



2020 SF INTRODUCTION





COMPANY PROFILE

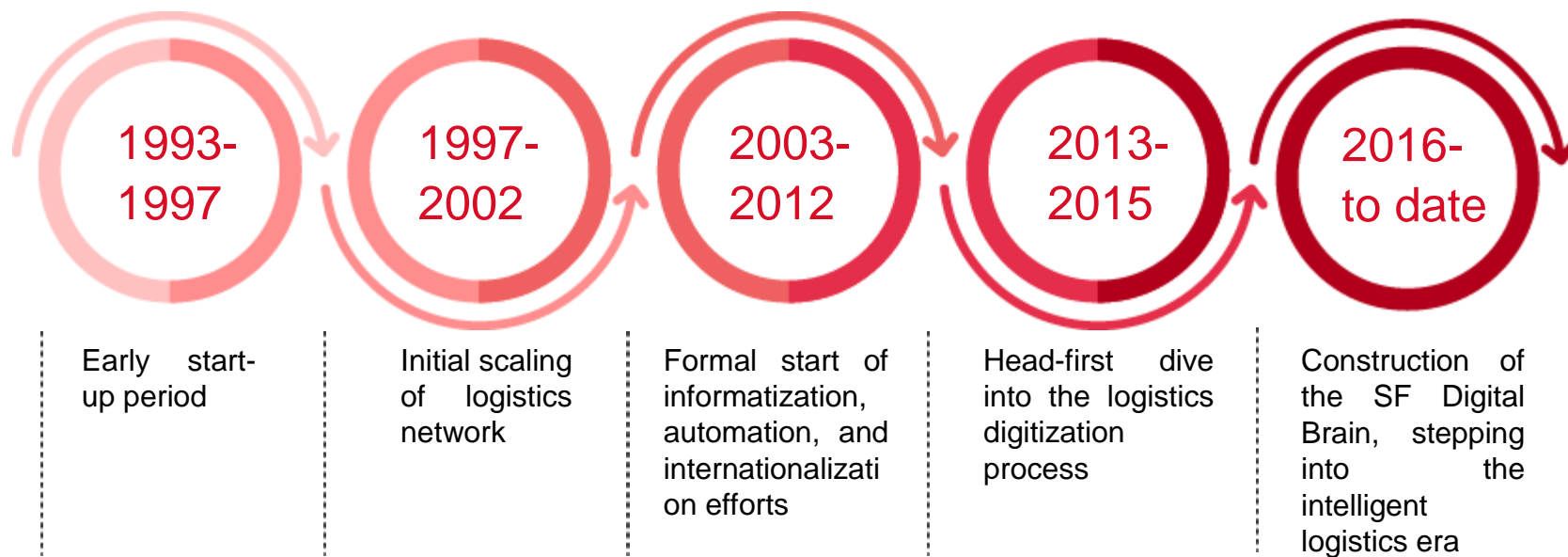
SF was established in Shunde, Guangdong Province in 1993. On December 12, 2016, SF Express was approved by the China Securities Regulatory Commission for listing on the A-share market. On February 24, 2017, SF Express was officially renamed SF Holding (SZSE: 002352).

As a leading integrated express logistics service provider in China, SF has developed capabilities to provide customers with one-stop integrated logistics solutions over years of development. In addition to providing high-quality logistics services at the distribution end, SF has also extended its services to front-end processes of the value chain, including production, supply, marketing, and distribution. Based on consumer demands and leveraging big data analysis and cloud computing technologies, SF offers its customers holistic logistics services such as warehouse management, sales forecasting, big data analysis, and financial management.

SF is also an intelligent logistics provider with network scale advantages. SF boasts a massive logistics network that extends both at home and abroad. Its "triple play" network structure is comprised of an "aviation network" consisting of all cargo aircraft, commercial flights, and drones; "ground network" consisting of operating service points, transit and distribution service points, land transportation networks, customer hotline networks, and last mile networks; and "information network" consisting of various types of big data, blockchain, machine learning and planning optimization, AI recognition for voice/image/computer vision/smart security checks, and smart logistics maps. With domestic and overseas coverage, SF's directly operated network is an integrated logistics network system with the most powerful network control, highest stability, and most unique resources among its peers in China.

SF adopts a direct operation model, with the headquarters implementing centralized operations and management over all branch offices so as to ensure the quality of overall network operations.

DEVELOPMENT HISTORY



CORE VALUE

Dedication to Customers' Success

Create the best service experience by always putting customers first;

Change on demand to achieve an outstanding level of service value.

Innovation and Inclusiveness

Explore unknown possibilities through innovation;

Affirm the path towards innovation and inclusiveness.

Equality and Respect

Treat others how you want to be treated;

Show mutual respect and accept others through listening and understanding.

Open and Win-Win Cooperation

Embrace changes and seek development in an open environment;

Seek common ground while reserving differences, and achieve future success through cooperation.



BASIC PRINCIPLES OF INTEGRITY

- Act honestly and be open;
- Do no harm to customers and corporate interests;
- Seek no gains at the expense of others, and seek no personal gains using the Company's name and resources;
- Do not break promises or lose people's trust.



BUSINESS OVERVIEW



Express Business



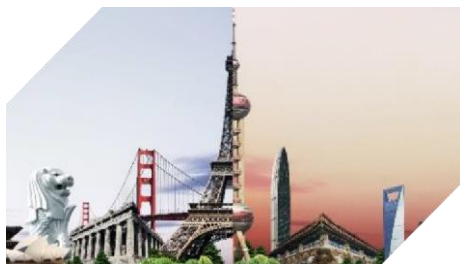
Freight Business



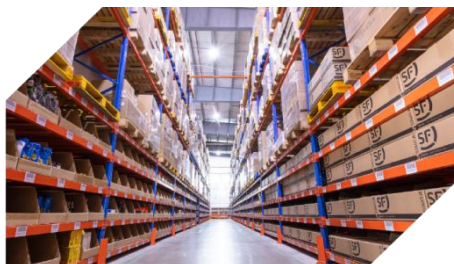
Cold Chain Business



Pharmaceutical Business



International Business



Warehousing Services



Financial Services



Industrial Park Business

EXPRESS BUSINESS

Business overview

SF is the first company in the Chinese express delivery industry to own a cargo airline, with a fleet of 71 cargo planes as of 2019 transporting millions of express shipments every day.

SF has 9 hub-level transit depots, service points at 36 aviation and railway stations (excluding service points sharing sites with transit depots), and 129 sub-district transit depots (excluding freight and Shunxin Express transit depots), of which 60 transit depots have adopted an automatic sorting system, ensuring shipments are delivered on time and safely arrive at their destinations.

SF has established 4 independent call centers in China that receive 900,000 customer service calls on a daily basis with cordiality and reliability.

SF is committed to establishing an industry-leading customer service system and service strategy, providing a platform for listening to the voices of customers and solving customer claims in a timely and efficient manner. Through its continuous efforts to build an intelligent and digitized service management platform, the company applies artificial intelligence and big data to its intelligent customer service system to offer technology-driven service, proactively discover and quickly resolve customer issues and needs, and provide customers with professional, efficient and friendly service. The application of various smart tools extends the boundaries of customer service, facilitating service and operations. Intelligent voice recognition has changed the traditional IVR button pushing mode to access services, intelligently answering user questions and efficiently accomplishing the service process. The online intelligent customer service system has been customized with task-based robots designed and developed in-house, providing online services for seven scenarios covering express returns, forwarding, change of recipient, delivery timing, self-collection, expediting and change inquiries, fulfilling 85% of customer service requests to satisfy users' increasingly personalized service demands. The smart transformation of the online service platform and instructions enables for direct communication of instructions to processing staff, in turn reducing manual intervention, simplifying customer service processes, and greatly improving the company's response speed and customer experience. Such instruction-based operation has reduced the customer service workload by 262,000 instances/day.

SF is the first Chinese enterprise to have an online centralized mobile service system, with all couriers equipped with high-tech hand-held terminals. In addition, SF has successively developed multiple intelligent systems for management of the entire express shipment life cycle, online docking of key accounts, and resource scheduling and monitoring to ensure the safety of express shipments, thereby providing customers with better service.



71

all-cargo aircrafts



45,000

long-haul/branch
route vehicles



175

warehouses of
different categories



100,000

transportation long-
haul/branch routes

(Data as of end of 2019 annual report period)

FREIGHT BUSINESS

Business overview

SF Freight is focused on efficiently solving issues in specific logistics business scenarios such as customer warehouses, warehousing, storehousing, ecommerce and daily parcel packaging. It serves as the efficient express delivery partner of its customers by focusing on the actual business results of customers to develop the ability to solve problems and providing logistic-centric products and solutions.

Heavy Freight Services

Heavy Freight Package
Heavy Parcel LTL

Small-size LTL
Heavy Parcel FTL



1,300
freight service points



362
major cities covered



1.75 million
m² site area



19,000+
delivery vehicles

(Data as of end of 2019 annual report period)



COLD CHAIN BUSINESS

Fresh food

Business overview

SF Cold Chain is focused on providing professional, customized, and efficient integrated logistics solutions for customers in the fresh food industry. Promoting the establishment and upgrading of fresh food industry standards through the value of logistics, it provides strategic partners with nationwide, end-to-end customized cold chain logistics solutions, and aims to become an industry leader in food safety, product integrity, cold chain efficiency, and value creation. SF Cold Chain is equipped with advanced automated refrigeration and cooling equipment, imported computer temperature monitoring systems, and standard and professional operation management systems.

Cold Chain Services

- Cold Chain LTL
- Cold Chain Small Parcel LTL
- Cold Chain Economy
- Cold Chain to Store
- Cold Chain Warehousing
- Cold Chain FTL



23

refrigerated food
product warehouses

99

major cities covered



~150,000

m² refrigerated food
product site area

65

long-haul food
routes

273

refrigerated trucks



1,672

routes

(Certain data as of end of 2019 annual report period)

PHARMACEUTICAL BUSINESS

Business overview

In 2015, SF established the wholly-owned subsidiary SF Pharmaceutical Supply Chain Co., Ltd. (hereinafter "SF Pharma"), committed to providing safe, compliant, and technology-leading warehousing logistics and supply chain services to upstream and downstream customers along the pharmaceutical industry chain such as pharmaceutical manufacturers, distribution companies, vaccines manufacturers, disease control centers at all levels, hospitals, and chain pharmacies.

SF Pharma has obtained the Good Supply Practice (GSP) for Pharmaceutical Products certificate and modern pharmaceutical third-party logistics qualification, with all aspects of its operations from employees, quality systems, operating standards to system traceability in full compliance with GSP standards.

By integrating SF Group's advantages in logistics networks, capacity resources, technology foundation and management experience, SF Pharma commands a leading position in the third-party pharmaceutical logistics industry.

Pharmaceutical Services

Precise Temperature Special Delivery
Precise Temperature-controlled Delivery
Precise Temperature-controlled LTL
Precise Temperature FTL
Pharmaceutical Warehousing



4
GSP certified
pharmaceutical
warehouses



219
major cities
covered



30,000
m² total area of GSP
pharmaceutical
warehouses



42
long-haul
pharmaceutical
routes



242
GSP certified
refrigerated trucks

(Certain data as of end of 2019 annual report period)



INTERNATIONAL BUSINESS

Business overview

SF is committed to providing convenient and reliable international express services and customized logistics solutions to domestic and overseas manufacturing companies, trade companies, cross-border ecommerce and consumers, including integrated import and export solutions covering market entrance, transportation, customs clearance and dispatch, with the goal of helping superior Chinese companies/commodities "go global" and "welcoming in" high-quality overseas companies/commodities. The SF Standard Express (International) and SF Economy Express (International) services cover 62 countries including the United States, European Union, Russia, Canada, Japan, South Korea, ASEAN, India, Brazil, Mexico, and Chile.

International Services

SF Standard Express (International)	SF Economy Express (International)
SF E-Parcel	International Heavy Freight
Global Reach Plus	SFBuy
SF Overseas Fulfillment/Warehouse	



Coverage of international
express service

62 countries and regions



Coverage of international
E-parcel service

225 countries and regions

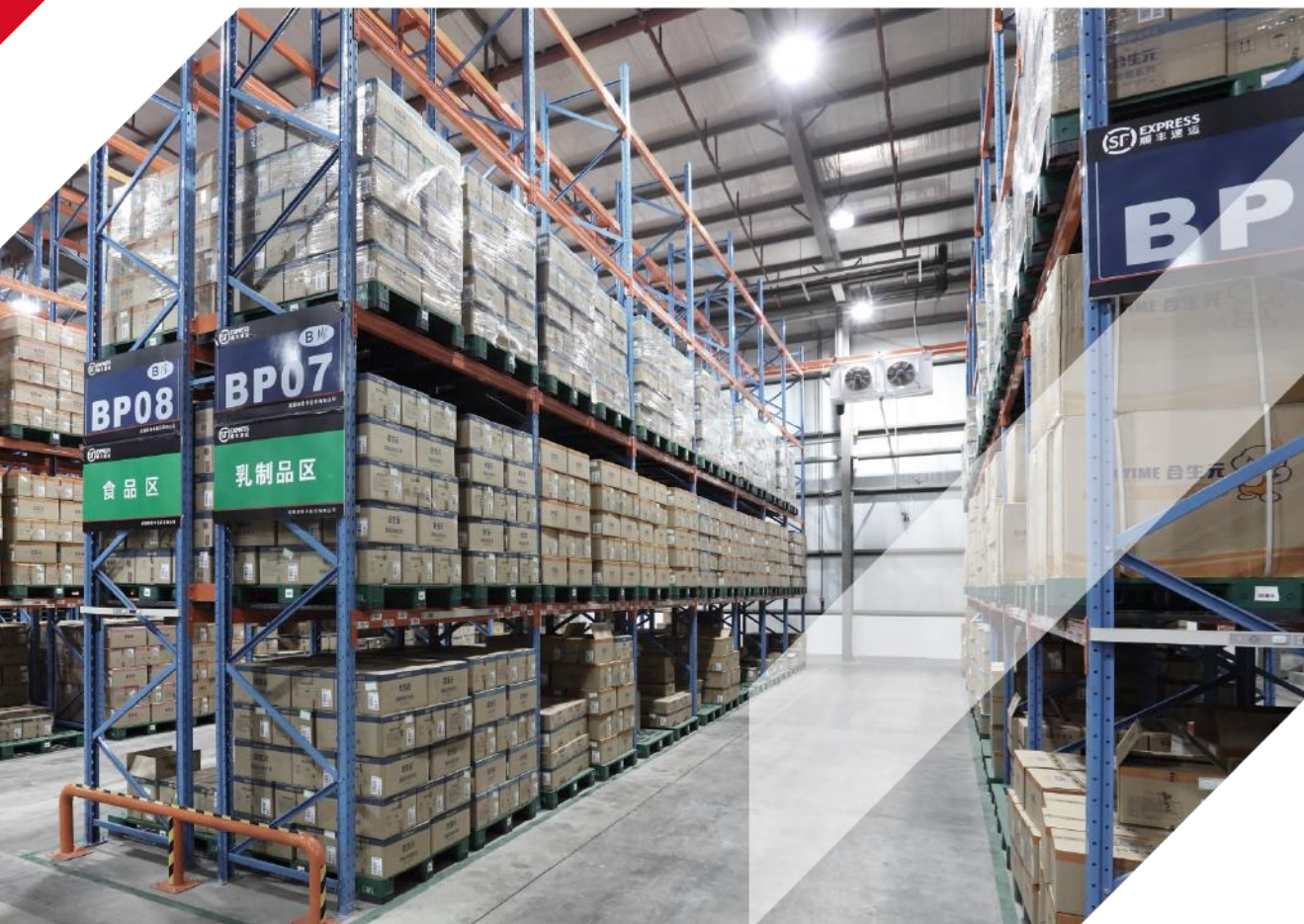
(Data as of end of 2019 annual report period)

WAREHOUSING SERVICES

Service overview

As a future strategic business of SF and relying on its own robust warehouse and transportation network resources, warehousing services are focused on creating an industry-leading intelligent warehouse logistics ecosystem platform, creating resource synergies with the express network, and forming strategic support for effectively linking the group's core businesses.

After years of development, SF Warehousing has formed an intelligent warehousing system based on hardware equipment R&D and artificial intelligence technology application, with business planning and design at its core and digital warehousing operations as the guarantee. Relying on its professional operation management expertise, advanced system management capabilities, and comprehensive integrated warehouse and distribution network, SF Warehousing provides customers with professional, efficient, and high-quality services. At present, SF Warehousing has the ability to serve leading customers in major industries such as ecommerce, 3C, apparel, and beauty products.



175
warehouses



2.28 million
m² of total warehouse area



7.5 million+
parcels daily peak processing



Nearly **1,000**
corporate users

(Data as of end of 2019 annual report period)

INDUSTRIAL PARK BUSINESS

Business overview

Relying on SF's industrial resources, SF Fengtai Industrial Park builds comprehensive service systems leveraging intelligent logistics, technological innovation, internet ecommerce, finance, and big data to create service-oriented industrial parks that promote regional industrial innovation and coordinated development. Each industrial park serves as a window and bridge for carrying SF's services, connecting with local customers and markets, and engaging in dialogue and cooperation with local governments.

Intelligent logistics services

Introduces holistic services such as intelligent logistics technology, modern supply chain management, internet ecommerce, and supply chain finance to build intelligent modern logistics supply chain service bases in their respective regions and industries.

Technical innovation services

With the innovation center as the platform, it connects with and implants SF's intelligent technology and superior service resources in institutions such as traditional enterprises, colleges and universities, and venture capital funds to help them grow and promote industrial upgrading.



Intelligent logistics services

- Intelligent Sorting Center
- Modern Logistics Center
- Modern Cold Chain Center
- Cross-border Logistics Center
- Ecommerce Operations Center
- Industrial Service Center



Technical innovation services

- Investment and Financing Center
- Intelligent Technology Center
- Innovation Incubation Center
- Exhibition Exchange Center
- Technical Support Platform
- Advanced Talent Center



Nationwide layout:

Revolving around key economic spheres, city clusters, industrial belts, and logistics hubs, covering 45 cities, with a total planned construction area of ~4.18 million m² and completed construction area of ~1.51 million m², aiming to build a nationwide industrial service network.

FINANCIAL SERVICE

Business overview

Founded in 2011, SF Finance is rooted in the development vision of the integrated businesses of SF's supply chain, bearing the mission of building a new financial domain for SF and committed to becoming one of the most trusted and respected new financial service institutions in China. Relying on the big data resources accumulated during SF's more than two decades of rapid development, SF Finance has created a specialized risk control system and built an open and shared financial ecosystem that drives the deepening of financial services along the industrial chain, and provides a wide range of partners, SMEs, institutions, and individual users with secure, convenient, and reliable comprehensive financial services with SF characteristics.

SF Finance opens up users to more possibilities.



Credit Business

Based on SF's diverse range of business scenarios including logistics, warehousing, express delivery, cold chain transport, commerce, and payment and settlement, it promotes the "three flows in one" of logistics, information flow, and capital flow to establish a financial service system for the industrial chain, offering integrated solutions for "logistics + finance."

- Credit products for monthly settlement customers
- Pledge loans for warehousing customers
- Financing products for ecommerce customers
- Financing products for core enterprise suppliers



Integrated Payment

Through the construction of diversified application scenarios, it provides users with an assortment of convenient and secure payment tools, and offers merchants with online and offline payment and settlement services in addition to solutions tailored for various industries, rounding out a scenario-based and experience-oriented new financial ecosystem.

- Wallet payment
- POS acquiring
- Aggregate payment
- Collection and payment
- Verified payment



Financial Technology

Based upon massive amounts of accumulated data, it is committed to creating an efficient analysis application and risk management platform leveraging information technology and big data analysis platforms, enabling every small and micro business and individual to enjoy fast and reliable financial services.

- Smart maps
- Address fraud protection
- Relational network fraud protection
- Smart customer recommendation engine

SF AIRLINES

In 2003, SF became the first private Chinese express company to charter night flights.

In 2009, SF Airlines, a subsidiary of SF, officially made its maiden flight, making SF as the first private courier company with its own all-cargo aircraft.

As of mid-2019, **it had 2,102 all-cargo and commercial flight routes, making an average of 4,234 flights daily.**

As of mid-2019, it had **71 all-cargo aircraft** serving SF (58 of which were owned by SF Airlines).



71
all-cargo
aircraft



2,102
all-cargo and
commercial flight routes



4,234
daily average flights

(Data as of end of 2019 annual report period)

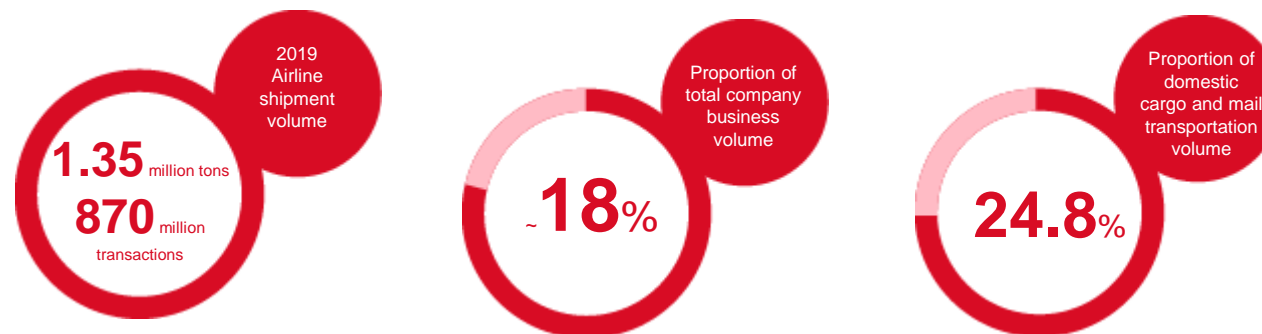


SF AIRLINES

Domestic flight route network

SF has successively opened numerous freight routes to major Chinese cities, and going forward will continue steadily improving its transportation network alongside SF's business development plan.

In 2019, air shipment volume totaled **1.35 million tons**, with an average daily shipment volume of **3,707 tons**, accounting for **~24.8%** of the total domestic cargo and mail transportation volume





SF Airlines

International flight route network

We have established long-term and stable transportation partnerships with multiple airlines, utilizing various flight routes to provide timely delivery services.

As of the end of SF's 2019 annual report period, SF Airlines opened routes to 40 major Chinese cities in addition to international locations such as Chennai, Jaén, Delhi, and Ho Chi Minh City.



SF TECHNOLOGY

Established in 2009 as a subsidiary of SF Group, SF Technology Co., Ltd. is mainly dedicated to steering the logistics industry into the new era of intelligence, digitization, visualization, and refinement. Driven by innovative technologies and data, it provides enterprises with end-to-end integrated supply chain solutions and services to aid customers in achieving supply chain optimization, transformation, and upgrading.

Having been recognized as a "Shenzhen Key Software Enterprise" and "National High-Tech Enterprise" among others, it has also received honorary titles including one of the "50 Smartest Companies" by the 2019 *MIT Technology Review* and a 2019 China Smart Logistics Top 10 Innovative Logistics Leading Enterprise.

SF Technology remains committed to achieving independent innovations that will result in new technologies that drive upgrading in the logistics industry. Its technology teams delve deep into the fields of drones and automation, big data and products, artificial intelligence and applications, accurate map platforms, intelligent equipment, smart hardware, and integrated logistics solutions, having obtained 2,361 patents and over 40 PB of business data, putting it at the forefront of the Chinese logistics technology industry.

SF Technology also strives to cultivate open cooperation and dialogue to form a convergence of global talents. It has established school-enterprise cooperation with many reputable domestic and foreign universities such as the Georgia Institute of Technology (USA), Harbin Institute of Technology, Beihang University, Shanghai Jiao Tong University, Xi'an Jiaotong University, and Shenzhen Finance Institute. In addition, it has invited respected professors and industry experts from Stanford University (USA), University of California Berkeley (USA), and Nanjing University to participate in roundtables and lectures. At present, SF Technology has a specialized team of over 5,000 R&D personnel, constantly exploring innovations and conducting research in intelligent logistics technology.



(Data as of end of 2019 annual report period)

Logistics Technology



Drone

Complete and independent innovation capability: mastery of a complete range of core technology and production techniques

Industry-leading operational capability: standardized operational control, highly duplicate operating models

Active involvement in formulation of industry standards: main contributor and drafter of industry standards

More than 340 patents, including patents granted or under application
Obtained first UAV Commercial Operation License (pilot)



Smart wearables

Smart Bluetooth headset: single-step voice command with superior performance

Smart handheld terminals: front-end information collection and efficient delivery

Quick mobile measurement: volume measurement, fast and accurate

Green Logistics & Information Security



Smart Packaging

Green packaging platform: standardized, green and sustainable

Package pre-processing center: offer support for first mile delivery of fresh food

PV transportation project: transformation and upgrade plan of the photovoltaic market supply chain

More than 340 patents, including patents granted or under application



Information Security

A champion of network information security and regulatory compliance

Make breakthrough with innovations and exercise privacy and security management over the entire chain

Ensure information security of enterprises in all aspects by means of open cooperation

Passed ISO29151- ISO27701:2019
Completed 6 safety improvement programs
Participated in the setting of 3 industry standards



Building Data Ecology

Application of big data technology: network-wide smart digital management

Consulting about big data: smart supply chain solution

Application of blockchain technology: whole-process tracking, quality supervision

Data traffic tops 40PB with average daily traffic exceeding 1PB



Smart Logistics Map

Accurate location service: daily average of a billion bytes of geographic information with accurate positioning of data

Address-matching service: change wrong address-matching and standardize data entry

Visual resource allocation: refined operation, smart scheduling

The average daily demand for cloud services reaches 330 million
The SDK requests at terminals are 700 million times per day



AI Smart Decision-making

Services forecast: collection and delivery, transit, warehouse management etc.

Location planning: distribution points, collection and delivery points, transit site etc.

Route planning: network design, route planning

Smart scheduling: collection and delivery, warehouse management, customer service, etc.

Route pricing: efficient, reasonable and transparent auto-pricing

Digital distribution: comprehensive monitoring before, during and after the transit



AI recognition

Safe driving platform: vehicle environment tracking, effective monitoring to guard against risks

Intelligent security inspection: contraband identification, high accuracy and high efficiency

AI Argus: service standardization, 6S site management



Automation Equipment

Automatic sorting: stable and efficient, customized and modular

Vision based singulator system: large irregular pieces, high-speed separation

Unmanned provision: high quality, highly efficient provision of goods

Digital Smart Decision-making

Smart AI decision-making based on big data



Smart offices

Efficient coordination, IT-based management
490,000 users, 87% of whom are daily active users

SF TECHNOLOGY

"Technology transforms logistics, logistics transforms lives"

Using technology to create a logistics "smart brain" to achieve digitization, intelligence, and visualization;

Using technology to empower youth to make work more efficient, simpler, and happier;

Using technology to inform and simplify decision-making and streamline management processes, in turn improving efficiency;

Using technology to enlighten customers and provide a faster and more personalized service experience.



Smart Transit

CORPORATE HONORS

Honor comes from recognition

AAAAA Logistics Enterprise by China Federation of Logistics & Purchasing

Pioneering Enterprise in the 30-year Economic Reform of China's Logistics Industry by China Federation of Logistics & Purchasing

2009 Statistic Sample of Logistics Enterprise

Excellent Unit in Statistics Work in the Postal Industry of Guangdong Province in 2010

Demonstration Base for China's Logistics Industry

Excellent Unit for Postal Services and Postal Route Security for the Shenzhen Universiade

Top 10 Ecommerce Logistics Innovation Enterprise

Key Logistics Enterprise of Shenzhen

Well-known brand of Shenzhen

Brand Enterprise Award by China (Shenzhen) International Logistics & Transportation Fair

Firms with AA Grade Credit Management by Administration of Quality Supervision, Inspection and Quarantine (AQSIQ)

Large-sized Backbone Enterprises by the Economics & Information Commission of Guangdong Province

BrandZ: 2018 & 2019 Top 100 Ranking Most Valuable Global Brands



CORPORATE SOCIAL RESPONSIBILITY

Promoting customers and SF to work together for the public good, build a culture of philanthropy rooted in the ideas of openness, respect, innovation, and sharing, and jointly propel social progress forward.

In 2012, the group's subsidiaries and controlling shareholders jointly established the SF Charity Foundation, using it as a platform to respond to calls for targeted poverty alleviation and carry out various charity projects in rural education, children's medical care, and disaster relief all across China.

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In support of rural education, Lotus education aid was founded in 2012, providing financial aid to **18,078** impoverished middle school students, grants to **1,967** impoverished college students, funding to **969** dependent children and impoverished schoolgirls in Liangshan, and subsidies to **420** of the nation's most impoverished teachers; providing funding to build **10** SF Lotus Primary Schools and **4** SF Dream Centers; and launching the Everyone Deserves a Desk Project, purchasing **20,381** desks and chairs.

Targeting children's medical treatment, since 2014, SF has provided aid for orphaned children in impoverished areas battling congenital heart disease, leukemia, and newborn birth defects, investing **RMB243 million** to help treat **9,680** children.

Participating in disaster relief, SF actively participated in disaster relief efforts for the earthquakes in Ya'an and Min County in 2013 by waiving freight fees of **RMB27 million** in disaster supplies from every corner of the country; Participated in Ludian earthquake relief efforts in 2014; In 2015, SF arranged a dedicated flight to transport about 82 tons of supplies from Kunming to support disaster relief efforts for the Nepal earthquake. In 2020, SF donated **RMB20 million** in protection and first aid supplies to Hubei Province to help in the fight against the novel coronavirus pneumonia pandemic; provided pro bono transportation support of 95,463 batches of materials weighing 3,000.01 tons to fight the pandemic worth **RMB17.48 million** (as of March 31).

To jointly build a culture of volunteering, each branch company across China set up **20 volunteer associations**, with **21,205 registered volunteers** accumulating **168,858 service hours**. These efforts have advocated for making charitable activities a practice of everyday life.



SUSTAINABLE DEVELOPMENT

Advocacy for environmental protection – Green logistics and low-carbon life

To respond to and push forward the sustainable development strategy of the country and advocate a low-carbon life attitude, SF closely adheres to the environmental protection mantra of "green logistics and low-carbon life," fulfilling its social responsibilities with regard to environmental protection from the three aspects of operation, business, and public welfare, constantly enhancing its utilization rate of resources, and reducing carbon emissions and energy consumption, so as to facilitate the sustainable development of society as a whole.

Internal measures: improve packaging materials, conduct energy-saving renovations, and promote power-saving offices

External measures: Promote self-service tools and electronic waybills, develop eco-friendly products, and engage in environmental protection activities

Facilitating common development – Carbon Emission Testing Standards of the Chinese Express Delivery Enterprises

While focusing on its own development, SF also actively undertakes social responsibility efforts. SF has participated in and pushed forward the establishment of an environmental protection system for the express delivery industry of relevant governing authorities of the country so as to regulate carbon emission standards in the industry. In May 2014, the State Post Bureau released the *Carbon Emission Testing Standards of the Chinese Express Delivery Enterprises* for which SF was involved in the formulation. In addition, SF took the lead in adopting a series of energy-saving measures internally to integrate environmental protection in its business operations and facilitate the implementation of an environmental protection system in the company. Going forward, SF will continue to promote the green business model industry-wide and work closely with stakeholders to build a green and sustainable business environment.





www.sf-express.com