now, such as LCL and TCR services.
Changsha-European block train route
Guangdong-Europe block train departure from Shilong, Dongguan city, across the east line, arrives in Moscow in 14-15 days, Malaszewicze in 14-15 days, Warsaw in 15 days, Hamburg and Duisburg in 18-19 days. The first train departure on 2016-4-15. 1 train every Thursday.
Advantages of Shilong Railway International Logistics Center

Shilong Railway International Logistics Center, located in Shilong Town, Dongguan city in central Guangdong (between Guangzhou and Shenzhen), officially launched on September 14, 2015, is the only rail port in Guangdong Province.

✓ Customs convenience:
  • adopts convenient customs clearance policy of “one-time declaration, one-time inspection and one-time release”.
  • supports FCL shipment, LCL shipment by rail/sea and goods declaration transiting through China mainland from and to Overseas.

✓ Hub function for multi-modal transport:
  • Adjacent to the shore, the Center functions both as A-class national rail port and B-class Terminal Port to offer international multi-modal combined transport service.
Advantages of Shilong Railway International Logistics Center

- 5 dedicated lanes with total length of 5400 meters including 2691 meters for stevedoring
- 941 m of wharves length, with 400 meters in operations.
- 60,000 m² warehouse plus staging area complete with 30,000 m² of container yard
- The railway operation station is adjacent to the shore. Goods can be easily transited from ship to train.
Lanzhou-Hamburg block train route

Lanzhou-Hamburg: 8961 KM

The first westbound train departure from Lanzhou on 2015-8-21, and the first eastbound train departure from Hamburg on 2015-9-21. Lanzhou-Minsk/Hamburg block train is planned to be operated by mid of this year and be normalized soon.
Sinotrans operates the three block train with advantage of the comprehensive logistics platform and global network, with more diversified and market-oriented services.
Multimodal Service based on our Integrated Logistics Network

Water Logistic Network + Land Logistics Network = Multimodal Service
Water Logistic Network

The barge transport network and Seamless connection services by feeder, truck & railway services between hub ports and PRD river terminals are based on the Waterway Logistics Platform of Sinotrans. It supports Shilong International Logistics Center to offer international railway transport for international transit goods and import/export goods.
Regular round-trip barge service between **Shilong** and **Huangpu/Shekou/Nansha/Humen/Hong Kong** (some routes are to be opened soon)
Terminals Network in Guangdong

- Terminals owned by SINOTRANS
- Joint venture terminals
- Pivotal Ports

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Terminal locations:

- WUZHONG
- JIAOXIN
- JIUJIANG
- JIAOXIN
- HUANGPU
- DONGJIANG
- SHILONG
- YICT
- CCT/SCT
- WAIHAI
- NANSHA
- HUMEN
- GAOLAN
- Zhuhai
- Zhanjiang
- Shenzhen
- Dongguan
- Zhongshan
- Guangzhou
- Foshan
- Jiangmen
- Hong Kong
- Macao
Land Transportation Network in Guangdong

- Logistics Center: 8
- Truck Fleet: 270
- Carrier volume in 2015: 337,000 TEU
- Warehouse and Storage: 669,700 m²
Land Transportation Network in Hunan

The comprehensive domestic land transport and storage network from Sinotrans JIULING support long haul and short haul from cities to Changsha hub.

Truck Fleet for Changsha hub: 500
Warehouse in Changsha: 6 with storage 120,000 m²
We are offering the following domestic service:
For Yantian port: Yantian—Shilong; Yantian-Changsha block train
For north: Qingdao-Shilong-Qingdao 3 trains/week
For Southeast: Shilong--Jiaozhou and Heyuan
For Central South: Shilong--Changsha and Zhengzhou
For Southwest: Shilong--Kuming, Guiyang
TCR via Shilong/Changsha block train

- Hongkong/Vietnam/Thailand-Yantian port-Changsha-Europe
- Southeast Asia/Taiwan-Humen/Huangpu port-Shilong-Central Asia/Russia/Europe
- Hanoi-Pingxiang-Shilong-Central Asia/Russia/Europe
- Inchon-Qingdao-Shilong-Hanoi
- Hongkong-Dongguan bonded warehouse-Shilong-Europe
Our network in Southeast Asia
LCL service in Changsha block train

Our LCL service are suitable for:
• Normal LCL cargoes;
• Cross-border e-commerce;
• Bulky cargoes in air freight;

We offer below services in both Changsha and Hamburg:

- packing
- mark
- consol
- Container stuffing
- Customs handling
- Destination De-consol
- Door to door delivery
TOTAL SOLUTIONS:
Contract Logistics RDC & Hub

By 2016 Sinotrans RDC and Hub resource

Main transportation
Road/Luggage/Air freight/rail freight/ocean freight

18 provinces, 3 municipalities, 368 cities (RDC & Hub)

1844 Municipal county-level cities

Feeder service
Deliver and sign
Manufacturers Export FOB Logistics Solutions

- The goods palletized
- On pallet loading
- The factory
- Warehouse management
- Transfer transport
- Outbound loading
- Warehouse management
- In-pawning supervision
- Labelling
- Inbound warehouse
- Picking
- Check
- Terminal services
- Barge transport
- Export shipping
- Trailer transport
- Custom clearance

Success in Service
Imported Bonded Business

Procurement of overseas raw materials
Transport after Customs registration
Bonded warehouse storage
Inbound Transportation
Customs declaration by batch.

Suppliers
Ownership Change
Customer
Suppliers
Ownership Change
Customer
Supply Chain Management Practice - D&F Project

BEFORE

Factory → Warehouse → Shipper → Trailer → Custom Brokers → Bank

Operator → Operator → Operator

Customer → Customer → Customer
Supply chain management practice - D&F project

AFTER

- According to the order, make the file cost controlled;
- Specialize production of trade and transport documents increased the quality of service;
- Provide document management and safekeeping service, saving the file storage costs and reduce the cost of consumption;
- Good relations with Banks, government departments and other trade participants, improves the dispatch handling capacity and efficiency.
FOB cargoes for China-European westbound block train.

Eastbound market exploring, especially on market of auto import, equipments and machines, chemical products and agricultural products.

Last Mile Solutions
Freight forwarding company shall deepen cooperation to offer more comprehensive logistics service for Eurasian rail corridor. We especially look forward to good partners on European logistics services.
Thank You!