

S.F. Holding Corporate Overview

2023FY



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S.F. Holding: the Largest Express Logistic Group in China



221.5bn

Total assets by the end of 2023



258.4bn

2023 Revenue

State Post Bureau

1st

15 consecutive years

Public satisfaction of express delivery service¹

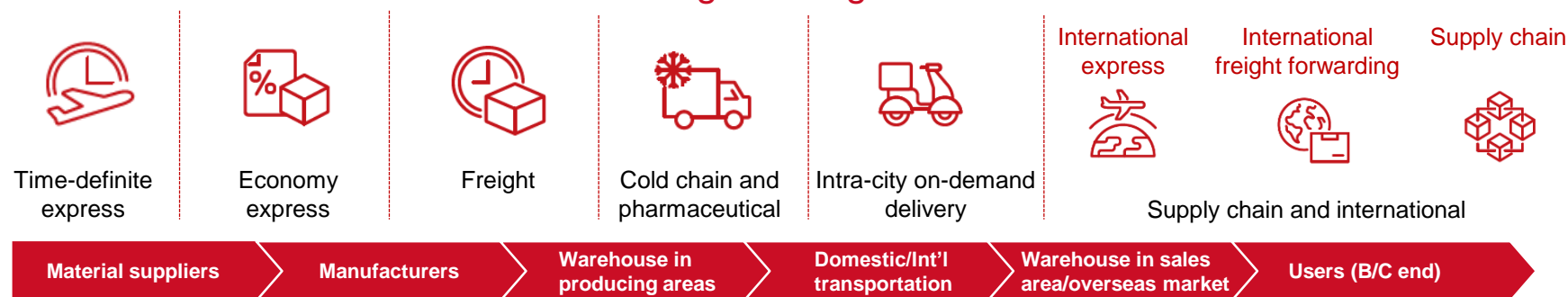
Fortune

2nd

Shortlisted for 7 consecutive years

2023 Most Admired Chinese Companies

Providing domestic and international end-to-end integrated logistics services



Global expansion with entrenched foothold in China

Prefecture-level divisions coverage

100%

International express delivery, freight forwarding and supply chain business cover

97

countries and regions

International small-package parcel delivery services cover

202

countries and regions

Note: Unless otherwise specified, the data will be as of Dec 31, 2023; ¹ according to the data released by the State Post Bureau on April 8, 2024

Business Overview: Comprehensive Product Matrix with End-to-end Integrated Logistics Capabilities




Time-definite express

1st
Market share

1st
Whole-process time limit (<48 hours) ¹

9 consecutive years



Freight

1st
China LTL service provider by revenue ²


4 consecutive years



Cold chain and pharmaceutical

1st
Top 100 cold chain logistics service provider in China³

4 consecutive years



Economy express

Self-operated
Efficient service for
e-commerce market



Intra-city on-demand delivery

1st
Independent third-party on-demand delivery service platform in China ⁴



Supply chain and international

International express, freight forwarding, supply chain

9th
Global shipping agency ⁵

11th
Global air freight agency ⁵

Note: ¹ 2021 Overall Satisfaction of Express Delivery Enterprises and Time Limit Test Results released by the State Post Bureau; ² Top 30 China LTL Service Provider in 2023 released by wetuc.com; ³ released by China Cold Chain Logistics Association of CFLP; ⁴ released by Frost & Sullivan; ⁵ according to the list of Top 50 Global Freight Forwarders for the Year 2024 issued by Transport Topics

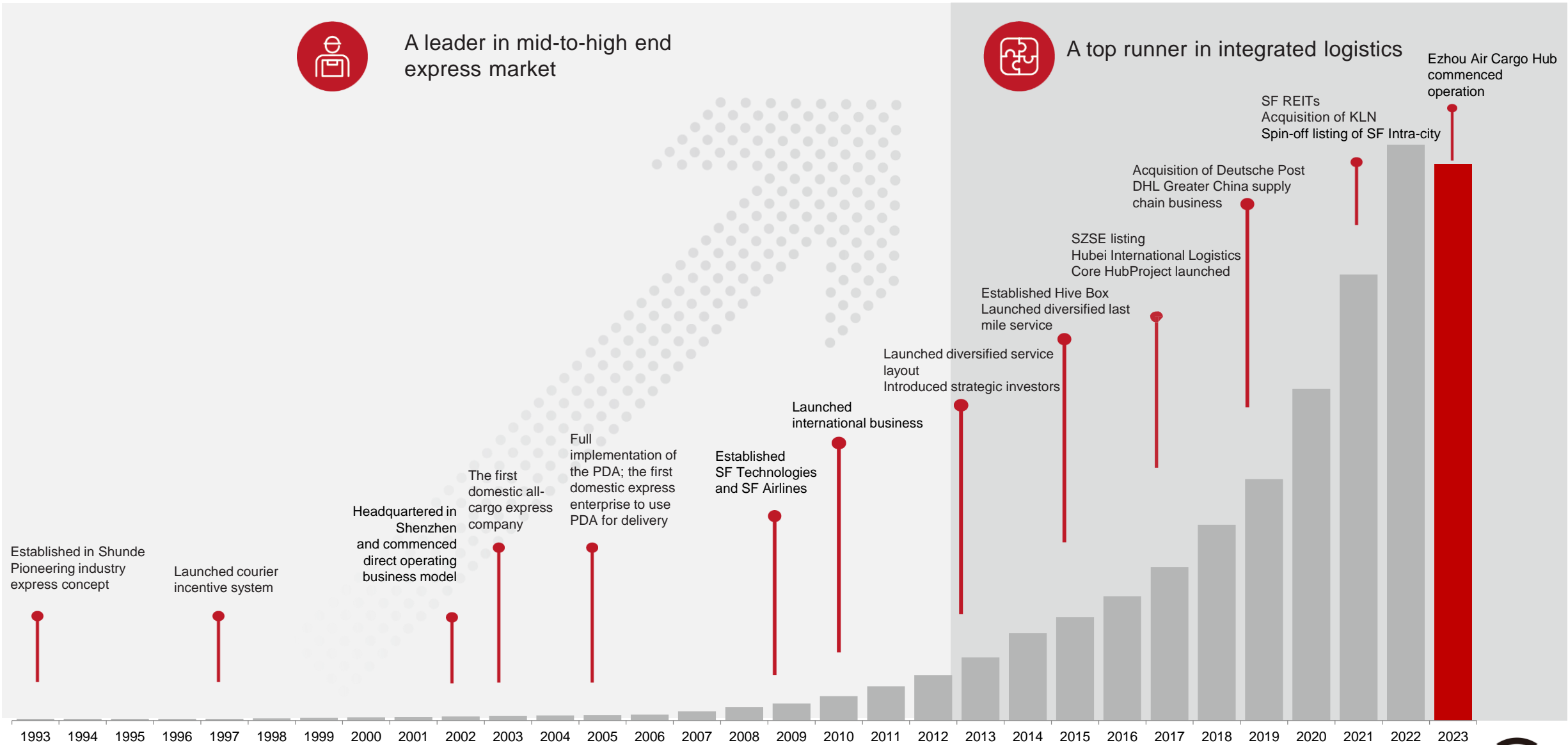
Company Development: Long-termism and Continuous Iterative Learning Ability



A leader in mid-to-high end express market



A top runner in integrated logistics



Industry Policy: Strong National Support, New Vision and New Mission

Facilitate a smooth, efficient, inclusive and convenient domestic delivery logistics service system

Create an open, shared, safe and reliable international delivery logistics service system



Infrastructure of the national economy



Develop an independent and controllable supply chain service




Guardian of the good life





Industry Space: Huge upside with Market Concentration to Ramp-up

Logistics Nourished in a Large Country


Demand:


A unique global market


Diversified demands

Diverged volume


Supply:

Well-developed infrastructure

Manufacturing benefits

China has the world's largest express market, accounting for c.58%¹ of total parcel volume

Huge but Fragmented Market

Low market concentration: Leading enterprises account for less than 2%

14.4%


GDP

The cost of social logistics:
18.2 trillion RMB²


1.4%


Total Cost


SF revenue in 2023:
258.4 billion RMB


High market concentration in mature markets:

Express Market Landscape in USA³


32% USPS


25% UPS


23% Amazon


19% FedEx


Economies of Scale and Network Effects


Economies of scale:

Better time efficiency

Lower cost

Network effect:

More extensive coverage

Higher efficiency

Note: ¹ According to the Global Express Delivery Development Report (2023) released by the State Post Bureau, the global package volume reached 189.2 billion in 2022; ² data of 2023 released by CFLP; ³ Data source from 《Pitney Bowes Parcel Shipping Index》, based on 2022 package volume

Company and Industry Overview


Core Competitiveness

Development Strategy

Financial Data

ESG

8



Industry Characteristics: First-Mover Advantage Endowed by Profound Resources and Capabilities



First-mover advantage due to scarce resources and huge capital investment

- Network resource
- Asset resource
- Customer resource



Aircraft



Vehicle



Network



Customer



- Lower cost but higher efficiency realized by forward-looking logistics technologies
- Better customer experience with technological capabilities in value-added services
- Innovative integration of express and technology



Artificial intelligence



Cloud computing



Big data



Machine learning



- Brand mind is a hysteresis phenomenon that needs to be cultivated with patience
- Super brands may build an entry barrier to the mature business
- Super brands may facilitate rapid development of a new business



Service



Time efficiency



Stability



Ability to handle extreme events

Core Competitiveness



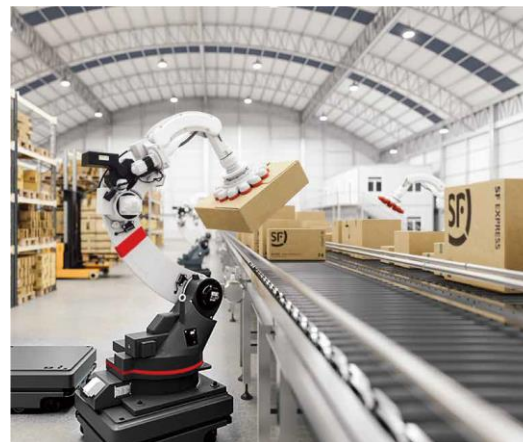
**Highly-efficient and Reliable
Logistics Infrastructure**



**Pioneering and Forward-looking
Comprehensive Strategic Layout**



**Industry-leading
Technology Strength**



**Experienced
International Management Team**



Highly-efficient and Reliable Logistics Infrastructure – Full-scale Scenario Coverage

“Capillaries” that serve every aspect of manufacturing and living consumption

Serving monthly-settled customers

1.95 million

Individual members

663 million



Note: Data as of Dec 31, 2023

Highly-efficient and Reliable Logistics Infrastructure - Logistics Resources

Aviation Network



Aircraft

103 all-cargo aircrafts
754 pilots
340 traffic slots



Flight

152 all-cargo flight routes
52,500 all-cargo flights
16,900 commercial flight routes
1,720 thousand commercial flights



Shipment Volume

2,100+ thousand tons air cargo volume in 2023
Domestic cargo volume accounts for **33.8%** of domestic air freight and parcel volumes

Ezhou Huahu Airport



Asia's first and the world's 4th 4E-level cargo airport



National-wide "hub-and-spoke" aviation network



SF Huanggang Pilot Training Center

Warehouse

1,900 managed warehouses over 10 million sq.m.
Including **1,245** overseas warehouses over 2.9 million sq.m.
79 franchised warehouses over 1.2 million sq.m.



Ground Network

Transit

100,000+ trunk and feeder vehicles¹
1,325 HSR product flows²
c. **18,000** marine shipping routes
396 transit hubs³



Last-mile Delivery

36,000+ self-operated domestic service outlets⁴
8000+ overseas self-operated & joint-operated outlets
430,000+ couriers



Note: ¹ Refers to the number of global operational managed trunk and feeder vehicles; ² Refers to the opening flows of High-Speed Railway express and freight products; ³ Transit hubs include express and freight hubs; ⁴ Refers to domestic service outlets and other service stations; ⁵ All data as of Dec 31, 2023

Highly-efficient and Reliable Logistics Infrastructure - Brand Effect

A brand of high time efficiency, high reliability, high customer satisfaction rate and high-level experience
Strong management and control business model with both stability and flexibility

High time efficiency



No. 1 for 9 consecutive years in service time efficiency (within 48 hours)¹




Transportation of highly time-sensitive products like fresh products, fruits and commercial parcels




After the completion of Ezhou Huahu Airport, the 1.5 to 2-hour flight will cover the areas where the economic population accounts for **90%** of the country


High reliability



Strong management and control business model adopted throughout the network



High growth rate of company business despite the Covid-19 outbreak



February 2020 YoY growth rate of business volume:
119%
Negative industry business volume growth in the same period

High customer satisfaction rate



Reputation builds a differentiated leading brand

No. 1¹ in the “general satisfaction ranking among express delivery companies” for **15 consecutive years²**



Deep-mining of individualized demands in different scenarios

Differentiated competitive advantage

- User-centered
- Demand-oriented
- Experience-based

High-level experience



Diverse delivery time options

- Near-field e-commerce SF Rush (avg. 1 hour)
- Standard express(1-3 days) Same Day/Speedy Express/Standard Express/Economy
- C2M customization Customization (7 days)

Speed + thoughtfulness



- Combination of “Door-to-door delivery, delivery to lockers and delivery to stations”
- Providing "closer and more convenient" delivery services

Note: ¹ Data source from the 2021 express service satisfaction survey and time limit test results published by the State Post Bureau. ² according to the data released by the State Post Bureau on April 8, 2024

Pioneering and Forward-looking Strategic Layout - Independent, Trustworthy, Open and Inclusive

INDEPENDENCE



More diverse

More diversified business volume and customer base, continue to gain incremental growth



More trustworthy

Keep customer data safe



More beneficial

Technology enabler that promotes industrial upgrading, and helps global enterprises achieve excellence

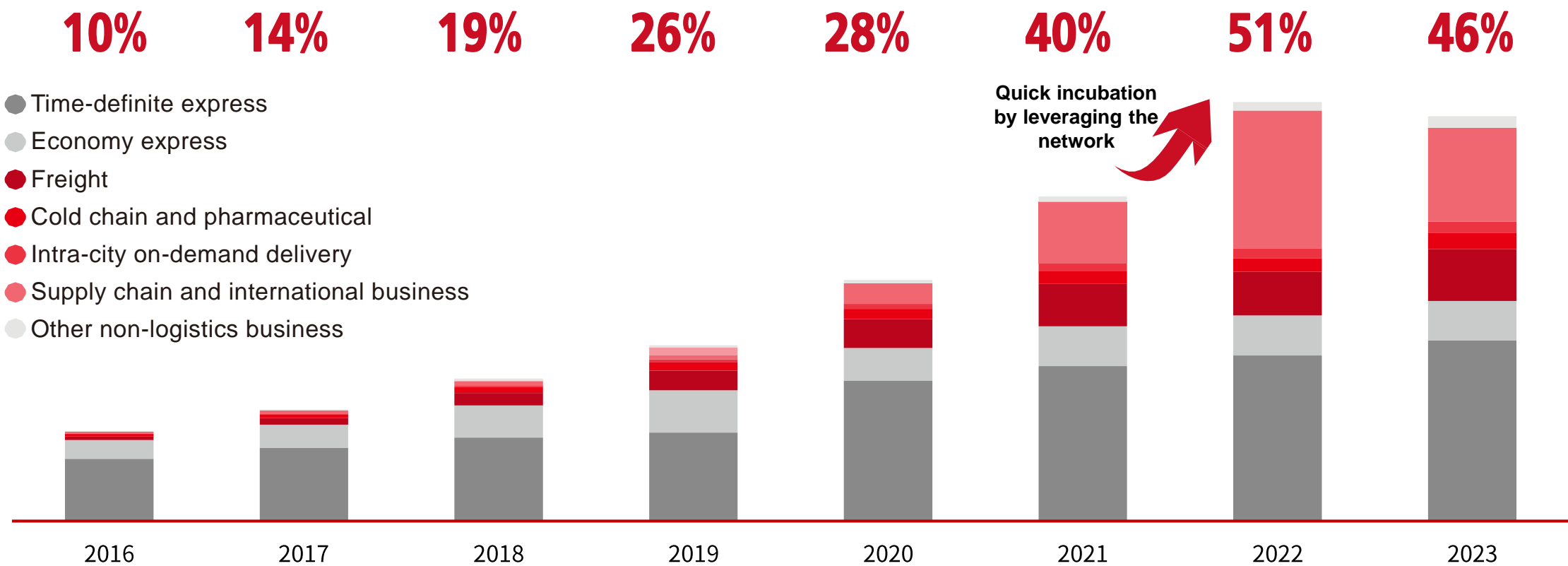
Independent third party

Independent from any platform, no conflict with customer interests

Pioneering and Forward-looking Strategic Layout - Quick Incubation

Emerging business: the comprehensive logistics layout is achieved step by step, and emerging business segments have gradually taken the leading position in the market

Revenue % of new biz



Note: In 2022, the Company counted the revenue of the time-definite express business and the economy express business according to the optimized new product classification and made retrospective adjustments to the corresponding period in 2021. In 2022, as the Company continuously optimizes the product system, the product of each business segment has been adjusted, mainly including the classification of returned e-commerce products and products distributed by SF Express from the economy express business to time-definite express and freight business respectively, and data of 2021 is retrospectively adjusted. International Express business and Supply Chain business were consolidated into Supply Chain and International business since 2020



Pioneering and Forward-looking Strategic Layout - Asian Market as Foundation and Radiating the Global Market

Complementary business advantages



Global ocean freight forwarding

No. **9**¹



Global air freight forwarding

No. **11**¹



Expanding global network



countries and regions covered

97²



Focusing on regional network in **Southeast Asia**
Southeast Asian countries such as Thailand, Vietnam and Malaysia

Business driven by technology



Digitalization



Intelligence



IoT-based



Unmanned

Delivering international talents



Supporting global business development

Sharing customer resources

End-to-end whole-process service



Supporting Chinese enterprises' overseas development

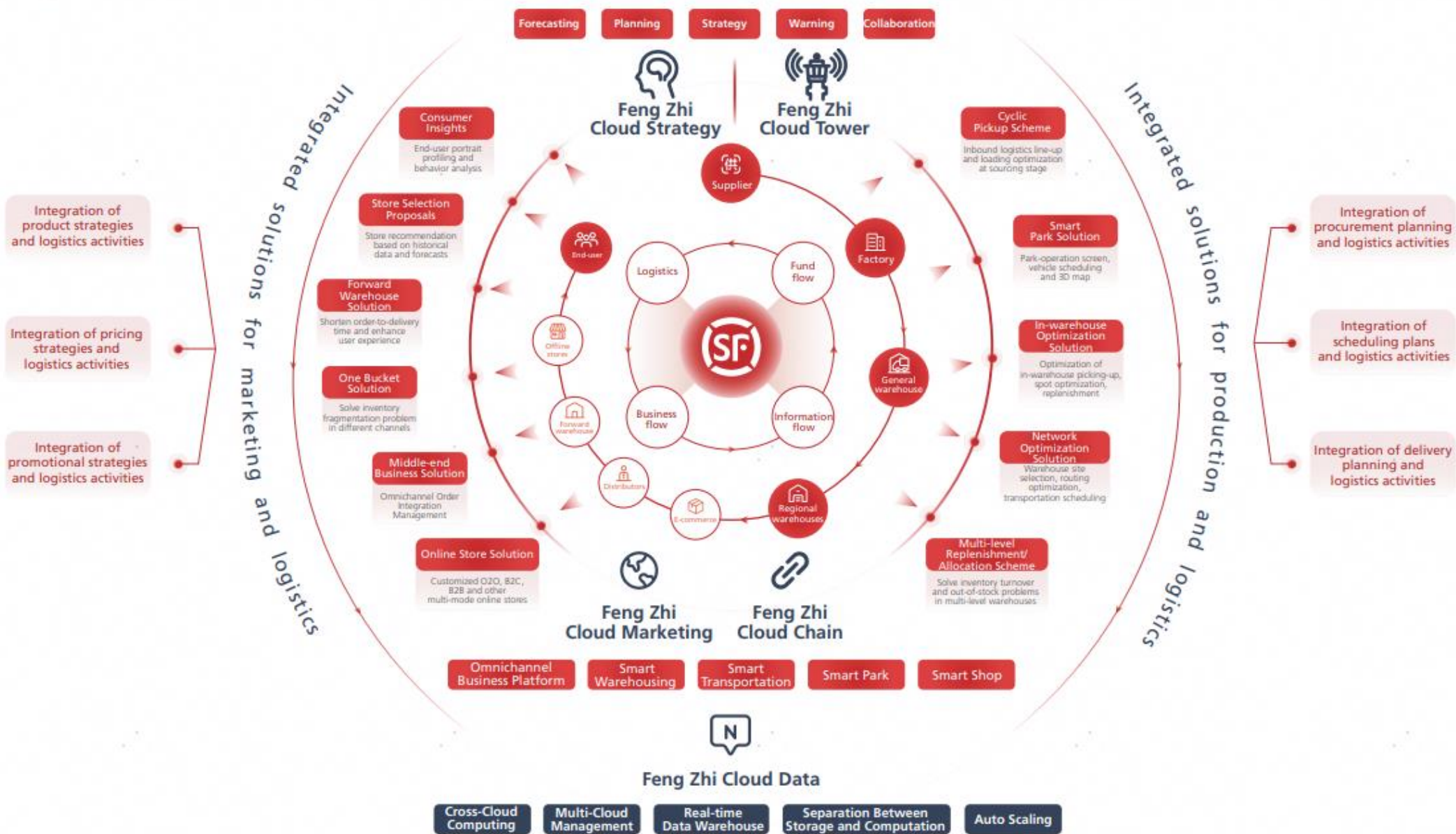


Strong alliance

Mutual benefit

Note: ¹According to the list of Top 50 Global Freight Forwarders for the Year 2024 issued by Transport Topics; ²Refers to overseas countries and regions covered by international express delivery business; ³All data as of Dec 31, 2023

Industry-leading Technological Strength - Digital Intelligent Supply Chain Solution



Experienced International Management Team



Dick WONG

Founder, Chairman & General Manager

Founder of SF
Lead SF into China's largest express logistics group



Alex HO

Director, Deputy General Manager & CFO

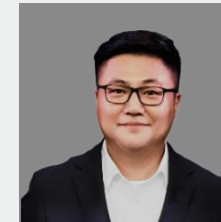
Former CFO of Sohu Changyou
CPA in Hong Kong and USA
EMBA, Tsinghua University



Tina WONG

Director, Assistant CEO & CSO

Former Senior Partner of Roland Berger Global Institute
MBA, CEIBS



Dong ZHANG

Director & CMO

Former Head of Product Dept. & CUS Mediation, Regional General Manager
Bachelor of IT, Shandong University of Technology



Sheng LI

Deputy General Manager & President of SF Airlines

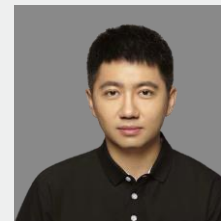
Former Senior Executive of Wal-Mart China
Bachelor of Laws, Sichuan Normal University



Haiqiang ZHOU

Deputy General Manager & Assistant CEO

Former Deputy President of E-commerce, Regional General Manager
Rich experience in logistics operation and management



Yankun GENG

Deputy General Manager & CTO

Former Co-founder and CTO of Baidu Waimai
Master of Peking University



Ling GAN

Secretary of the Board & Deputy General Manager

Former Analyst of Coatue
MBA, University of Texas at Austin

Development Strategy

Globalization



Connecting the world with the operation of Ezhou Airport



Starting from cooperation with KLN



Digital intelligent supply chain



Data technology service of independent third-party industry solutions



Drive the customer's supply chain system towards "efficiency-oriented"

Differentiated products



One network








Two products
Large pieces and small pieces



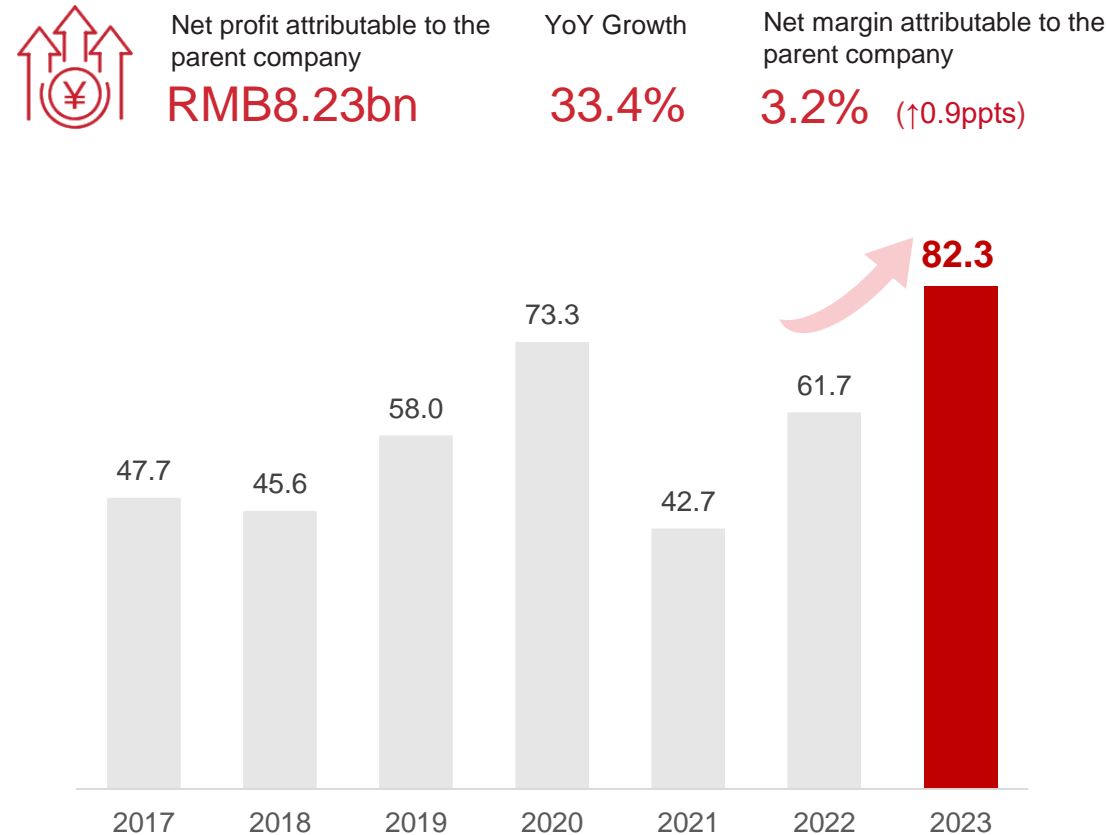
Three delivery time standards
Speedy Express/Standard Express/Economy)

Sustainable Profitability Growth

2023 Key Metrics

	Volume ¹ 11.97bn parcels	YoY Growth 7.5%	YoY Growth (excl. Fengwang) 16.2%
	Revenue RMB258.4bn	YoY Growth -3.4%	
	Express Logistics Revenue ² RMB191.1bn	YoY Growth 9.7%	YoY Growth (excl. Fengwang) 11.3%
	Adjusted Net Profit ³ RMB7.13bn	YoY Growth 33.7%	Adjusted Net Profit Margin 2.8% (↑0.8ppts)
	Dividend Per Share RMB0.6	YoY Growth 140%	Dividend Payout Ratio ⁴ 35% (↑15ppts)

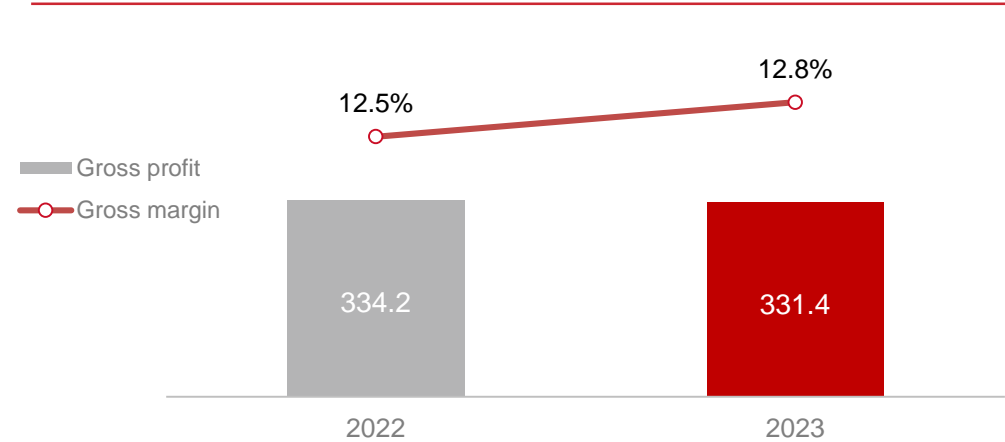
Steady Growth of Net Profit and Net Margin Attributable to the Parent Company



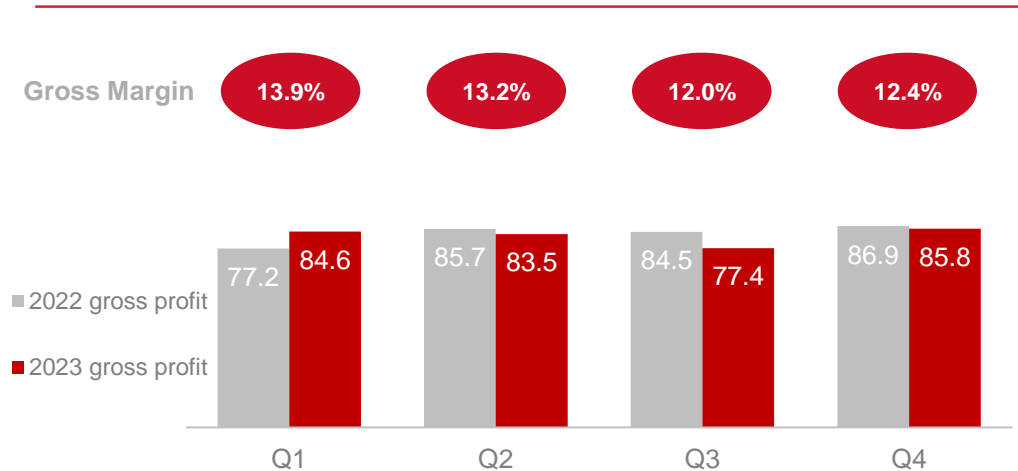
Note: ¹Excludes the express delivery volume of KLN, international freight, freight forwarding and supply chain volume; ² The express logistics business mainly includes time-definite express, economy express, freight, cold chain and pharmaceuticals, and intra-city on-demand delivery; ³ Net profit attributable to the parent company after deducting non-recurring profit or loss; ⁴ Dividend payout ratio = current year's dividend distributed / current year's net profit attributable to the parent company

Gross Profit and Margin Improved by Lean Operations

Annual Gross Profit and Gross Margin Unit: RMB100 million



Quarterly Gross Profit and Margin Unit: RMB100 million



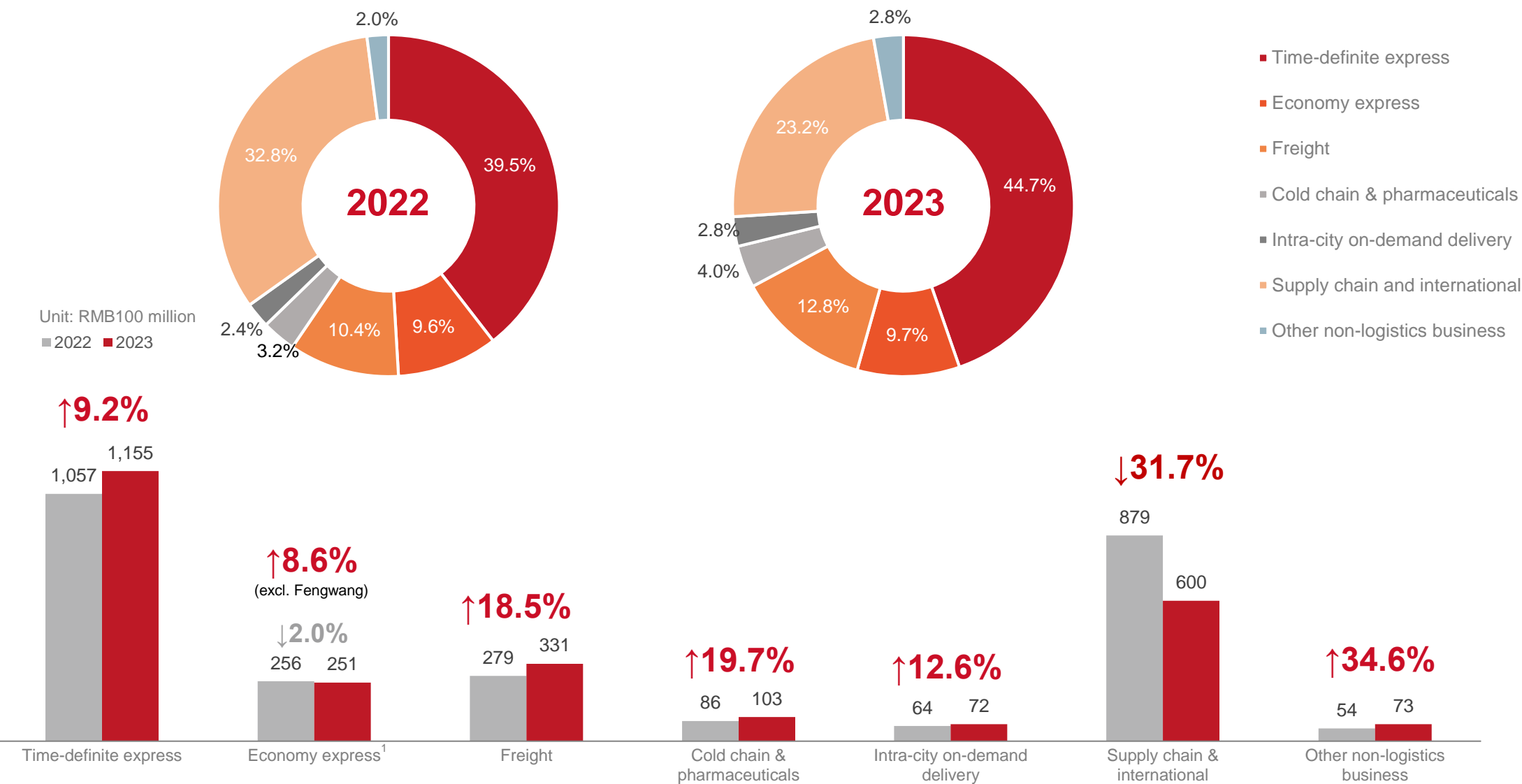
Drivers for Improvement

- ✓ Committed to sustainable and healthy development and strive for high-quality business growth
- ✓ **Revenue:** Optimize business structure, enhance product competitiveness, and fulfill the diversified needs of customers
- ✓ **Cost:** Strengthen multi-network integration, deepen operational reform, and allocate resources effectively

External Factors

- 📈 Improve employee compensation competitiveness: Prioritize the improvement of compensation and benefits for our courier and operation staff
- 📊 Build long-term competitiveness: Ezhou air cargo hub operation and continued operational reform
- 📉 Macro factors: Demand growth pressure encountered by the domestic industries, decreasing global air and ocean freight demand and rates

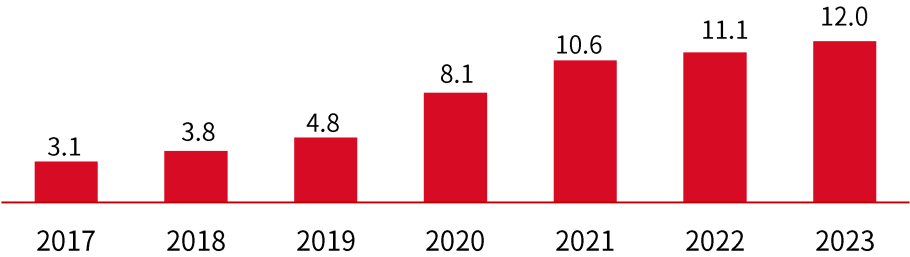
High-Quality Business Growth with Balanced Revenue Mix



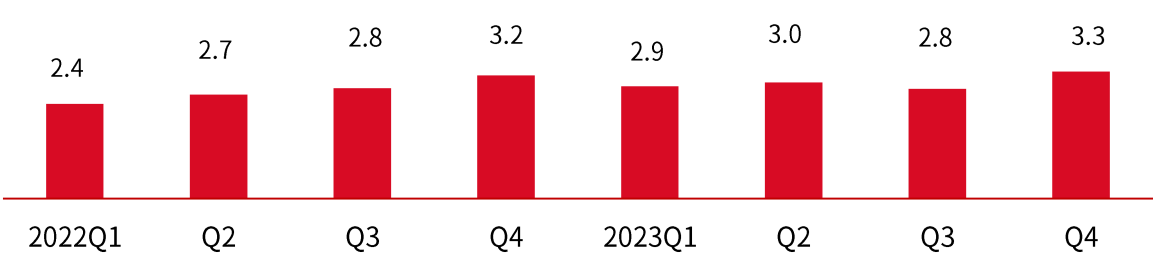
Note: ¹ At the end of June 2023, the company completed the sale of the franchise model business – Fengwang Express

Volume and Revenue

Annual volume
(billion)

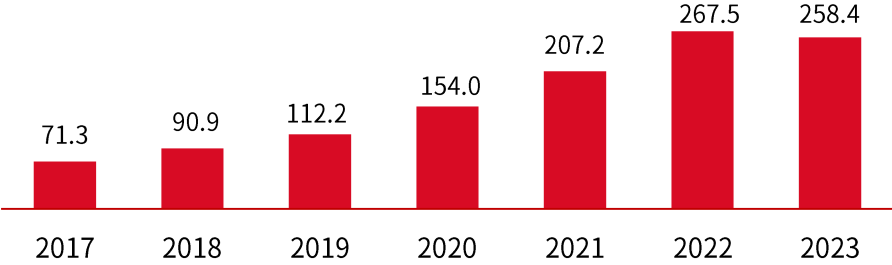


Quarterly volume
(billion)

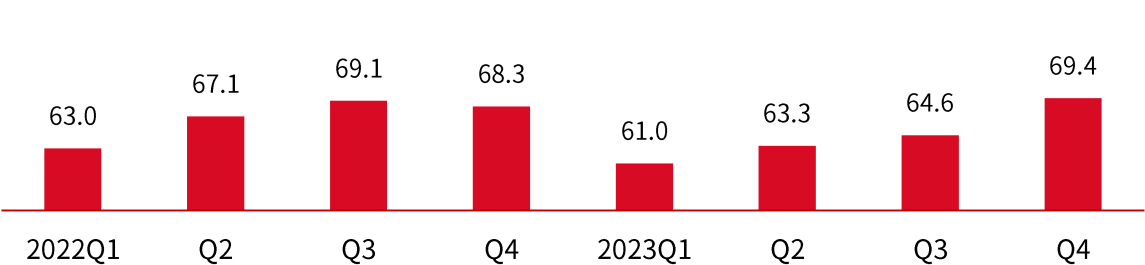


Market share	7.6%	7.6%	7.6%	9.8%	9.7%	10.1%	9.1%	10.1%	9.9%	9.9%	10.4%	10.7%	9.2%	8.4%	8.4%
SF YoY	18.3%	25.8%	25.8%	68.5%	29.7%	5.5%	7.5%	-1.5%	1.2%	8.9%	12.7%	18.2%	11.3%	-0.5%	3.2%
Industry YoY	28.0%	26.6%	25.3%	31.2%	29.9%	2.1%	19.4%	10.5%	-1.7%	5.2%	-3.0%	11.0%	20.9%	16.7%	27.4%

Annual revenue
(billion RMB)



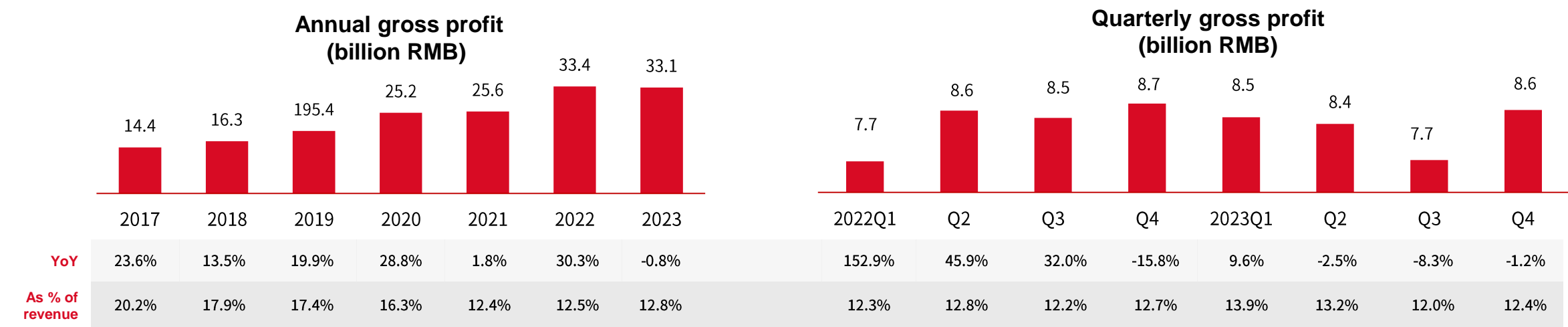
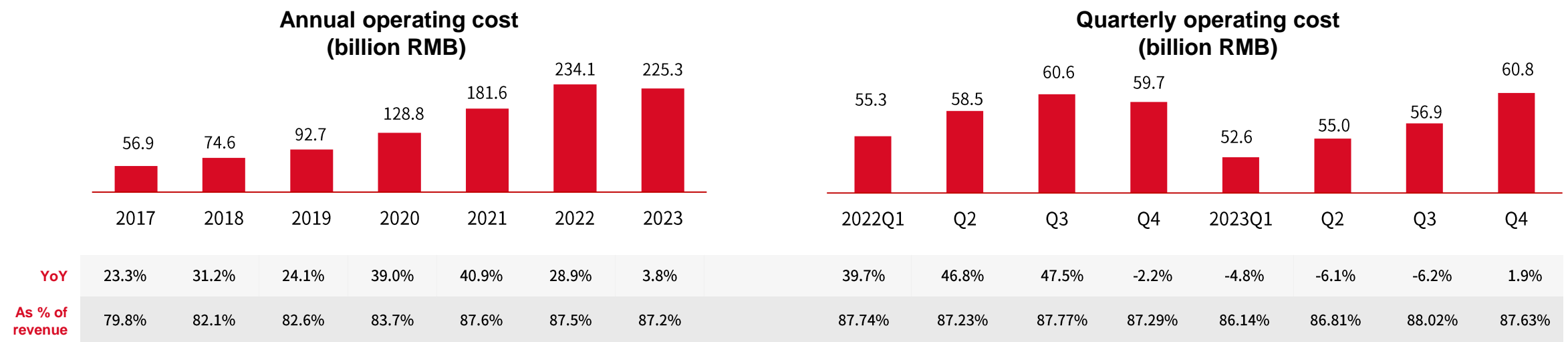
Quarterly revenue
(billion RMB)



Market share	14.4%	15.1%	15.0%	17.5%	20.1%	25.3%	21.4%	26.3%	25.9%	25.5%	23.7%	23.6%	21.4%	21.5%	19.7%
SF YoY	23.3%	27.6%	23.4%	37.3%	34.5%	29.1%	-3.4%	47.8%	46.7%	45.4%	-4.2%	-3.1%	-5.6%	-6.4%	1.5%
Industry YoY	24.7%	21.8%	24.2%	17.3%	17.5%	2.3%	14.3%	6.9%	-0.6%	4.6%	-0.8%	8.2%	14.1%	10.9%	22.6%

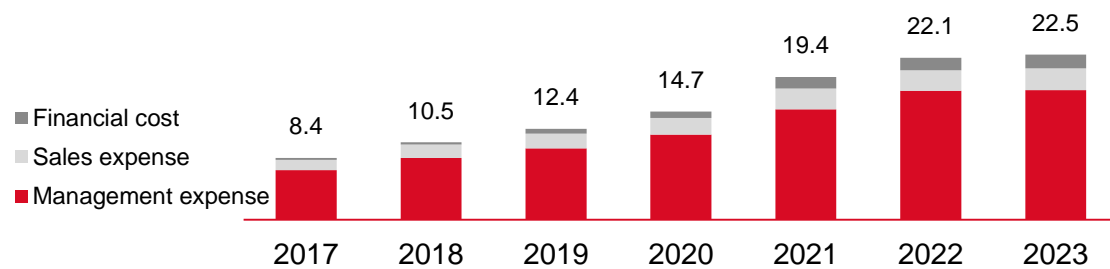


Operating Cost and Gross Profit

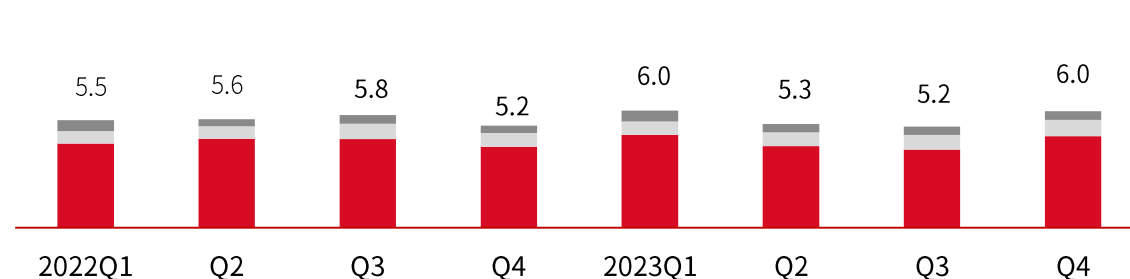


Expenses

Annual three expense items
(billion RMB)



Quarterly three expense items
(billion RMB)



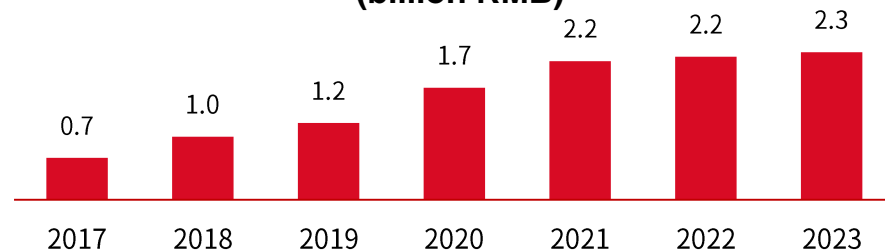
YoY

—	25.4%	17.6%	18.8%	32.1%	13.6%	1.9%	37.9%	24.6%	21.7%	-16.1%	8.8%	-4.3%	-10.1%	14.4%
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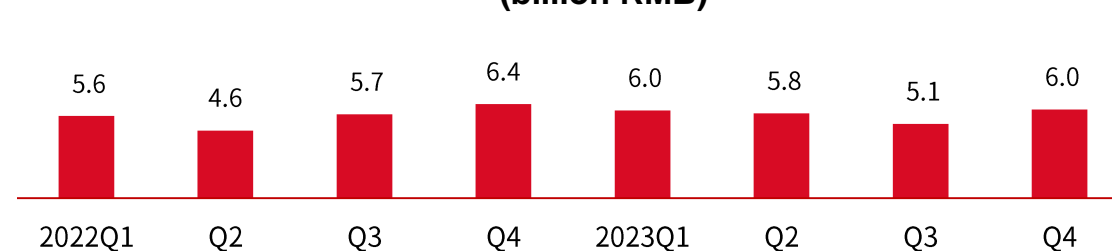
As % of revenue

11.8%	11.6%	11.0%	9.5%	9.4%	8.3%	8.7%	8.8%	8.3%	8.3%	7.6%	9.8%	8.4%	8.0%	8.6%
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Annual R&D cost
(billion RMB)



Quarterly R&D cost
(billion RMB)



YoY

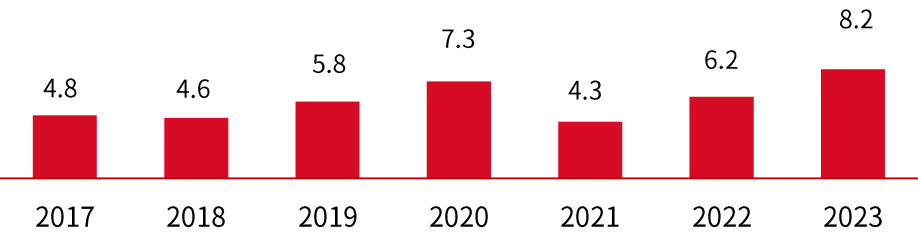
—	51.7%	21.2%	45.9%	23.7%	3.2%	2.8%	8.8%	-7.4%	-2.2%	12.7%	7.1%	26.1%	-10.7%	-5.7%
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As % of revenue

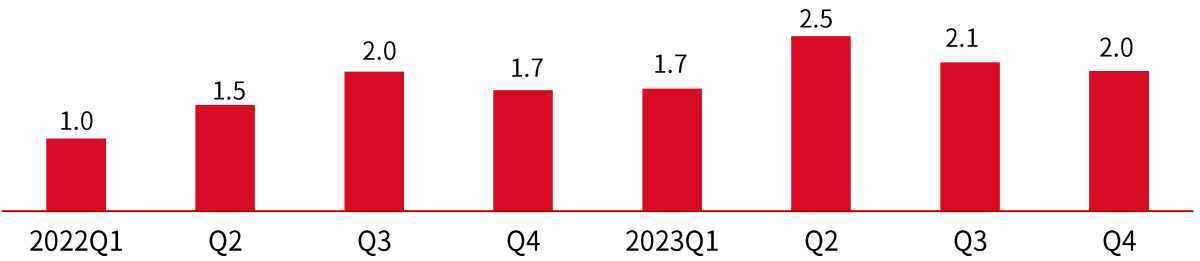
0.9%	1.1%	1.1%	1.1%	1.0%	0.8%	0.9%	0.9%	0.7%	0.8%	0.9%	1.0%	0.9%	0.8%	0.9%
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Net Profit Attributable to Equity Holders of the Company and Adjusted Net Profit

Annual net profit attributable to equity holders of the company (billion RMB)



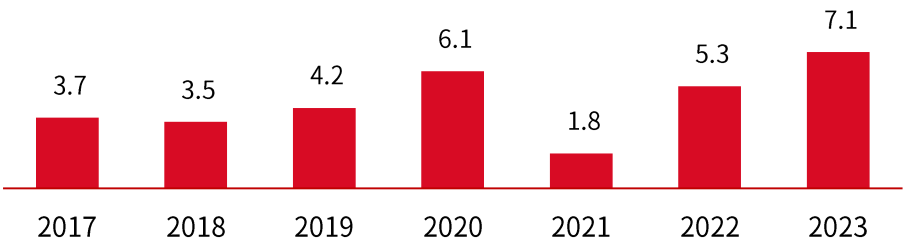
Quarterly net profit attributable to equity holders of the company (billion RMB)



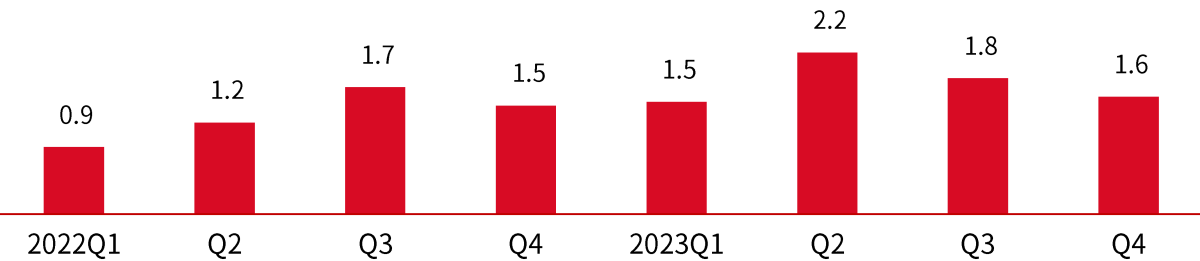
YoY

	14.4%	-4.6%	27.2%	26.4%	-41.7%	44.6%	33.4%		203.4%	-14.8%	88.8%	-31.1%	68.3%	64.8%	6.6%	15.8%
Net profit margin attributable to equity holders of the company	6.7%	5.0%	5.2%	4.8%	2.1%	2.3%	3.2%		1.6%	2.2%	2.8%	2.5%	2.8%	3.9%	3.2%	2.8%

Annual adjusted net profit (billion RMB)



Quarterly adjusted net profit (billion RMB)



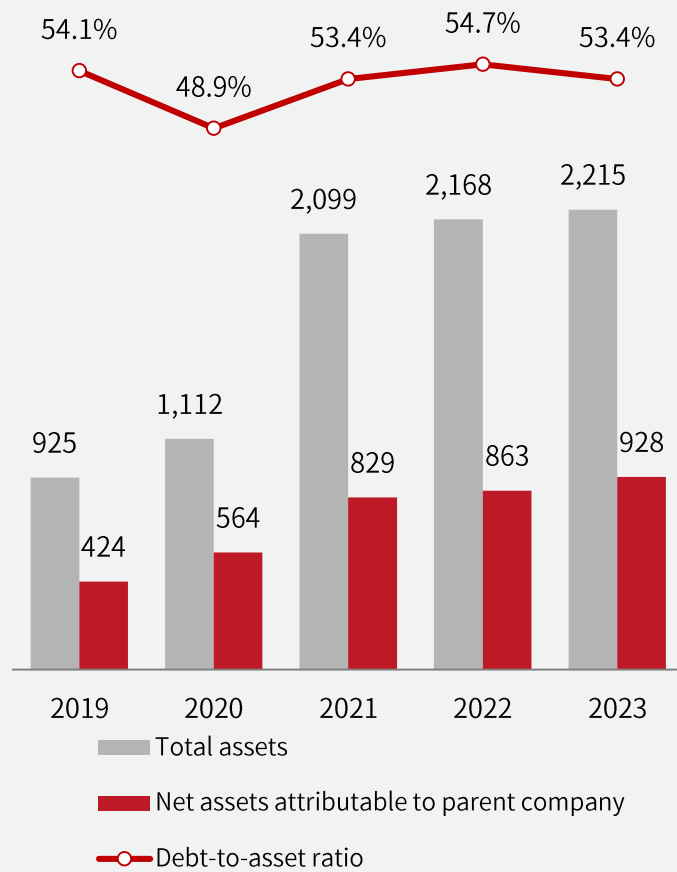
YoY

	40.1%	-5.9%	20.8%	45.7%	-70.1%	191.0%	33.7%		180.4%	88.2%	111.8%	-1.8%	66.4%	77.0%	7.3%	7.8%
Adjusted net profit margin	5.2%	3.8%	3.8%	4.0%	0.9%	2.0%	2.8%		1.4%	1.8%	2.5%	2.2%	2.5%	3.5%	2.8%	2.3%

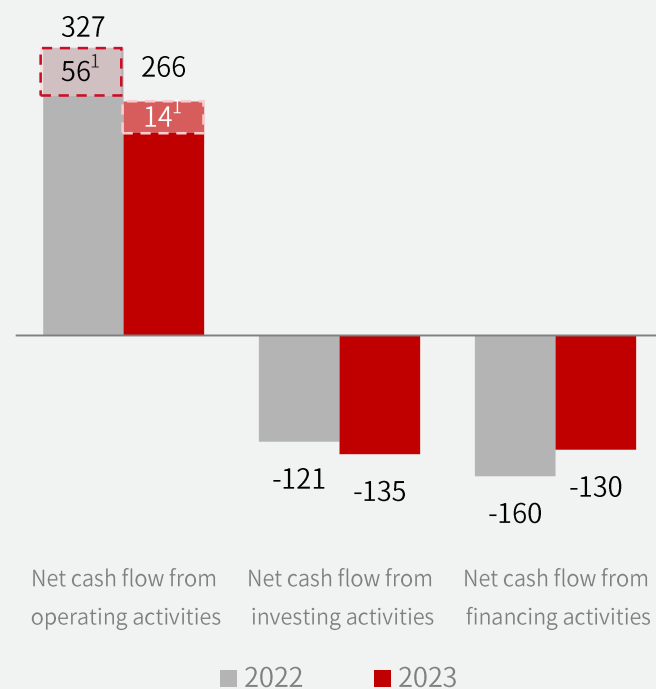


Asset Structure, Cash Flow and Rating

Asset structure (billion RMB)



Net Cash flow (billion RMB)



Bond Credit Rating

MOODY'S
A3

S&P Global
A-

FitchRatings
A-

Note: ¹ The operating cash flow includes tax refunds of RMB 5.6bn received in 2022 and RMB1.4bn in 2023

Industry Leading ESG Ratings

SF ESG Practices are Widely Recognized by Domestic and International Rating Agencies and Media, and Have Received Multiple Awards

Two years consecutively (2022-2023)
➤ MSCI rated **BBB**
No.1 in China Express & Logistics Industry



Two years consecutively (2022-2023)
➤ Sustainalytics rated **Low Risk**
Best Rating in Global Express & Logistics Industry



Two years consecutively (2022-2023)
➤ CDP Climate rated **B (Management Level)**
Leading Rating in Global Express & Logistics Industry



Three years consecutively (2021-2023)
➤ Included in **FTSE ESG Index Series**



2023 Fortune China ESG Impact List (2 years consecutively)

2023 China Association for Public Companies
“Best Case for Public Companies’ ESG Practices”
“Best Case for Public Companies’ Governance”
“Best Case for Public Companies’ Board”

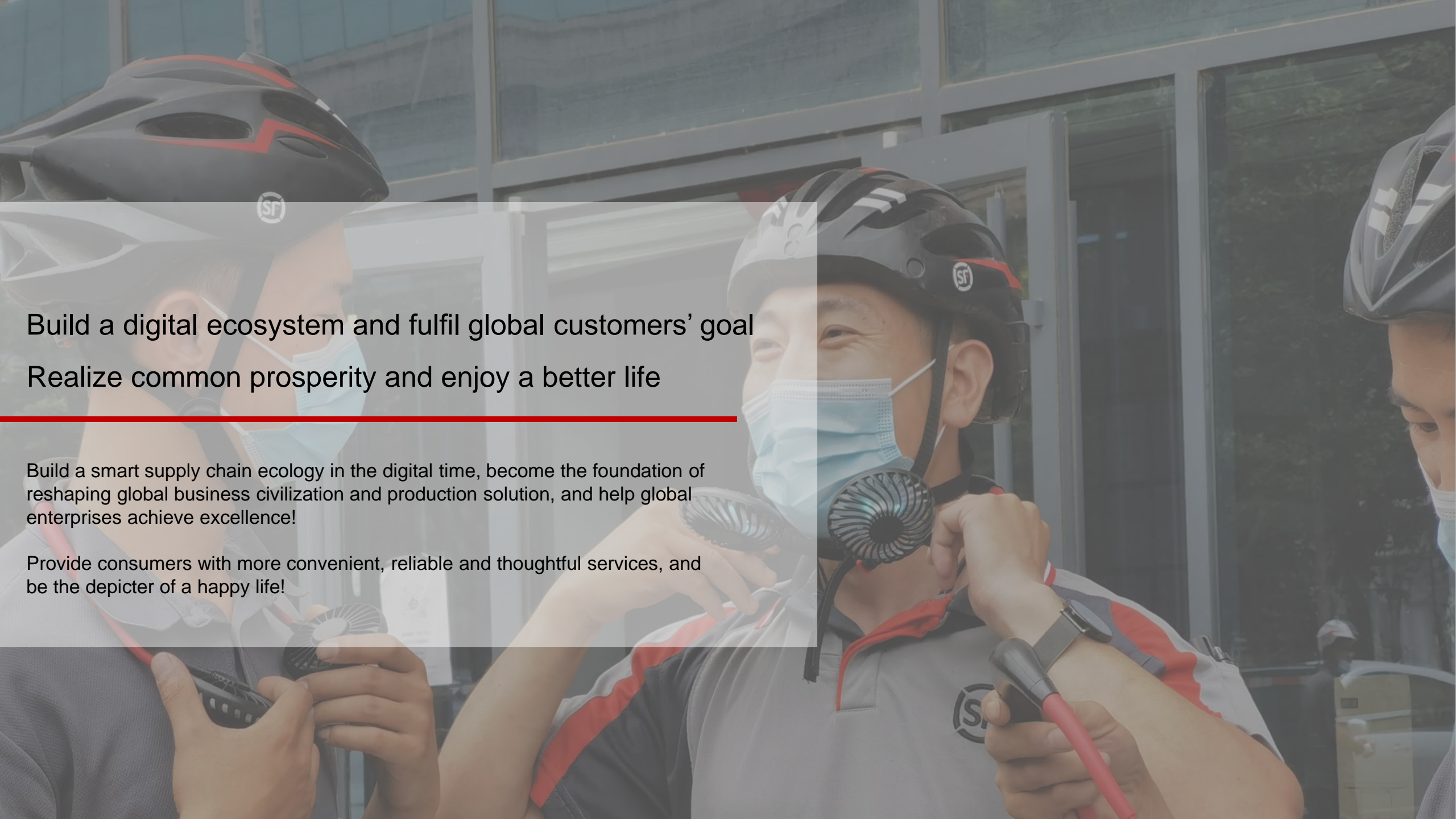
Ministry of Civil Affairs of the People’s Republic of China
12th China Charity Award

CCTV Finance
ESG Pioneer 100 of China Public Companies

2023 The Times Weekly
“ESG Exemplary Corporate Award for Public Companies”



More details can be found on the “SF Website – Sustainability”

A background image showing three delivery riders wearing helmets and face masks. They are holding and using small, portable fans to cool themselves. The rider in the center is looking towards the camera with a slight smile. The rider on the left is looking down at a device. The rider on the right is partially visible, looking down. They are all wearing grey uniforms with red accents and a circular logo on the chest. The background is a modern building with large glass windows.

Build a digital ecosystem and fulfil global customers' goal
Realize common prosperity and enjoy a better life

Build a smart supply chain ecology in the digital time, become the foundation of reshaping global business civilization and production solution, and help global enterprises achieve excellence!

Provide consumers with more convenient, reliable and thoughtful services, and be the depicter of a happy life!