

The Impact Assessment of China Railway Express under Russia -Ukraine Armed Conflict

Dear customers

According to Xinhua News Agency: On the evening of February 21, Russian President Vladimir Putin signed an order recognizing "the Donetsk People's Republic (DPR)" and "Lugansk People's Republic (LPR)" as independent and sovereign states. On the morning of 24th Moscow time, Vladimir Putin made a television announcement to decide to take special military actions in Ukraine's Donbass; The Chinese Embassy in Ukraine issued a safety alert on Thursday, warning Chinese citizens and enterprises to take safety precautions as the situation in Ukraine deteriorates and security risks rise sharply.

Since the incident happened, we know that customers are highly concerned about CRexpress. We have been in close contact with railway companies of various countries, including but not limited to: Russian Railways, UTLC, Belarus Railways and Kazakhstan Railways. Now we report the situation as follows:

Transit to Europe via Ukraine is affected:

1. Train services to Slavkow, Poland, passing through The Polish port of Hrubeszow and Izov, Ukraine, were suspended.
2. Trains arriving in Ukraine via other countries have been suspended.

China-Europe trains are not affected:

1. At present, the main logistics passage of China-Europe freight trains through Kazakhstan, Russia and Belarus is operating normally.
2. Freight trains that had started transit through Ukraine before the incident will be rerouted to Belarus ports, and congestion at Russia-Belarus ports may increase.
3. With global oil prices rising, local delivery fees in Europe are expected to rise.

China-Russia and Central Asia freight trains are not affected:

1. Russian import and export freight trains are not affected and operate normally.
2. At present, the Russian freight train congestion is continuing, but recovering.
3. Central Asian import and export freight trains are running normally.
4. The Russian ruble has devalued and local delivery fees are likely to rise.

By the afternoon of February 24th, Beijing time:

Based on feedback from all parties, China Railway Express is operating normally and remains to be one of the most stable ways of transport in the supply chain. We will continue paying attention to the impact of the incident on the CRexpress, and will report the latest situation as soon as possible. We hope to receive your understanding and support!

Neptune Global Logistics Pte Ltd

