

## DISTRIBUTION AND RE-WORK PROJECTS IN GUODIAN WAREHOUSE

### CASE STUDY

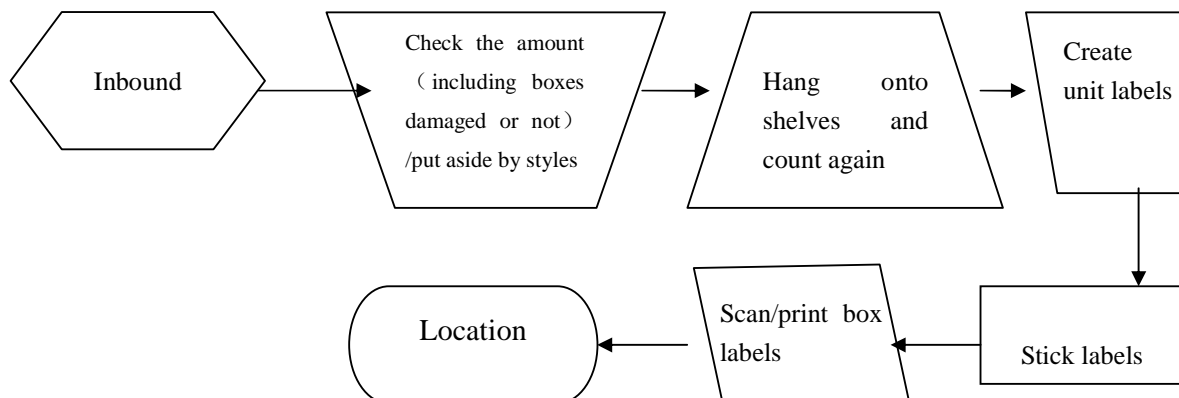
#### Introduction:

Equipped with professional 3PL staffs, advanced Logistics Management System and OA system, we can offer economical, exact and safe distribution services to our clients. Help clients to expedite the turnaround of goods/capital, and realize “Zero Inventory Management”. At the same time, we are also engaged in some value-added services, such as Repacking, Processing, Inventory Management, Barcode Scanning and Labeling. The most important thing, we can help clients to find out the issues/solutions timely, and improve the Supply Chain Management. No matter final products or raw materials, they could be transported from domestics or overseas into our warehouse based on different trade terms. And then, after our distributing, they will be delivered to the domestic and overseas end users. There're two kinds of typical operation method in our warehouse now. One of them is underwear's pick & pack distribution project, the other is electronic products' re-pack/re-work project. We'll explain their operation flows and analyze the advantages in the following text.

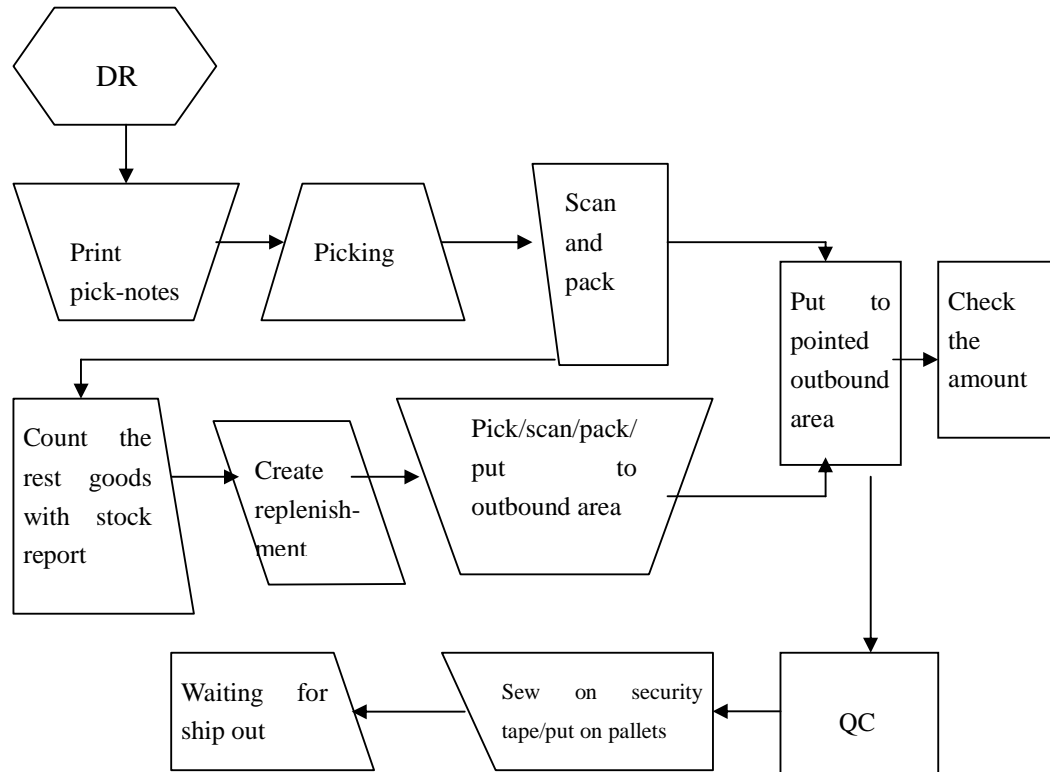
#### Ann Summers' underwear distribution:

Ann Summers is one of the top underwear brand holders in UK. We're processing the distribution project for them for 6 months; the total quantities are more than 400,000pcs. We help them to collect the goods from their suppliers in HK and Pearl River Delta district. Then we are processing inbound and outbound steps based on our partner Seko (UK) Company's Website system, such as labeling, pick and pack and issuing reports and documentations. Ann Summers' project flow is made up of two parts. They are inbound and outbound. Please refer to the following operation flows.

#### 1, Inbound:



## 2. Outbound:



(Picture1-- Overview of Working Area)

In simple, we collect the goods from suppliers based on client's inbound timetable. And then process inbound operation in warehouse, including quantity confirm, QC inspection, and adding arrival through Seko' system. After confirming the goods in system, UK will know that the goods'

arrival. Then we pick & pack goods by stores' orders based on system allocation from UK. At last, we issue related customs declaration documentation and ship the required goods out.



(Picture2 -- Picking the goods)

We can finish the whole range procession from labeling to issuing customs declaration documentation and ship out the goods in 10hrs when we got updated orders from UK. There're 5 workstations are working at the same time. Our maximum operation qty can be reach 8,000pcs per 8hrs under 8 workers. We can also enhance our daily operation qty according to customer's requirements.





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(Picture3 -- Packed goods)

Our client can benefit from our processing:

1, Lead-time can be reduced sharply when their warehouse and distribution centre are closer to their suppliers. We can help them to collect the goods from the suppliers, pick and pack all ranges of goods together by store and then send to UK stores directly. Our client need not sort and distribute goods in UK warehouse anymore.

2, We can help our clients to save the costs occurred in the supply chain. As we all know that China's warehouse cost and labor cost will be much lower than UK.

3, We have quicker response for emergencies, for we're in the middle stream of supply chain. We can contact suppliers much faster and get quick response to get the problems settled.

There're some similar overseas underwear distribution projects are processing or coming in our warehouse. We have professional project managers, skillful workers and advanced operation system to handle this kind of distribution projects.

### Electronic Products repack/rework project:

We also processing a re-work and re-pack project for Liteon company's electronic products. Liteon is a manufacture which absorbed in CD-ROM and DVD products, and is the third famous company in this area.

Our job is collecting the returned goods of Liteon from the whole world and re-labeling them. It will make Liteon's products management and identification much easier. In detail, Liteon will label differently according to customers' requirements. And the returned goods will be re-labeled as Liteon's factory standard barcodes in order to identify and manage easier. We help Liteon to handle the re-label processing in our warehouse; furthermore, we help Liteon realize the whole range of logistics process such as collecting goods, storage, processing, customs declaration, transportation, and so on.

At present, we setup counting, sorting, processing, QC and summing up all these steps and the daily operation quantity can be reach more then 7,000 sets. Not only satisfy Liteon's normal requirement, we also have the ability to handle urgency and special orders as well.



(Picture1-- Storage)



(Picture2-- CD-ROMS wait for processing)



(Picture 3 --Working area)

### Conclusion:

Customers could save the logistics expenditure, due to the lower cost occurred in Shenzhen Futian Free Trade Zone (FFTZ) than in Hong Kong, and they could also benefit from the favorable tariff policy in FFTZ. Staffed with highly qualified technical and administrative personnel, and dealing with international business for years, we have set up the customers and distribution network in domestic, Asia and Europe. We are making great efforts to extend our business scope in order to provide more value-added services to our customers, and also helping them to convert the logistics portion as a controllable Cost Center.