

S.F. HOLDING CO., LTD.

Annual Report



Stock Abbr.: SF Holding
Stock Code: 002352

2020

Notice

The Company prepared its 2020 Annual Report in accordance with relevant regulations and guidelines set forth by the China Securities Regulatory Commission and the Shenzhen Stock Exchange, including the "Publicly Listed Company Information Disclosure Content and Format Guideline No. 2 Annual Report Content and Format," the "Shenzhen Stock Exchange Listing Rules," the "Shenzhen Stock Exchange Standard Operating Guidelines," and the "Shenzhen Stock Exchange Guidelines on Business Processing for Listed Companies No. 2-Matters Related to Periodic Disclosures." The Company's 2020 Annual Report was prepared and published in Chinese and the English version is for reference only. Should there be inconsistency between the Chinese version and the English version, the Chinese version shall prevail. Investors can access the Company's 2020 Annual Report on Cninfo (www.cninfo.com.cn), which is designated by the China Securities Regulatory Commission for Publishing the Annual Report.

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Important Information, Table of Contents and Definitions



Important Information

The Company's Board of Directors, Supervisory Committee, directors, supervisors, and senior management hereby guarantee that the contents of the Annual Report are true, accurate, and complete, and that there are no misrepresentations, misleading statements, or material omissions, and shall assume individual and joint legal liabilities.

Wang Wei, the Company's responsible person, NG Wai Ting, the person in charge of accounting work, and Hu xiaofei, the person in charge of the accounting department (accounting officer), hereby declare and warrant that the financial report within the Annual Report is true, accurate, and complete.

All directors have attended the Board meeting approving the Annual Report.

Forward-looking statements such as future development plans in this report do not constitute the Company's promise to investors. Investors are advised to invest rationally and to take into account possible investment risks.

The Company is required to comply with the disclosure requirements presented in the *Shenzhen Stock Exchange for Industrial Information Disclosure No.9 – Listed Companies Engaged in the Express Delivery Services Business*.

In this Annual Report, the Company details the risk factors and countermeasures that may occur in the future. For more information, refer to "Company Risks and Countermeasures" in "Section IX. Prospects of the Company," found in "Chapter 4. Management Discussion and Analysis of Business Operation." Investors shall refer to this information.

The profit distribution proposal reviewed and approved by the Company's Board of Directors on March 17, 2021 is as follows: based on the share capital of 4,545,429,726 (calculated by deducting the 11,010,729 shares in the Company's repurchase special accounts from the total share capital 4,556,440,455 as of March 17, 2021), a cash dividend of RMB3.30 (including tax) will be distributed for every 10 shares held, and the total amount of the payout will amount to RMB1,499,991,809.58. There will be no equity dividend or conversion of equity reserve into share capital of the Company.

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Definitions

Term	Description
Reporting period	January 1, 2020 to December 31, 2020
The same period of previous year	January 1, 2019 to December 31, 2019
The Company, The listed Company, SF Holding, SF	S.F. Holding Co., Ltd., formerly known as Maanshan Dingtai Rare Earth and New Materials Co., Ltd. After completing a major asset restructuring (as defined below) in December 2016, it was officially renamed to S.F. Holding Co., Ltd. in February 2017.
RMB	Renminbi yuan
Mingde Holding	Shenzhen Mingde Holding Development Co., Ltd., the controlling shareholder of S.F. Holding Co., Ltd.
Dingtai New Materials	Maanshan Dingtai Rare Earth and New Materials Co., Ltd., The predecessor of S.F. Holding Co., Ltd., it was renamed to S.F. Holding Co., Ltd. in February 2017.
Taisen Holding	Shenzhen S.F. Taisen Holding (Group) Co., Ltd., a wholly-owned subsidiary of S.F. Holding Co., Ltd.
Hive Box Technology	Shenzhen Hive Box Technology Co., Ltd., a commonly controlled entity of S.F. Holding Co., Ltd.
Shunda Fengrun	Ningbo Shunda Fengrun Venture Capital Partnership (Limited Partnership)
Jiaqiang Shunfeng	Jiaqiang Shunfeng (Shenzhen) Equity Investment Partnership (Limited Partnership)
Zhaoguang Investment	Shenzhen Zhaoguang Investment Co., Ltd.
Oriza Shunfeng	Suzhou Industrial Park Oriza Shunfeng Equity Investment Company (Limited Partnership)
Guyu Qiuchuang	Suzhou Guyu Qiuchuang Equity Investment Partnership (Limited Partnership)
Shunxin Fenghe	Ningbo Shunxin Fenghe Venture Capital Partnership (Limited Partnership)
The restructuring counterparties	Shenzhen Mingde Holdings Development Co., Ltd., Ningbo Shunda Fengrun Investment Management Partnership (Limited Partnership) (renamed Ningbo Shunda Fengrun Venture Capital Partnership (Limited Partnership) on October 17, 2019), Jiaqiang Shunfeng (Shenzhen) Equity Investment Partnership (Limited Partnership), Shenzhen Zhaoguang Investment Co., Ltd., Suzhou Industrial Park Oriza Shunfeng Equity Investment Company (Limited Partnership), Suzhou Guyu Qiuchuang Equity Investment Partnership (Limited Partnership), and Ningbo Shunxin Fenghe Investment Management Partnership (Limited Partnership) (renamed Ningbo Shunxin Fenghe Venture Capital Partnership (Limited Partnership) on October 15, 2019)
Major asset restructuring	In December 2016, all assets and liabilities (exchange-out assets) of the Company's predecessor, Dingtai New Materials, was replaced with the equivalent 100% equity (exchange-in assets) of Taisen Holding held by all shareholders of Taisen Holding as of December 31, 2015. The difference between the exchange-in assets and the exchange-out assets was purchased by Dingtai New Materials, the Company's predecessor, from all shareholders of Taisen Holding, in the form of issuing shares.
Exchange-out assets	All assets and liabilities of the Company's predecessor, Dingtai New Materials, as of December 31, 2015.
Exchange-in assets	100% equity of Taisen Holding as of December 31, 2015



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Company Profile and Key Financial Indicators

I. Company Profile

Stock Abbreviation	SF Holding	Stock Code	002352
Listed Stock Exchange	Shenzhen Stock Exchange		
Chinese Name of the Company	顺丰控股股份有限公司		
Chinese Name Abbreviation of the Company	顺丰控股		
English Name of the Company	S.F. Holding Co., Ltd.		
English Name Abbreviation of the Company	SF Holding		
Legal Representative of the Company	Wang Wei		
Registered Address	Room 801, Floor 8, Wanfu Building, No. 303 Fuyong Avenue, Bao'an District, Shenzhen, Guangdong Province, China		
Zip Code of Registered Address	518103		
Office Address	Block B,TK Chuangzhi Tiandi Building, Keji South 1st Road, Nanshan District, Shenzhen, Guangdong Province, China		
Zip Code of Office Address	518057		
Company Website	http://www.sf-express.com		
Email	sfir@sf-express.com		

II. Contacts and Contact Methods

	Board Secretary	Securities Affairs Representative
Name	Gan Ling	Zeng Jing
Address	Block B,TK Chuangzhi Tiandi Building, Keji South 1st Road, Nanshan District, Shenzhen, Guangdong Province, P.R.China	Block B,TK Chuangzhi Tiandi Building, Keji South 1st Road, Nanshan District, Shenzhen, Guangdong Province, P.R.China
Tel No.	0755-36395338	0755-36395338
Fax	0755-36646688	0755-36646688
Email	sfir@sf-express.com	sfir@sf-express.com

III. Information Disclosure and Location of Annual Report

Company's Designated Information Disclosure Media	Securities Times, Shanghai Securities News, China Securities Journal, Securities Daily
Website Designated by the China Securities Regulatory Commission for Publishing the Annual Report	http://www.cninfo.com.cn
Place Where the Annual Report is Available for Inspection	Office of the Board

IV. Registration Changes

Organization Code	91340500150660397M
Changes in Main Business Since the Company's Listing (If Any)	There was no change during the reporting period.
Change of Previous Controlling Shareholders (If Any)	There was no change during the reporting period.

V. Other Relevant Information

Accounting firm hired by the Company

Accounting Firm Name	PricewaterhouseCoopers Zhong Tian LLP
Office Address of the Accounting Firm	Floor 11, PricewaterhouseCoopers Center, Tower 2 of Link Reit Corporate Plaza, No. 202 Hubin Road, Huangpu District, Shanghai, China
Signing Accountants' Names	Chen Anqiang, Liu Jingping

Sponsor institution engaged by the Company to perform continuous supervision duties during the reporting period

Applicable Not applicable

Sponsor Institution	Office Address	Financial Adviser Sponsors	Continuous Supervision Period
Huatai United Securities Co., Ltd.	Floor 26, Hong Kong China Travel Building, No. 4011 Shennan Road, Futian District, Shenzhen, Guangdong Province, China	Zhang Guanfeng, Long Wei	2019.11.14-2020.12.31

Financial adviser engaged by the Company to perform continuous supervision duties during the reporting period

Applicable Not applicable

VI. Key Accounting Information and Financial Indicators



Does the Company need to adjust its financial information retrospectively or restate its previous year accounting information?

Yes No

	2020	2019	Increase/ Decrease over the previous year	2018
Revenue (RMB)	153,986,870,053.07	112,193,396,064.26	37.25%	90,942,694,239.83
Net profit attributable to shareholders of the parent company (RMB)	7,326,078,775.95	5,796,505,532.20	26.39%	4,555,906,237.39
Net profit after deducting nonrecurring profit or loss attributable to shareholders of the parent company (RMB)	6,132,336,552.47	4,207,763,900.82	45.74%	3,483,589,642.99
Net cash flow from operating activities (RMB)	11,323,919,554.24	9,121,273,475.49	24.15%	5,458,300,549.11
Basic earnings per share (RMB/share)	1.64	1.32	24.24%	1.03
Diluted earnings per share (RMB/share)	1.64	1.32	24.24%	1.03
Weighted average return on net assets	15.20%	14.86%	An increase of 0.34 percentage points	13.19%

	Year End 2020	Year End 2019	Increase/ Decrease Over Previous Year End	Year End 2018
Total assets (RMB)	111,160,042,260.97	92,535,386,807.84	20.13%	71,764,601,474.11
Total equity attributable to shareholders of the parent company (RMB)	56,443,050,238.39	42,419,713,739.80	33.06%	36,710,922,749.21

The lower of the net profits of the Company before and after deduction of non-recurring profit or loss for the most recent three financial years are negative, and the audit report of the most recent year shows that there are uncertainties on the Company's ability to continue operations

Applicable Not applicable

The net profits before and after deduction of non-recurring profit or loss are negative

Applicable Not applicable

VII. Differences Arising from Accounting Standard of the PRC and the International Accounting Standards

1. Differences between net profits and net assets disclosed in the financial reports in accordance with Chinese accounting standards and international accounting standards

Applicable Not applicable

There is no difference between the net profits and net assets disclosed in accordance with Chinese accounting standards and those disclosed in accordance with international accounting standards in the reporting period.

2. Differences between net profit and net assets disclosed in the financial reports in accordance with Chinese accounting standards and overseas accounting standards

Applicable Not applicable

There is no difference between the net profits and net assets disclosed in accordance with Chinese accounting standards and those disclosed in accordance with overseas accounting standards in the reporting period.

VIII. Quarterly Key Financial Indicators

Unit: RMB

	The First Quarter	The Second Quarter	The Third Quarter	The Fourth Quarter
Revenue	33,541,441,446.94	37,587,566,291.27	38,464,641,492.72	44,393,220,822.14
Net profit attributable to shareholders of the parent company	907,294,330.70	2,854,298,965.73	1,836,363,626.21	1,728,121,853.31
Net profit after deducting nonrecurring profit or loss attributable to shareholders of the parent company	831,990,690.78	2,612,770,709.97	1,659,790,224.25	1,027,784,927.47
Net cash flow from operating activities	1,909,482,845.62	5,022,229,474.48	3,666,894,114.26	725,313,119.88

Do the above financial indicators differ significantly from those disclosed in the Company's quarterly and semi-annual reports?

Yes No

IX. Non-Recurring Profit or Loss

Applicable Not applicable

Unit: RMB

Item	2020	2019	2018	Note
Investment income from disposal of subsidiaries	443,625,451.41	848,211,045.94	807,518,533.61	For details, please refer to Note 5(1) of Chapter 12 Financial Report.
Gains or losses on disposals of non-current assets (including offsetting amount for the provision of impairment of assets)	-52,898,534.35	31,356,737.19	71,160,937.90	
Government grants recognized in profit or loss for the current period (excluding government grants that are closely related to the Company's business operations, in accordance with national uniform standards)	1,032,229,792.07	545,508,216.82	295,443,847.50	It mainly represents government subsidies arising from fiscal appropriation, transportation capacity subsidies, tax refund and grants for employment stabilization, etc.
Net loss/profit arising from business combinations involving enterprises under common control from the beginning of reporting period to the combination date	-	-2,123,517.28	-43,047,655.76	
Gains or losses from changes in fair value of financial assets and liabilities held for trading, derivative financial assets and liabilities, and investment (losses)/gains arising from the disposal of financial assets and liabilities held for trading, derivative financial assets and liabilities and other debt investments, excluding hedging activities related to the normal business operations of the Company	139,466,673.10	364,072,933.26	-8,398,916.11	It mainly represents the gains arising from changes in fair value of other non-current financial assets.
Income from external entrusted loans	-	-	416,510.40	
Net amount of other non-operating income and expenses	-153,226,887.12	-38,285,034.94	13,515,766.49	It mainly represents the loss on scrapping of assets.
Less: Income tax effect	196,455,349.10	159,282,664.33	63,672,015.52	
Profit or loss attributable to minority shareholders (after tax)	18,998,922.53	716,085.28	620,414.11	
Non-recurring profit or loss attributable to shareholders of the parent company	1,193,742,223.48	1,588,741,631.38	1,072,316,594.40	-

Provide explanations for classifying non-recurring profit or loss items defined in the *Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring profit or loss*, and for classifying non-recurring profit or loss items listed in the *Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring profit or loss* as recurring profit and loss items.

Applicable Not applicable

The Company has not classified non-recurring profit or loss items defined or listed in the *Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring profit or loss* as recurring profit or loss items in the reporting period.



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Business Overview

I. Primary Business of the Company during the Reporting Period



Is the Company required to comply with disclosure requirement of a particular industry?

Yes

Express Delivery Service Industry

The Company is required to comply with the disclosure requirements presented in the *Shenzhen Stock Exchange for Industrial Information Disclosure No.9 – Listed Companies Engaged in the Express Delivery Services Business*.

(I) Primary business, products, operating models etc. of the Company during the reporting period

SF Holding is the largest integrated logistics service provider in China, committed to becoming a data and technology-driven company providing independent third party solutions. It provides customers with smart and integrated supply chain solutions covering various industries and application scenarios. Major products and services of the Company include various types of express services such as time-definite express, economy express delivery, intra-city instant delivery, warehousing service and international express delivery; freight services focused on LTL (less than truckload) service; and cold chain logistics services for customers in the fresh produce, food products and pharmaceutical segments; as well as value-added services such as insurance, Cash on Delivery (COD), packaging services and food preservation services. Through years of development, SF Holding has established the capabilities of providing integrated logistics service solutions to customers. Not only does it provide high quality logistics services from the delivery end, it has also extended its services to the upstream and downstream of the industrial chain and established industry solutions to provide customers with the efficient, stable and agile integrated digital supply chain solutions covering procurement, production, circulation, sales and after-sales and to assist customers in industrial chain upgrading.

Based on the diverse needs of different industries, customers and scenarios, SF Holding adheres to the “customer-centric, demand-driven and experience-based” product design philosophy that focuses on each industry’s unique characteristics, and starts from the application scenarios of customers to drill into their requirements for different use cases within the end-to-end whole process and other individual requirements of customers. Thus SF Holding is able to design suitable products, services and solutions for customers while creating differentiated competitive advantage, and such product design in turn drives internal resource allocation, optimizes the product mix and enables the development of the solution capability. SF Holding continues to improve its service quality while increasing operational efficiency, achieving win-win

for the Company and its customers. SF Holding ensures reliable timeliness of product delivery by providing customers with high quality experience and accurate service delivery. Meanwhile, it continues to optimize operation model and enhance resource efficiency, providing customers with cost-effective services and assisting customers in cost reduction and efficiency improvement.

SF Holding is also a smart logistics operator with network scale advantages, boasting an operating model with strong management and control over the whole network. All branches of SF Holding come under the unified control and management of its headquarters. The headquarters organizes pick-up, delivery, distributed processing and transit transportation in a unified way within its business scope, and independently allocates network resources based on its actual needs for business development. Also, SF Holding uses a wide range of information technologies to guarantee the implementation of unified standards in the entire network, and establishes several industry-leading business information systems to guarantee the overall operational quality of the network. SF Holding has a gigantic logistics network at home and abroad, including an “aviation network” consisting of all-cargo aircraft, commercial flight and drones; a “ground network” consisting of operating service points, transit and distribution service points, land transportation networks, customer hotline networks, and last mile networks; and an “information network” consisting of various types of big data, block-chain, machine learning and planning optimization, natural language processing, smart logistics map, Internet of Things (IoT) and so on. The three networks are integrated into one “aviation + ground + information” network. This SF network is a comprehensive logistics network system with the most powerful network control, the highest stability, and the most unique resources in the industry domestically.

SF Holding provides multi-category all-rounded integrated logistics service, with one-stop supply chain service capabilities

Major Time-definite Products

- Same Day Delivery**
Shipments made within specified service locations and time frames can be delivered by 8 p.m. on the same day
- Next Morning Delivery**
Shipments made within specified service locations and time frames can be delivered by 12 p.m. on the following day
- Next Day Delivery**
Shipments made within specified service locations and time frames can be delivered by 12 p.m. on the following day at most; average delivery time: 23 hours

Major Cold Chain Products

- Cold Chain Economy Express**
Exclusive express service characterized by whole-journey cold chain transport by land and prioritized end delivery for food with temperature control requirements on the basis of cold warehousing resources
- Cold Chain LTL**
Multi-batch small-quantity city-to-city LTL logistics services with temperature-control provided throughout the transportation process
- Cold Chain FTL**
Inter-district full truck-load direct transportation service with relatively fixed routes and refrigerated vehicles

Main Value-added Services

- Shipment Protection Plus**
- Return Proof of Delivery**
- Cash on Delivery**
- Customs Declaration**
- Food Preservation**
- Pickup Authorization**
- Packaging**
- Scheduled Delivery**

Major Freight Products

- Heavy Parcels**
For single-ticket 20-100 kg parcels, To C large parcels, and some To B transfers between warehouses
- Heavy Cargo Special Services**
Full truck-load transportation (3+ tonnes) for large-volume plant-warehouse and warehouse-warehouse transfers
- Standard LTL**
For single-ticket 100-500 kg parcels, mostly pallet-load and bulk shipments
- Large Ticket LTL**
For single-ticket 500-3,000 kg parcels, mainly offered for medium/large-sized businesses and factory-warehouse, warehouse-warehouse and warehouse-store transfers

Major Pharmaceutical Products

- Pharmaceutical Special Delivery**
Door-to-door cold storage delivery service for temperature-sensitive drugs/reagents and other medical supplies within the temperature range of 2-8°C
- Pharmaceutical FTL**
Cold storage whole-vehicle direct transportation service for pharmaceutical products with relatively fixed routes
- Pharmaceutical LTL with fixed-time collection/delivery**
Cold-chain pharmaceutical logistics service that transports biopharmaceutical and special new IVD and DTP drugs within the temperature range of 2-8°C
- Pharmaceutical LTL via regular vehicles**
LTL logistics service designed for medical supplies such as biopharmaceutical products and vaccines within the temperature range of 2-8°C

Supply chain solutions & integrated supply chain services

Leveraging SF artificial intelligence, system R&D and big data technologies, fully developed logistics networks and product portfolios, as well as SF DHL's and New HAVI's professional expertise in supply chain services, we provide enterprises with end-to-end, smart and integrated supply chain solutions covering various industries and application scenarios, encompassing three levels of operations – strategic supply chain planning, tactical planning and optimization, and operational execution and management.

Economy & Warehousing Products

- Economy Express**
Shipments made within specified service locations and time frames can be delivered; average delivery time: 2 to 4 days
- Warehousing Service**
Professional warehousing services such as single-storage, nationwide warehousing, and digital cloud warehousing

Major Intra-city Products

- Customized products**
Customized intra-city logistics services for strategic clients, new forms of business and new business models
- Standard products**
Standardized instant logistics products, including: high-quality branded delivery service with 100% order acceptance; time-definite services with the delivery timeframe guaranteed; and cost-effective economy products with high price/performance ratio
- Help Me Send**
Fast intra-city delivery service provided for retail customers; average delivery time: within 60 minutes on average
- Help Me Buy**
Intra-city shopping service provided for retail customers

Major International Products

- International Standard Express**
Door-to-door, fast processing throughout the process, with formal customs declaration service provided
- International Economy Express**
Economy international express services for customers not sensitive to transit time
- International E-parcel**
Cross-border E-parcel services via international air transportation, customs clearance and delivery for cross-border e-commerce businesses

Note: Time-effectiveness for the above is for reference only.

(II) Industry-related macroeconomic and policy environment

1. Against the backdrop of COVID-19, macroeconomy of China has maintained positive growth and demand for logistics service remain robust

In 2020, GDP of China reached RMB101.6 trillion, representing a year-on-year increase of 2.3%, exceeding RMB100 trillion for the first time. According to the forecast by IMF, China was the only one in the major economies in the world with positive growth in 2020 as a result of COVID-19 epidemic. As a major manufacturing exporter in the global industrial chain, total import and export value of China in 2020 reached RMB32.2 trillion, representing a year on year increase of 1.9% and maintaining positive growth. Logistics industry in China has also been further developed, with a total social logistics expenditure of RMB14.9 trillion in 2020, representing a year-on-year increase of 2.0%; in December 2020, the prosperity index of logistics industry in China was 56.9%, which was in a relatively high range. On the whole, the demand for industrial logistics in China increases steadily, and demand for import logistics is growing with good momentum, and demand for the new drivers related to people's livelihood consumption continues to develop rapidly. According to the State Post Bureau, in 2020, the total business volume of express service companies across the country reached 83.36 billion shipments, representing a year-on-year increase of 31.2%; the revenue generated aggregated to RMB879.54 billion, representing a year-on-year increase of 17.3%.

2. The state has promulgated multi-level policies to vigorously support the development of the logistics industry, bringing broad prospects to the industry

In 2020, the "No.1 document" of central government and the Central Financial and Economic Affairs Commission have clearly stated that the construction of a logistics system was of great significance to the strategic development of China; the 14th Five-Year Plan specifically set out that we should design supply chain strategies properly and implement them accurately by industry under the principles of independent control, safety and efficiency, so as to promote the optimization and upgrading of the whole industrial chain; in January 2021, the Ministry of Transport issued the "Guiding Opinions on the Establishment of a New Development Pattern of Services" (《关于服务构建新发展格局的指导意见》), which set out the development goal of "accelerating the improvement of the modern transport and logistics system". In April 2020, the State Post Bureau and the Ministry of Industry and Information Technology jointly issued the "Opinions on Promoting the Deep Integration of the Development of the Express Industry and the Manufacturing Industry" (《关于促进快递业与制造业深度融合发展的意见》), which proposed to promote the development layout of the deep integration of the express industry and the manufacturing industry, in order to optimize and expand the supply chain services; As the core of the country's economic development, logistics industry has a promising future.

Centring on the smooth operation of both domestic and international circulation, the construction of domestic large-scale circular infrastructure based on the national logistics hub will become the development focus of the "14th Five-Year Plan". The formation of new logistics channels is accelerating, and the construction of the "One Belt and One Road" channel will continue to accelerate accordingly. (1) "Express delivery to the countryside" has been elevated to a strategic height: on the one hand, to promote the supply connection of urban and rural, on the other hand, to explore the consumption potential of rural areas; (2) Express delivery into the factory focus on key industries: 3C, pharmaceutical, auto spares and parts, clothing, fast-moving consumer goods, etc. The State Post Bureau establishes a docking platform to guide enterprises in developing comprehensive solutions of supply chain covering from post-production and pre-production to production process, from link to system, to create a "mobile warehouse" for the manufacturing industry; (3) Express delivery "going abroad" has been actively promoted. The State Post Bureau further implements the transformation and upgrade of international mail processing sites, innovates customs clearance models for mail, express mail and cross-border e-commerce, strengthens weaknesses such as overseas transit, intercontinental trunk lines, customs clearance qualifications and standard connection, to constantly enrich intercontinental and international delivery and logistics lines.

(III) Industry development stage, periodicity characteristics and industry position of the Company

1. A large space for integration in the logistics industry due to its huge scale and broad market

(1) The scale of the logistics industry has reached a new height, and the efficiency of logistics has been continuously improved

In recent years, despite the slowdown of global economic growth and the sluggish development of traditional industries, logistics industry in China has actively captured the development opportunities and thus become a new driver in the economic growth of China. From 2017 to 2020, the total cost of social logistics in China increased from RMB12.1 trillion to RMB14.9 trillion, with a compound annual growth rate of 7.2%. The proportion of social logistics in GDP is generally used to measure the level of social logistics cost and modernization. From 2015 to 2020, the ratio of total social logistics cost to GDP in China has decreased from 16.0% to 14.7%, a decrease of 1.3 percentage points, demonstrating that the logistics industry has achieved remarkable results in cost reduction and efficiency improvement. In recent years, through measures such as optimizing the business environment, raising the intelligent level of logistics equipment and reforming highway tolls, logistics cost in China has been reduced with efficiency continuously improved.

(2) The vitality of logistics companies continues to increase, but the market is fragmented, providing the leading players with huge room for the integration

According to the data released by the China Federation of Logistics and Purchasing in November 2020, the total revenue from logistics business of the comprehensively top 50 logistics companies of the year 2020 in 2019 was RMB1.1 trillion, representing a year on year increase of 15.6% on a comparable basis, but accounting only for 10.7% of China's total revenue from logistics business of RMB10.3 trillion in 2019. Compared with that in developed countries, the layout of the logistics industry in China is still very fragmented.

With the steady progress of the resumption of work and production, the business volume and orders level recovered steadily, supply-side and demand-side of logistics recovered simultaneously, and the vitality of the market continuously increased. Business volume index and new order index of prosperity index of logistics industry have been rebounded since March 2020, achieving higher level of 56.9% and 55.8% respectively in December 2020, which indicates an upturn in the logistics industry. China's logistics companies supported the accessibility of supply chain, the coordination of industry chain and the creation of value chain with their enhanced service capability. Logistics companies cooperated with manufacturing and commercial circulation industries, such as automobile, home appliances, electronic, pharmaceutical, cold chain, e-commerce and retail, to establish certain outstanding brands with strong expertise and high-quality service.

With the continuous development of logistics industry, upgrading information technology brought new technologies for logistics and new business forms sprung up. The improved supply chain management has been widely used in logistics industry, leading an increasingly concentrated logistics industry and making the market divided by several large-scale professional logistics companies.

(3) Increasing demand for flexible supply chain and high quality service provide development opportunities for comprehensive logistics supplier

Given that industrial upgrading made the business chains of high-end industries, like electronics, automobile and pharmacy, more complicated, more importance were attached to shipping quality and increasing requirements for cost control, companies has begun to outsource their logistics demand to more efficient external companies, which facilitates the rapid development of the third party logistics. In the meantime, technologies like 5G, cloud computing, industrial internet and IoT were applied to logistics industry, enabling interconnection of devices and data and making the logistics connection more smoothly, which provides technical support to the development of the third party logistics. In addition, due to the expansion of Chinese companies into overseas

market and the "One Belt and One Road" initiative, demand for international logistics increased, providing comprehensive third party logistics companies with new development opportunities. In 2019, the market scale of the third party logistics grew to RMB1,241.1 billion, representing a year-on-year growth of approximately 6.3%.

Based on the characteristics of products, customers from different industry have different requirement for logistics supply chain. For example, e-commerce industry prefer small-batch, high-frequency and time-sensitive delivering service, while pharmaceutical industry emphasize the need for end-to-end cold chain logistics and information system. Under this background, the flexible supply chain empowered by big data, intelligence and visualization has become one of the main development trends in current logistics industry. The flexible supply chain can help logistics companies react faster and more economical to diverse, comprehensive and changing demands in their production and operation.

The penetration rate of the third logistics is expected to increase continuously in the future. Comprehensive logistics service providers with diversified businesses, strong digital supply chain and sophisticated internal and external networks can provide companies with one-stop comprehensive logistics solutions, making it more likely to occupy the market and realizing its platform value.

(4) Leading companies in the express and logistic industry accelerate the innovation and diversification of businesses and build integrated logistics capacities

Express industry is an integral part of the industrial supply chain and also an important part of gigantic logistics market. In recent years, customers' demand has been diversified, which required leading companies in the domestic express and logistic industry to diversify their businesses so as to satisfy these different needs. On the one hand, leading companies created significant barriers for new entrants by self-establishment, M&A, reorganization and alliance. Meanwhile, they have gradually explored diversified business, and built new business lines, such as freight, cold chain and supply chain, in a bid to expand their business scope and network coverage both at home and abroad. On the other hand, they seek to promote the coordinated development of diversified businesses with technology, so as to realize the centralized allocation of resources and enhance operation efficiency. In this way, courier service companies have strengthened their flexible restructuring ability in meeting customers' new business requirements and significantly enhanced their risk resistance capacity. In recent years, leading companies of express delivery industry have been committed to expanding new tracks to march into new fields and tried to integrate new business forms to offer services. With diversified first-mover advantage, leading companies in the industry established competitive advantage in comprehensive logistic service capability.

2. The express and logistics industry is still in development stage accompanied by the fierce competition among the leading enterprises, which accelerates the industry integration

The life-cycle of an industry generally consists of four development stages: startup, growth, maturity, and decline. The Chinese express delivery industry is currently going through a transition from the growth stage toward the maturity phase - a time characterized by fast-growing demand, however, technology and capital jointly create barriers to entry for newcomers, and the diversified industrial ecology, sound and stable network as well as efficient and unified management will be the key to consolidation. Specifically, China's express delivery industry currently has the following characteristics:

(1) Consistent rapid growth and continuous expansion of leading enterprises' advantages

After many years of rapid development, China has grown into the world's largest express delivery market by business volume. According to the data from the State Post Bureau, from 2011 to 2020, shipments delivered by Chinese express delivery companies increased to 83.36 billion from 3.67 billion, representing a CAGR of approximately 41.48%. During the 13th Five-Year Plan, China's parcel delivery volume has surpassed that of the United States, Japan and Europe combined, and accounts for more than 50% of total global growth, making it the powerhouse and stabilizer for the international post industry.

Data from the State Post show that the brand concentration index, CR8, came in at 82.2 in 2020, indicating a relatively concentrated market was formed. Express service enterprises diverged in terms of business volume, market share, asset and profitability, etc. Leading express enterprises keep optimizing its services and increasing market share leveraging on talents, technology and capital strengths, which build up cost advantage with scale effect and continue to expand the leading edge, resulting in the gradual withdrawal of certain small and medium sized express enterprises and making the Matthew Effect even more prominent.

(2) A shift away from the labor-and capital-intensive business model toward technology-intensive operations, with technological innovation empowering the whole process and all scenarios

In its early years, China's express delivery industry scaled up through labor-intensive development; during the following two decades or so, the leading players succeeded in securing funding from external sources or via stock listings, and then continued to expand businesses via mergers and acquisitions (M&As); in recent years, however, labor costs have risen consistently in line with the expansion of delivery networks, and technology application capabilities have become the main driving force for industry upgrade, indicating that the market has reached the technology-intensive stage. In terms of science and technology, enterprises are keen to make forward-looking layout and continuous investment with an aim to keep accelerating technological innovation and

shorten the time needed from R&D to application. Thanks to these efforts, R&D and application fields are more focused than ever. Application of scientific and technological innovation in whole process and all scenarios of express is accelerating, especially in transportation, sorting, warehousing, system platform, delivery. In view of the above, express logistics scientific and technological products empowered by artificial intelligence, AI, big data and other technologies are gradually applied in logistics scenario. Players with strong technology R&D and application capabilities accumulate technology advantages in advance to achieve powerful force to continue to lead in the future where labor is increasingly scarce.

(3) E-commerce industry remains the primary driving force of express industry with a robust and diversified tendency

Driving by the Covid-19 epidemic, end consumers quickly shifted to spend online, resulting in an increase in the online penetration rate of commodities and online consumption became an indispensable part of life. In 2020, China's online retail sales reached RMB 11,760.1 billion, up 10.9% year-on-year, accounting for 24.9% of the total retail sales of social consumer goods, increasing from 20.7% in 2019, data from the National Bureau of Statistics shows. E-commerce industry remains the primary driving force of express industry with a robust and diversified tendency. On one hand, affected by Covid-19 epidemic, the original offline transaction scenario was directly transferred to online, which promoted the rapid development of fresh product e-commerce. In 2019, the scale of fresh product e-commerce reached RMB279.6 billion, and the CAGR was expected to be 36%¹ in the next three years. Meanwhile, high-end brands are also accelerating the layout of online channels. On the other hand, the rise of new e-commerce forms, such as live-streaming e-commerce, are expected to bring new growth momentum to the e-commerce industry. In 2019, the market scale of live-streaming e-commerce reached RMB433.8 billion, with a penetration rate of 4.1%, and was expected to surpass one trillion in 2020, with a penetration rate of 8.1%². Additionally, the thriving of cross-border e-commerce will act as a main driving force to promote the development of international express delivery business. In the future, cross-border delivery business is also embracing a huge room for growth.

With the slow down of consumption growth in first and second tier cities, rural markets and markets in lower-tier cities have become the main group with greatest consumption potential in China. It is expected that such markets will continue to release benefits in the future, which would support the rapid growth of express delivery industry. In 2020, online retail sales nationwide amounted to RMB1.79 trillion, up 8.9% year-on-year³; the total population of lower-tier cities exceeded 1 billion, which were accounted for 50% and 50% by urban and rural population, respectively, while the number of active users of E-commerce in lower-tier cities registered a net increase of over 90 million between January and September, MAU reached to 500 million⁴. Such new users in lower-tier cities have become the most important growth source for the new users of E-commerce platforms.

¹ Source: iResearch

² Source: iResearch

³ Source: Ministry of Commerce

⁴ Source: Trustdata

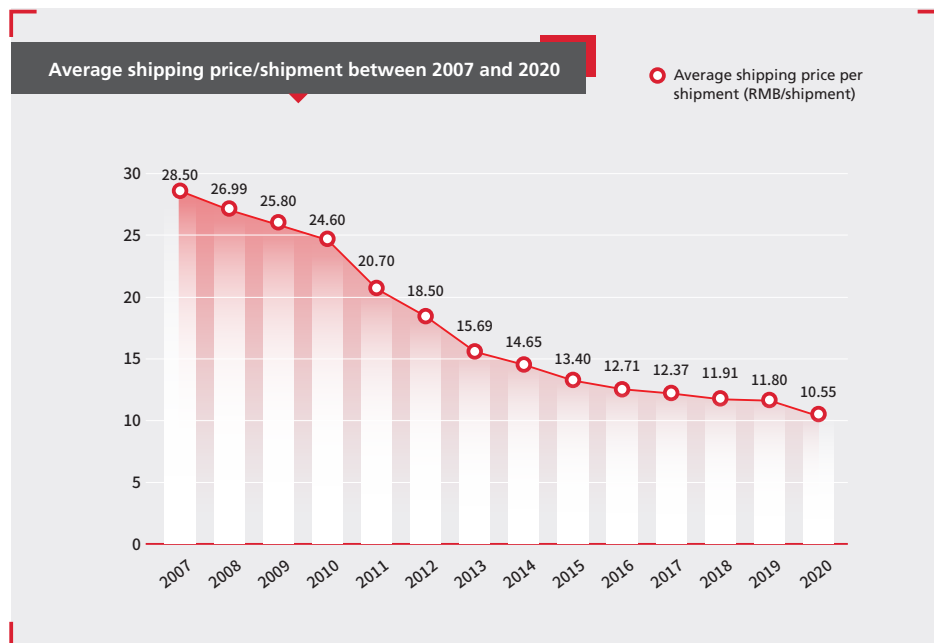
(4) Competition among e-commerce delivery service companies tends to be homogeneous. Price war goes intensified due to the entry of new players

The express delivery price per shipment has declined consistently in recent years – from RMB28.50 per shipment in 2007 to RMB10.55 per shipment in 2020. It is mainly attributable to the rapid development of the e-commerce express delivery business which accounts for a large proportion of the business of express delivery companies, as well as the severe homogeneous competition among e-commerce delivery services – most e-commerce delivery businesses rely heavily on price competition to grow market share. Meanwhile, with the entry of new entrants, low-price strategy has become a main way to occupy the e-commerce delivery market share rapidly for new entrants. To this end, the original competitive landscape of e-commerce delivery industry was hit hard, and the price war among the e-commerce delivery industry was increasingly intensified.

(5) From theory to actual operation for green express delivery

President Xi Jinping announced expressly at the UN General Assembly that “China will scale up its nationally determined contributions and adopt more forceful policies and measures to

strive to peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060”. On 12 March 2020, the National Development and Reform Commission (NDRC) and the Ministry of Ecology and Environment (MEE) jointly promulgated the “Opinions on Further Enhancing the Control and Management of Plastic Pollution” (关于进一步加强塑料污染治理的意见), which determined phased targets for the production, sales and use of plastic products. The State Post Bureau announced that it will vigorously implement “2582” Project in 2021, of which State Post Bureau will carry out specialized governance on packaging bags with substandard heavy metal content and specific substances and over packing. In the process of rapid growth of the express delivery industry, green, environment-friendly and recycling concepts were drawing more and more attention to enterprises. Green express delivery completed its transformation from theory to actual operation, a series of green initiatives including application of recycling packaging, green procurement and recycling of packaging were launched. As of the end of 2020, electronic waybills substantially achieved full coverage, the proportion of packaging with narrow tape reached 95%, non-secondary packaging ratio for e-commerce express reached 70.1%, the usage of recyclable packaging bag for transit purpose achieved 91.5%, 76 thousand recycling facilities for packaging wastes were set up in places of business. Significant progress has been made in green development of express delivery and social co-governance.



Source: State Post Bureau

3. SF is the largest comprehensive logistics services provider in China and is committed to becoming a data and technology-driven company providing independent third party solutions

SF has become the fourth largest express delivery company worldwide, and it has secured its leading position in the express delivery industry in China. It occupied a leading position in subdivisions of the logistics industry like freight, cold chain, pharmaceutical, intra-city instant and supply chain, and remained a growth speed faster than industry. SF possess an apparent competitive advantage. The scale of logistics industry market in China amounted to approximately RMB15 trillion, the total revenue of SF in 2020 topped RMB150 billion, accounting for approximately 1% of market share in logistics industry. SF shows great potential for future development.

Through years of development, SF have become the largest comprehensive logistics services provider in China. SF have the "aviation + ground + information" three-in-one integrated network resources, and strong technological capabilities. SF has been

creating high barrier in mid-high end market. Over the past two years, SF actively entered into mid-low end e-commerce market to establish a completed express delivery product mix, so as to provide comprehensive services to customers and increase market share rapidly. SF also actively arranged three-dimensional logistics network covering both overseas and domestic market to enhance local services capability overseas, assisting the global layout for the Company. SF provided end-to-end quality logistics services to customers based on customers' needs by leveraging on abundant products system and overseas and domestic network. It also stretched toward both upstream and downstream of industrial chains, providing effective, stable and prompt digital integrated supply chain services throughout procurement, production, distribution, sales and aftersales. SF integrated technological products into clients' end-to-end supply chain operations and value chains to optimize customer experience. The best practices of cutting-edge logistics technology applications have been exported as products to provide data and technology-driven independent third party industry solutions for clients, empowering industrial supply chain with technology for transformation and upgrading.

II. Major Changes in Key Assets

1. Major Changes in Key Assets

Key Assets	Description on major Changes
Financial assets held for trading	Increased mainly due to increase in structured deposits.
Accounts receivable	Increased mainly due to business growth.
Equity assets	Increased mainly due to increase in investments in joint ventures and associates.
Investments in other equity instruments	No major changes.
Fixed assets	Increased mainly due to increase in machinery and equipment, office and other equipment.
Construction in progress	Increased mainly due to increase in investments in aircraft import and refit, industrial park projects, and distribution hubs.
Intangible assets	Increased mainly due to completion of self-developed software and land purchases.

2. Key Overseas Assets

Applicable Not applicable

III. Core Competitiveness Analysis

Is the Company required to comply with disclosure requirement of a particular industry?

Yes

Express Delivery Service Industry

(I) Industry-leading logistics technology capabilities contribute to its unique core competitiveness

SF Holding is committed to becoming a data and technology-driven company providing independent third party solutions. Based on its massive data and industrial experience acquired from diverse businesses, and industry-leading intelligent, digital technology innovation, SF Holding empowers the transformation and upgrading of the industry's supply chain. On the one hand, SF Holding has been deeply engaged in the express logistics industry for years. It has gradually transformed itself from a pure express logistics service provider to a diversified integrated logistics service provider, and built strong logistics network infrastructures to provide massive high-quality data support for the development of logistics technology. On the other hand, the Company continues to consolidate its technological foundation, drive the intelligent growth of its internal business, and combine its rich experience and technological capabilities to build technological products and logistics solutions.

SF Holding has made a forward-looking layout in the frontier areas of science and technology such as artificial intelligence (AI), big data, robot, IoT and logistics map, many of which are leading in the industry. In terms of AI, SF Holding has built a super-large AIoT perception platform to improve the performance of its refined operations, and created the "people+ AI" SaaS products with

unique strengths to enable offline digital intelligence management. With respect to big data, SF Holding has developed a one-stop real-time data warehousing solution to acquire hundred millions of data and second-scale computing power, greatly reducing the threshold for real-time data processing; and built a unified, integrated big data platform to enable data fusion computing across computer rooms, clusters and tenants, breaking through the bottleneck of digital processing scale. When it comes to drones, SF Holding has a comprehensive plan. It owns a full range of drone types with a payload from 3 kg to 1.5 t. In 2020, it was granted a pilot zone permit in the Guangzhou-Hong Kong-Macao Greater Bay Area. Meanwhile, Fonair Aviation, a subsidiary of SF Holding, has started its journey to explore trial operations between Ningxia and Inner Mongolia, using large drones with ton-level payload.

In 2020, SF Holding had 3,112 patents and 1,593 copyrights awarded or under application. The number of invention patent applications accounted for 56% of the total patent applications. SF Holding was granted awards including the "Logistics Technology Innovation Award 2020", "China's Top 10 Leading Innovative Enterprises in Smart Logistics 2020", and "Science and Technology Award for the Postal Industry 2020".

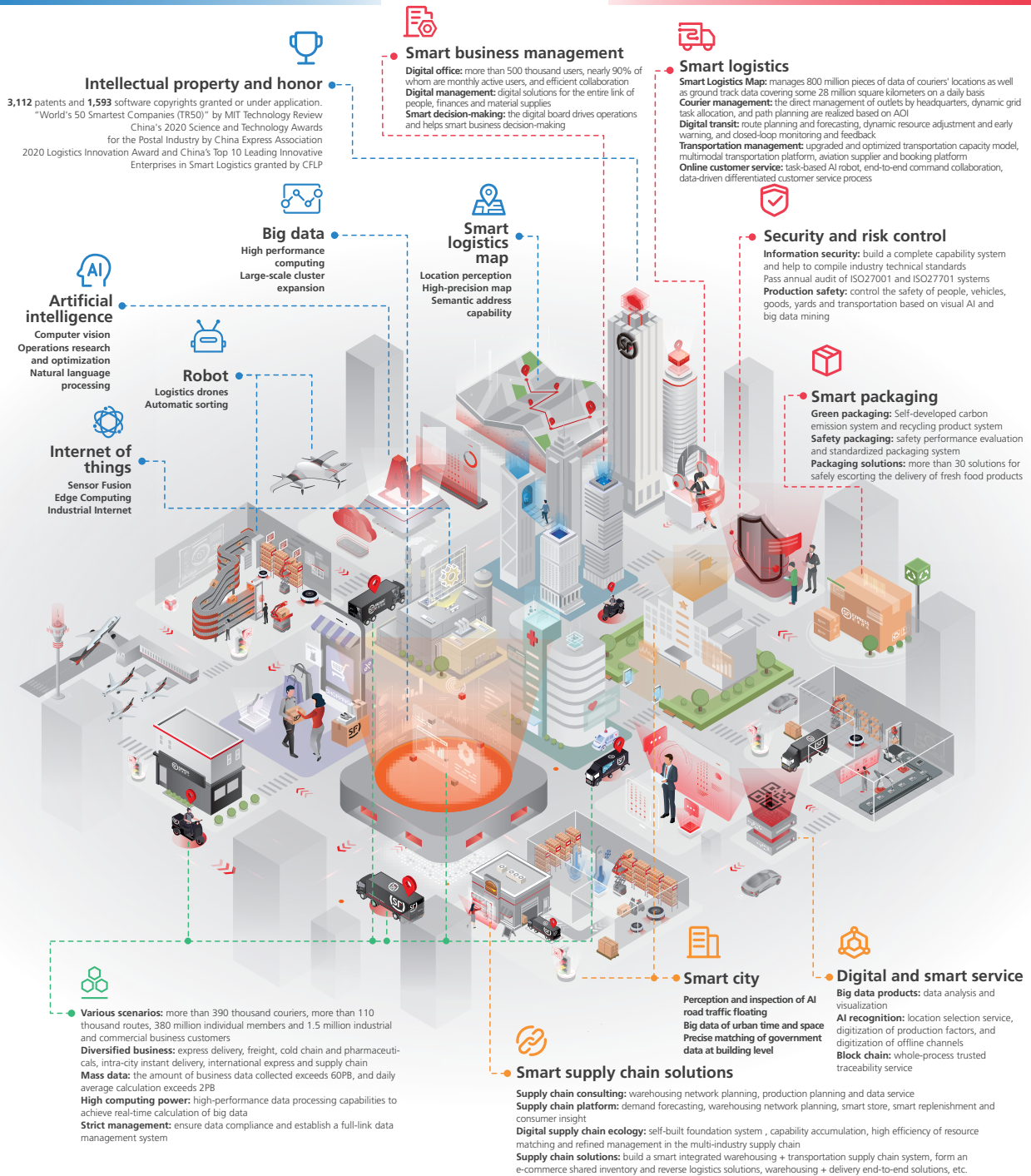
1. Logistics technology drives smart growth and sustainable development of internal business

(1) Smart logistics

Smart logistics map: SF Holding provides smart location decision service more tailored to logistics scenarios. Operation iteration has created the first logistics map service product of industrial grade in China. The daily average request volume of cloud services has reached 430 million and the number of daily average request volume of terminal SDKs has exceeded 800 million.

Forward-looking layout to build industry-leading cutting-edge technology capabilities

Technology drives smart growth and sustainable development of internal business



Diversified business, various scenarios and accumulated big data

Data and technology-driven company providing independent third party solutions

Courier management: The smart domain system based on AOI map is adopted. The Company has gradually developed functions such as intelligent input of receipt and dispatching resources, dynamic task allocation, and route planning by relying on its leading AI solutions and sophisticated implementation experience.

Digital transit: Several big data technologies are combined to provide in-depth service for multiple business scenarios of transit. A closed-loop solution featuring planning and design, monitoring and early warning, dynamic adjustment, feedback and evaluation has been established to precisely place core resources such as people, vehicles, materials in transit, and venues.

Transportation management: By focusing on multiple modes of transportation, SF Holding has researched and developed in an innovative way functions such as real-time early warning of freight rates and optimal booking routes to enable information intercommunication. By exploiting the RPA technology to empower transportation collaboration, the Company has taken the lead in establishing a multimodal transportation platform, and continued to promote the improvement of information technology in the multimodal transportation industry.

Online customer service: Various methods including machine platform upgrading are used to comprehensively improve the online customer service capability. In 2020, the volume of online services exceeded 150 million times, among which online hotline service had a share of 50.5% and effective robot services saw an increase in the number of effective services by 122% on a year-on-year basis.

(2) Smart packaging

Green packaging: In terms of operations, a recycling product system has been set up. A number of technological breakthroughs have been made in inkless printing technology, with a total of eight recycling categories launched via Internet. The total number of cycle times of the reusable packaging box known as "Feng Box" has exceeded 21 million times, resulting not only saving about 26,000 tons of raw paper and 8,000 tons of plastic, but also reducing the carbon emissions by about 70,000 tons. So, green packaging has been promoted from the source.

Standardized packing: An industrial chain product system that covers big data on physical properties of express logistics packaging and unified standards have been built to promote industry standardization.

Scenario-based packaging solutions: SF Holding has made a fast and effective response to the packaging requirements under scenarios such as fresh produce cold chain and epidemic prevention products, and gradually updated about 30 fresh produce cold chain product packaging solutions to ensure the safe delivery of disinfected products.

(3) Smart security control

Production safety: Visual AI is adopted to detect abnormal scenarios in the link of express mail flowing, and the evidence chain information of all links based on big data mining technology is linked to improve the performance of express mail delivery. The system controls the driving safety of vehicles, analyzes in an intelligent way the dim spots of express mail damage during the whole process and provides full-link intelligent liability identification and traceability evidences to reduce the damage rate for express mail delivery.

Information security: A comprehensive security capability system (security capability baseline, safe operation capability, DevOps security capability, security ecology capability) has been built to protect user privacy in an all-round way. SF Holding has passed the annual audit of ISO27001 information security management system and ISO27701 privacy information management system.

(4) Smart business management

Digital office: The boundaries between people, between people and things, between things have been opened up, thus improving collaborative office efficiency and enabling full-link work and whole cycle digital business management.

Smart management: SF Holding has built a digital, smart management system for the full link covering people, financial resources and things. It drives operations through digital signage such as business management platform, digital platform of financial operation, outlet and operation assistants to assist in smart business decision-making.

2. Committed to providing data and technology-driven service of independent third party solutions for industry customers in the industry for openness and win-win

(1) Smart supply chain solutions

Through mobile Internet, big data, cloud computing and other technologies, SF Holdings' pre-layout supply chain service can fulfil multi-industry supply chain needs, such as light integration for differentiated customers' logistics demands, and embed standard applications into industry software systems.

By using self-built end-to-end supply chain foundation system with fully independent intellectual property right, the comprehensive SF warehousing and delivery logistics network and the combination of AIoT, ROS and other technologies, SF Holding has developed a number of standard supply chain solutions for 3C, auto parts, FMGG, shoes and garments, pharmaceuticals and other industries, such as shared inventory and reverse logistics for e-commerce, warehousing+delivery end-to-end solutions, warehousing network planning and customers insights.

(2) Digital and smart service

Big data products: The self-help analysis and data visualization tools capable of high-performance processing enable real-time online analysis of massive data, helping enterprises with refined operations and digital transformation.

AI recognition: An AIoT visual perception platform featuring lightweight deployment and extensive compatibility has been established to accelerate the digital transformation of industries such as smart manufacturing and supply chain and to organically integrate offline inspections and online AI SaaS services, enabling digital and smart offline scenarios of customs, the retail industry and other industries.

Block-chain: SF Holding is committed to building a foundation of trust in the digital economy era. It provides visualized, traceable, anti-counterfeit, recordable and reliable solutions based on customer scenario requirements and in combination with the autonomous controllable block-chain infrastructure.

(3) Smart city

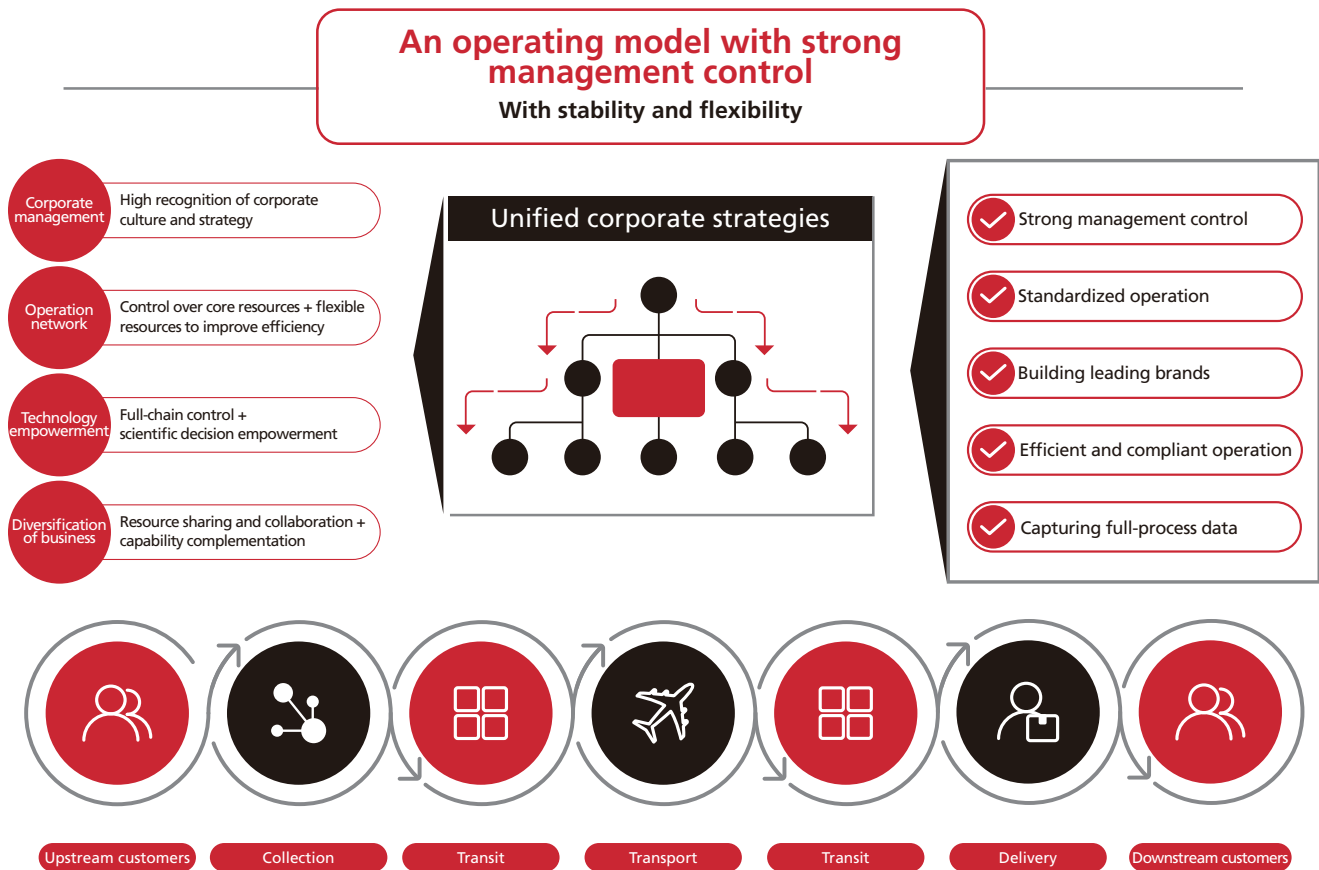
SF Holding has built a spatio-temporal digital platform for smart cities to associate and carry government data and solve data decision-making difficulties in government applications based on its industrial-grade map capability. Currently, the platform has been successfully applied in smart transportation, urban management, publicity security emergency response, state land planning and other fields.

(II) Shaping a good brand image with a long-standing top ranking in service quality

SF Holding has established itself as a well-recognized and reputable express delivery service provider through over 20 years of development. It is synonymous with "efficiency", "punctuality" and "safety", widely noted for its excellent corporate image and brand value and been widely recognized by customers, the industry and the community.

At the regular press conference of the first quarter held on January 14, 2021, according to the 2020 "Overall Satisfaction of Express Delivery Enterprises" (《2020年快递企业总体满意度》) released by the State Post Bureau, S.F. Express has ranked No.1 in "Overall Satisfaction towards Express Delivery Service Enterprises" for 12 consecutive years. Meanwhile, it ranked first, for the 8th consecutive year, in terms of whole-process time limit and 72-hour punctuality. SF Holding was ranked 5th among "Most Admired Chinese Companies" in 2020 by Fortune, rising four places. This was the fourth consecutive year that SF Holding had been listed among the most admired Chinese companies. In the "World's Top 500 Most Valuable Brands" released by BrandFinance, a well-known brand value consulting company, SF Holding ranked 270th, representing a significant rise compared with that of 2020 (460th place).

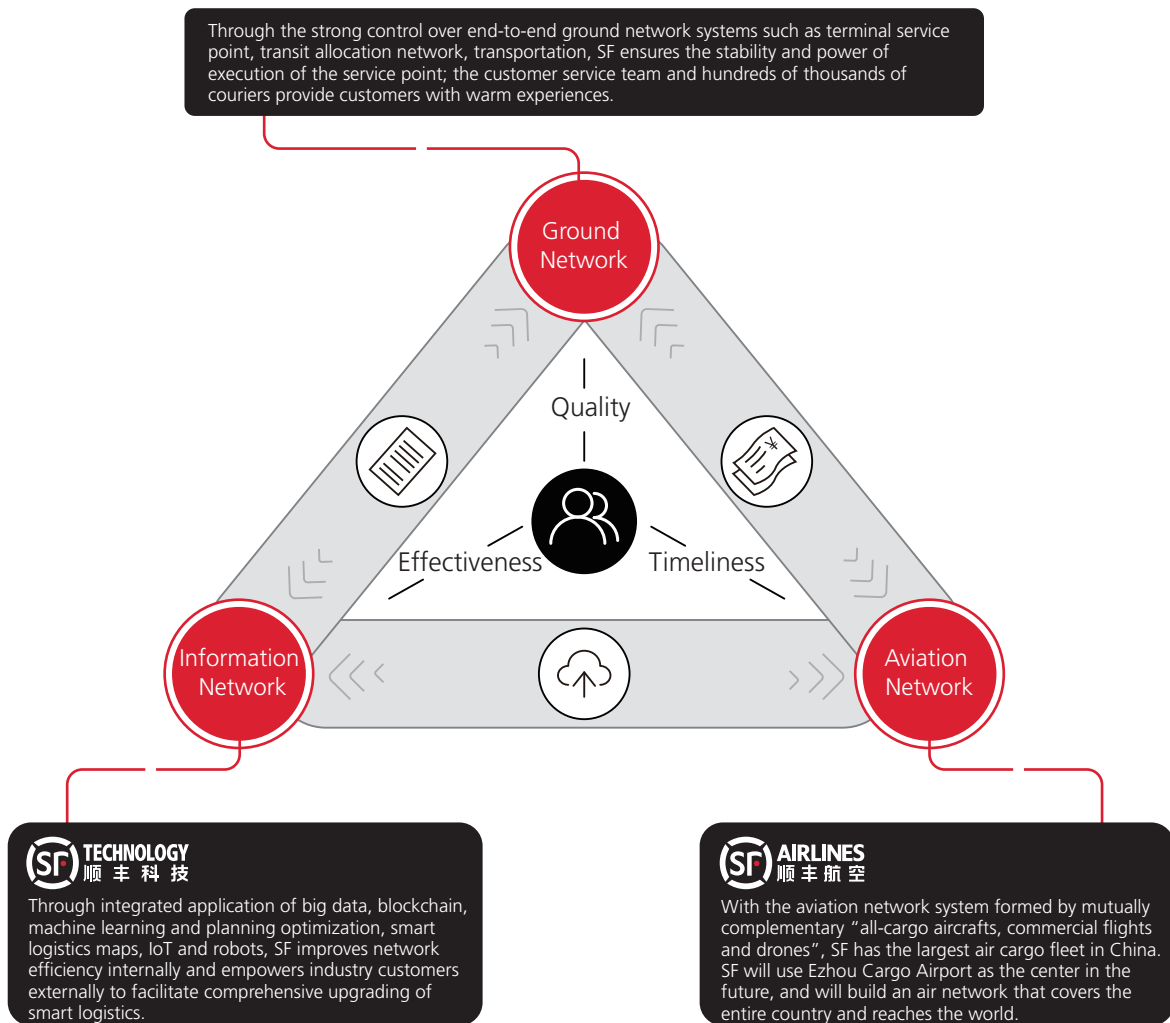
(III) SF Holding adopts an operating model with strong management control over the whole network and with stability and flexibility



SF Holding adopts an operating model that maintains strong management and control over the whole network, with the whole express delivery network and key resources under the strict control of its headquarters, covering all links of the business chain, which is conducive to the precise alignment of its corporate strategies from top to toe, as well as the effective achievement of its strategies and business goals; it also helps to maintain the stability and controllability of our operation, standardization and compliance of our internal control, and ensure standardized operations, high operational efficiency and high service quality, thereby enhancing customer's loyalty and brand reputation. While maintaining strict control of the key links and core resources, we have adopted a diversified resource acquisition and operation model, aiming to enhance the flexibility of the whole network and the space for expansion, and extend the coverage of our services; we rely on our standardized operation and control processes that have been developed upon many years of experience, as well as the advanced logistics technology to ensure the controllability and stability of the entire logistics chain, so as to achieve full control of the overall network and further enhancement of resource efficiency, provide support for business expansion, and form a stable and flexible network foundation. Meanwhile, the Company's new businesses have made full use of the existing network resources to achieve synergy among network, customers, technology and resources, so as to grow rapidly and complement the existing businesses.

(IV) Unique and scarce intelligent logistics network, the "Aviation + Ground + Information" three-in-one network

SF Holding continues to consolidate and upgrade its unique and scarce comprehensive logistics service network integrating three networks, "aviation network + ground network + information network", consistently consolidating and expanding its leading advantages in the industry. The aviation network system formed by mutually complementary "all-cargo aircrafts, commercial flights and drones" builds a time barrier, and the scarcity of aviation resources ensures the Company's lasting leading advantage. The ground network systems such as perfect terminal service point, stable delivery team, intensive transit allocation network, efficient transportation network and smart customer service system, build differentiated service barriers. The Company's control over the ground network ensures a stable service timeliness; hundreds of thousands of couriers, the top 4 independent call centers and the top 6 industry claim centers ensure warm customer experiences. By applying cutting-edge technologies such as big data, block chain, AI, and IoT to various business links and scenarios, SF Holding built an information network platform. On the one hand, it empowers internal operation, improves network efficiency, and promotes a comprehensive upgrade of smart logistics. On the other hand, it empowers industry customers, and helps them reduce costs and increase efficiency, forming an open and win-win ecosystem, and promoting industrial transformation and upgrading.



1. Aviation network

In 2009, SF Airlines became the first privately-owned air freight company in China. Today, it has developed into China's largest and the world's leading air freight company, forming a cargo route network covering the whole country and expanding to Asia and reaching Europe, serving more than 70 cities around the world.

Cargo aircraft: (1) Fleet building: It had 61 self-operated all-cargo aircraft (of which, Boeing 767: eight aircraft, Boeing 747: two aircraft, Boeing 757: 34 aircraft, Boeing 737: 17 aircraft) with an average age of 24.3 years, and 14 chartered all-cargo aircraft, operating 83 flight routes in total. **(2) Traffic rights and airport slots:** It had a total of 220 pairs of slots, covering 52 large and medium-sized cities nationwide and international cities including Liege, Frankfurt, Delhi, Singapore, Ho Chi Minh and Chennai. **(3) Pilots:** It had a total of 529 pilots, including 218 captains and 311 co-pilots. **(4) Global operation:** Based on the consolidation of regional operating abilities in Europe and Southeast Asia, SF Airlines achieved a breakthrough in regional operating abilities in North American in early November, 2020, providing stronger support for building an independent and controllable international

supply chain network. In 2020, it operated 3,580 international flights in total, representing a year-on-year increase of 353%. 27 international routes were launched one after another, including Wuhan-Frankfurt, Changsha-Liege, Wuhan-Osaka. The international route network layout begins to take shape. **(5) Aviation safety:** Since its first flight, SF Airlines has been operating safely for 11 consecutive years and operated over 440,000 hours safely and won the titles of "Aviation Safety Responsibility Assessment Standard Units" and "Aviation Safety Responsibility Assessment Outstanding Units" issued by the Central and Southern Regional Administration of the Civil Aviation Administration of China (CAAC) for 10 consecutive years. During the lockdown of Wuhan due to the COVID-19 pandemic in 2020, SF Airlines transported medical and epidemic prevention materials and living supplies to domestic pandemic prevention and control frontline. A total of 290 flights were operated with 6,874 tons of cargo transported. It has opened 30 international all-cargo air routes in aggregate, including those from China to Americas, Europe, South Asia and Southeast Asia throughout 2020, and the total transportation volume of pandemic prevention materials and other materials of our international all-cargo air routes was approximately 90,000 tons.

Commercial flight resources: SF has secured stable passenger aircraft bellyhold resources from more than 100 commercial airlines at home and abroad through direct operations (cooperating directly with airlines), agents (freight forwarders), or tripartite cooperation (SF, airlines, and agents) to operate 2,027 flight routes across China and the world, achieving full coverage of direct cooperation in head and waist airlines, and gradually completing the national strategic fulcrum layout of the aviation belly business.

As at the end of the reporting period, SF Holding's all-cargo aircraft and commercial flights operated a total of 2,110 aviation routes, the total number of flights in 2020 was 1,369,800, with a daily average of 3,743 flights. Total air cargo volume handled was approximately 1,672,500 tonnes, of which all-cargo volume handled was 848,900 tonnes, up 46.70% year-on-year.

Aviation Network: the largest cargo airline in China + the largest air freight operator in China

75
cargo aircrafts

2,110
commercial and chartered flight routes

3,743
daily average flights



1.67 million tonnes/
900 million pieces
total air cargo volume during the reporting period

Approximately **11%**
the proportion of air cargo volume in the total business volume of the Company

Approximately **34%**
the proportion of total domestic cargo and mail traffic volume



Freight capacity of SF Holding's air transport business:

Resources		End of the current reporting period/ Current reporting period	Daily average during the reporting period
All-cargo aircrafts	Number of self-operated aircrafts	61 aircrafts	–
	Number of external chartered aircrafts	14 aircrafts	–
	Number of all-cargo aircraft routes	83 routes	–
	Total number of flights	49,400 flights	135 flights
	Total cargo volume	848,900 tonnes	2,319 tonnes

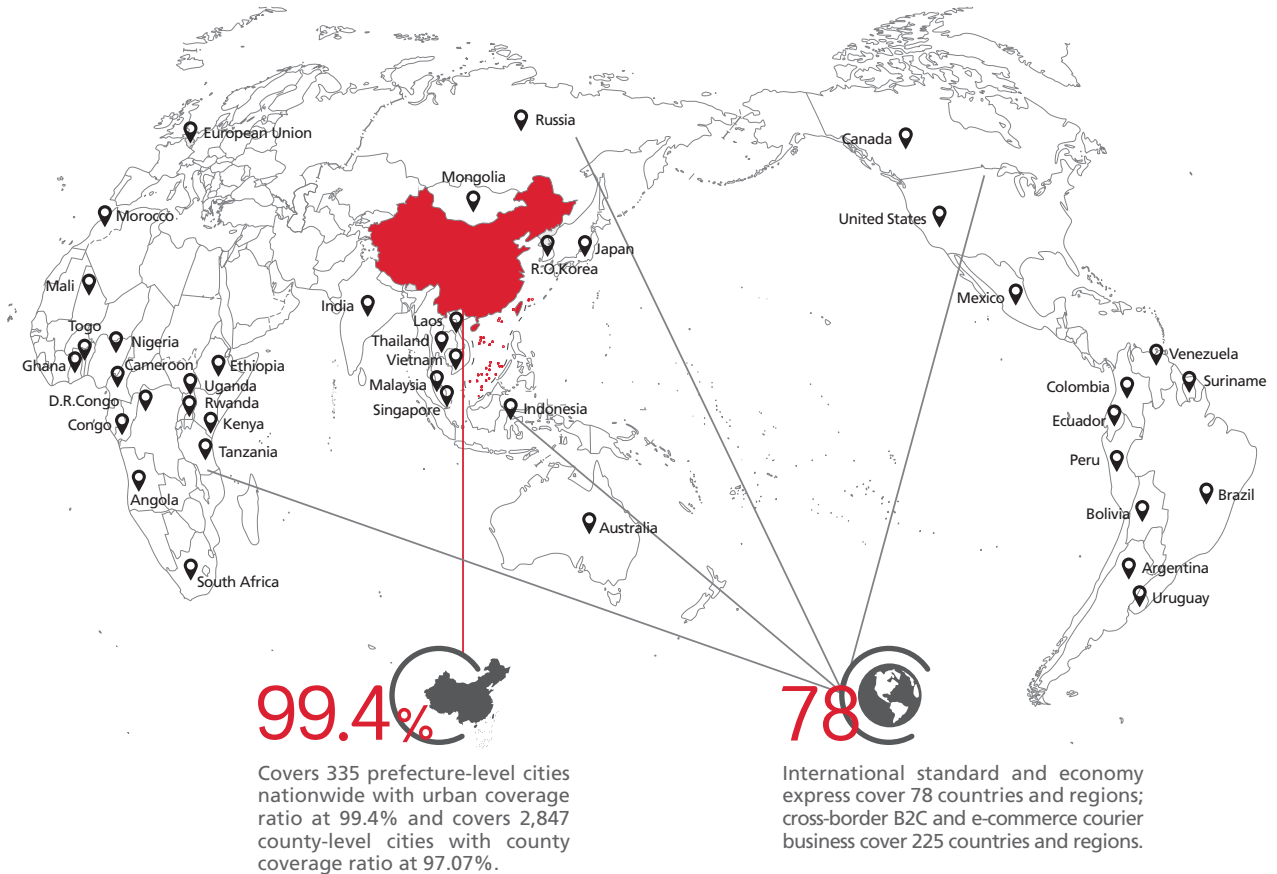
Resources		End of the current reporting period/ Current reporting period	Daily average during the reporting period
Commercial flights	Number of commercial flight routes	2,027 routes	–
	Total number of flights	1,320,400 flights	3,608 flights
	Total cargo volume	823,600 tonnes	2,250 tonnes

Future air hub construction: The Hubei International Logistics Hub project lies at the core of SF Airlines' transportation system. Ezhou Huahu Airport will be built into an international air cargo logistics hub with cargo functions as its main function, which is the first cargo hub airport in Asia and the fourth in the world. Ezhou Huahu Airport is a Level 4E airport featuring all-cargo aircraft operation, two separated strips paralleled with each other and is able to reach areas where the percentage of economic population is 90% of the whole country within 1.5 to 2 hours' flight. The completion of the Ezhou Huahu Airport will form an express logistics cargo hub in the central China that can radiate its influence across the country, and reshape the air cargo market structure of China's civil aviation. SF will use this hub as the center of its air route network that covers the entire country and reaches the world, providing good fundamental support for increasing the coverage of time-definite products, enhancing timeliness of products, building high-end integrated logistics service capabilities, and reducing the cost of aviation network operation. The Hubei International Logistics Hub has been incorporated into the package of supporting policies as planned in the national emergency infrastructure shortcomings remedying project, and Ezhou Airport has been included in the scope of the air emergency and rescue system construction by the Hubei Province. In 2020, the Company overcame the impact of COVID-19 by comprehensively promoting the construction of the main airport project of the hub project, and strived to realise the delivery and acceptance of the airport's full-field construction projects, and ultimately kick off the flight inspection in 2021. After the airport is completed, it is estimated that cargo and mail throughput and passenger throughput will be 2.45 million tons and 1 million respectively in 2025, and 3.3 million tons and 1.5 million respectively in 2030.

2. Ground network:

Service points: As at the end of the reporting period, SF Holding’s business covered 335 prefecture-level cities and 2,847 county-level cities, with approximately 19,000 directly-operated service points. The international standard express and international economy express businesses covered 78 countries and regions abroad, representing an increase of 16 countries as compared with the end of previous year. The international small parcel business, covered 225 countries and regions around the world. The Company had about 390,000 couriers under various workforce models.

Ground Network: a service network with nationwide and overseas coverage



Transit Hub Distribution: As at the end of the reporting period, SF Holding had 10 hub-level transit depots, service points at 39 aviation and railway stations (excluding stations sharing sites with transit depots), and 147 sub-district transit depots (excluding SF freight and SX Freight), of which 121 transit depots have adopted the automatic sorting equipment, representing an increase of 61 transit depots as compared with the end of previous year.



Transit depots

10
Hub-level transit depots

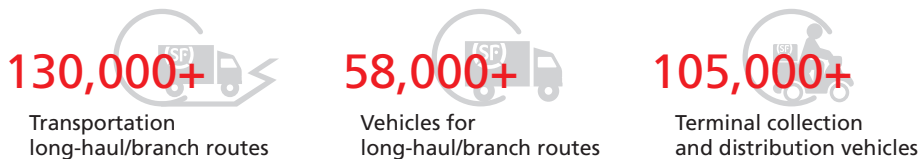
39
Aviation and railway stations

147
Sub-district transit depots

Ground transportation network: As at the end of the reporting period, SF Holding had about 58,000 directly-operated and outsourced vehicles for more than 130,000 long-haul and branch routes. The total number of vehicles for terminal collection and delivery was about 105,000 (excluding motorcycles and electric scooter/tricycles). Rail Speedy Express (极速达) services had been made available in 79 cities covering a total of 451 flow-directions. Two way express lines between Hangzhou and Guangzhou have been launched in October, with a total of 4 pairs of express lines (being 8 lines) launched. There are 119 standard railway lines in use. The first Fuxing High-speed EMU that fully used to deliver parcels in China, started its two-way trial operation from Beijing to Wuhan during the “Double Eleven” of E-commerce Golden Week in 2020. China Railway Express, as the partner of the trial operation, assisted to boost the development of high-speed rail freight, and provided reference direction for the construction of green transportation network in the future while releasing the pressure of peak capacity. By leveraging stable railway transportation capacity, the Company powered the dispatch and delivery of products with regional characteristics, and its cooperation projects included cherry, crayfish, hairy crab, Gannan navel orange, Golmud Goji Berry and other seasonal fresh. In addition to freight business, the Company has developed its capacity to regular dispatch and delivery of grain, chemical fertilizer, aluminum products and other bulk materials; also, the Company has developed its international business of China-Europe freight train by cooperating with China-Europe freight train platform companies in Xi’an, Yiwu, Xinjiang and other places.



Ground transportation network



Warehousing network: SF warehousing network consists of self-operated warehouse and franchise warehouse, the difference of which was positioned based on customers’ production, circulation, and consumer end. A national warehousing network resource layout was formed by a combination of heavy and light assets model, ultimately a warehousing network of efficiency, flexibility, and complementarities was created. SF Holding owns warehousing systems with independent intellectual property rights, automation equipment research and development capabilities, and storage planning and design capabilities. By realizing manpower digitalization, production capacity digitalization, operation digitalization and end-to-end visualization through the digital transformation of warehousing, functions of business planning, business decision-making and risk early warning are able to be improved, thereby the Company can effectively achieve substantial cost reduction and efficiency enhancement. Meanwhile, the Company improves its efficiency by studying of a variety of automation equipment integration and synergy, and realizes dynamic optimal scheduling and allocation of task priority by establishing a resource model and strategy through dynamic algorithm and automation engine. With the support of scientific and technological capabilities, SF warehousing network was able to meet the different demands of customers in various industrial segments in cooperation with SF Express and other SF ecological business, and provide customers with multi-scenario, end-to-end intelligent supply chain solutions.



Warehousing network



Self-operated
warehouse



Franchise
warehouse

SF Holding owned 228 self-operated warehouses of various types (including the New Havi cold-chain logistics center), with a total area of approximately 2.78 million square meters. The Company continued to strengthen the nationwide warehousing service network, consolidate the warehousing service capabilities of the industry benchmark, provide more customized supply chain solutions for warehousing and distribution based on scenario requirements of brand customers, and focused on industries such as 3C, FMCG, cold chain of food and pharmaceutical to constantly improve the innovation of warehousing and distribution integrated operation model. Meanwhile, the Company increased investment in automation equipment to complete the investment and optimization of automation equipment in warehouses across the network, which provides support for peak operations and significantly improves the capacity and efficiency. The warehousing system is continuously optimized and iterated, providing scientific and technological support for the development of customers with multi-industry and multi-scenario business. During the peak period of 2020, the e-commerce warehousing and distribution business volume of the Company increased by more than 100% year-on-year, and the operational efficiency and delivery quality continued to improve.

Shuangjie Supply Chain, a subsidiary of the Company, has 146 franchise warehouses, covering an area of 2.08 million square meters, which acted as a backup complementation to self-operated warehouse resource. As an open and independent supply chain service platform integrated with warehousing and distribution, Shuangjie Supply Chain, oriented to demands of e-commerce and new retails logistics, provides clients with a set of warehouse-based omni-channel (ToBToC online and offline) products, and empowers the franchise warehouses by warehouse management system and SOP process optimization and other lean management methods, in order to improve its operational capability and service quality.

Moreover, with existing e-commerce platform customers, SF International strived to establish overseas warehousing network by focusing on overseas markets with cross-border e-commerce development potential. At present, SF International has set up 12 overseas warehouses next to the ports in various overseas countries and regions, including Germany, United States, UK, Thailand, Russia, Poland and Estonia. Leveraging on domestic and overseas pickup and delivery network, warehousing, customs clearance, agency and other resources, SF International is able to provide one-stop import and export supply chain service for customers.

Customer service network: SF Holding is committed to developing cutting-edge customer service systems and service strategies, taking advice from customers and responding promptly to their needs; and to building a smart and digitalized service management platform, in order to provide them with professional, efficient and user-friendly services. SF Holding has four separate call centers, six industry claim centers, and some 1,000,000 customer calls are served on a daily basis. Customers have 24/7 access to internet-based self-service via WeChat mini apps, WeChat public account, the Company's official website, the SF Credit Account Management Platform and mobile apps.

Last mile service: By upholding the philosophy of providing better customer service, with its strong service outlets, SF Holding has expanded its service networks. On the other hand, SF Holding accelerated the layout of urban network and the building of lower-tier markets (i.e townships) network through diversified modes, such as urban delivery service outlets, service agency outlets in townships, logistics services sharing and co-allocation in rural areas, partners in counties and sharing network resources of China Post, in an effort to facilitate the pick-up and delivery service, and create an express service experience tailored to customers' needs. As of the end of the reporting Period, SF Holding established 50,000 terminal service outlets through cooperating with urban service outlets, service agency outlets in townships and property management companies, with 87.35% counties and townships covered, increasing 5.5 percentage points over the end of last year.

Hive Box Technology, in which SF Holding has invested as a shareholder, looked to explore and meet multi-scenario customized needs through technology application, covering delivery locker, smart micro warehouse, bag locker, government affairs cabinet and other smart end products. Hive Box Technology continued to

expand its coverage footprint in the express industry with unique momentum to develop the last mile of diversified service. Hive Box Technology has set up service outlets in 140,000+ communities in 200+ key cities, and has established 280,000+ locker outlets. So far, Hive Box Technology is home to 4.1 million registered couriers in aggregate, serving nearly 350 million customers.

Hive Box lockers, as part of the terminal delivery solution, are flexible and safe and able to meet customers' personalized receiving needs and improve customer's experience; it can also increase the delivery efficiency of the last mile service and will help the Company implement the contact-less delivery strategy for the last mile service, so as to enhance the efficiency of terminal delivery on the other hand. In response to the coronavirus pneumonia outbreak, Hive Box lockers are regarded as the major solution of safe shipping without physical contacts, with more packages put into lockers. Contact-less delivery helps consumers cultivate a habit of picking up packages from lockers, and is expected to speed up the development of smart locker industry.



3. Information network

SF Holding has independently researched and developed a complete set of smart network platforms. The set of all those platforms has covered all business segments and scenarios to enable business in a fast, flexible, safe and comprehensive manner, and has promoted logistics full chain information interconnection, which has created a smart and solid foundation for the diversified business development of the Company. Meanwhile, SF Holding has also been committed to the development and implementation of cutting-edge technologies, applied cutting-edge technologies such as big data, block chain, AI and Internet of Things to more practical business

scenarios, and supported new technology applications with cloud computing. SF Holding has adhered to user-oriented product design to enhance business performance and user experience, and enabled technology and products to be conscientiously implemented and better serve customers. Moreover, SF Holding has also integrated internal resources. Relying on massive internal and external data, SF Holding uses data and technology to make decisions and lead operations, and created SF's "intelligent brain", realizing data-driven technology and technology-enabled logistics. SF Holding achieved the integration of the three networks of "aviation + ground + information" into one network, providing support to unlimited business possibilities.

(V) SF is the largest integrated logistic service provider in China, providing independent third party supply chain solutions

SF Holding has been adhering to the development of a diversified network in recent years, which has accelerated its transformation from a single service provider (express) into the largest integrated logistics service provider in China and enabled service differentiation. It has witnessed a rapid development of businesses such as freight, intra-city and cold chain delivery service, with new business revenues accounting for 28.24% of total revenues. The Company has established industry-leading service standards and efficient, collaborative integrated logistics operation capabilities. SF provides customers with efficient and agile one-stop full-link service based on its profound insights into customers, diversified foundation capability building and powerful technological and ecological empowerment. Leveraging on its unique, scarce, autonomous and controllable "three-in-one" integrated logistics network infrastructure and key resources, as well as a stable and efficient operation and management model, SF provides customers with efficient and agile one-stop full-chain independent third-party supply chain service.

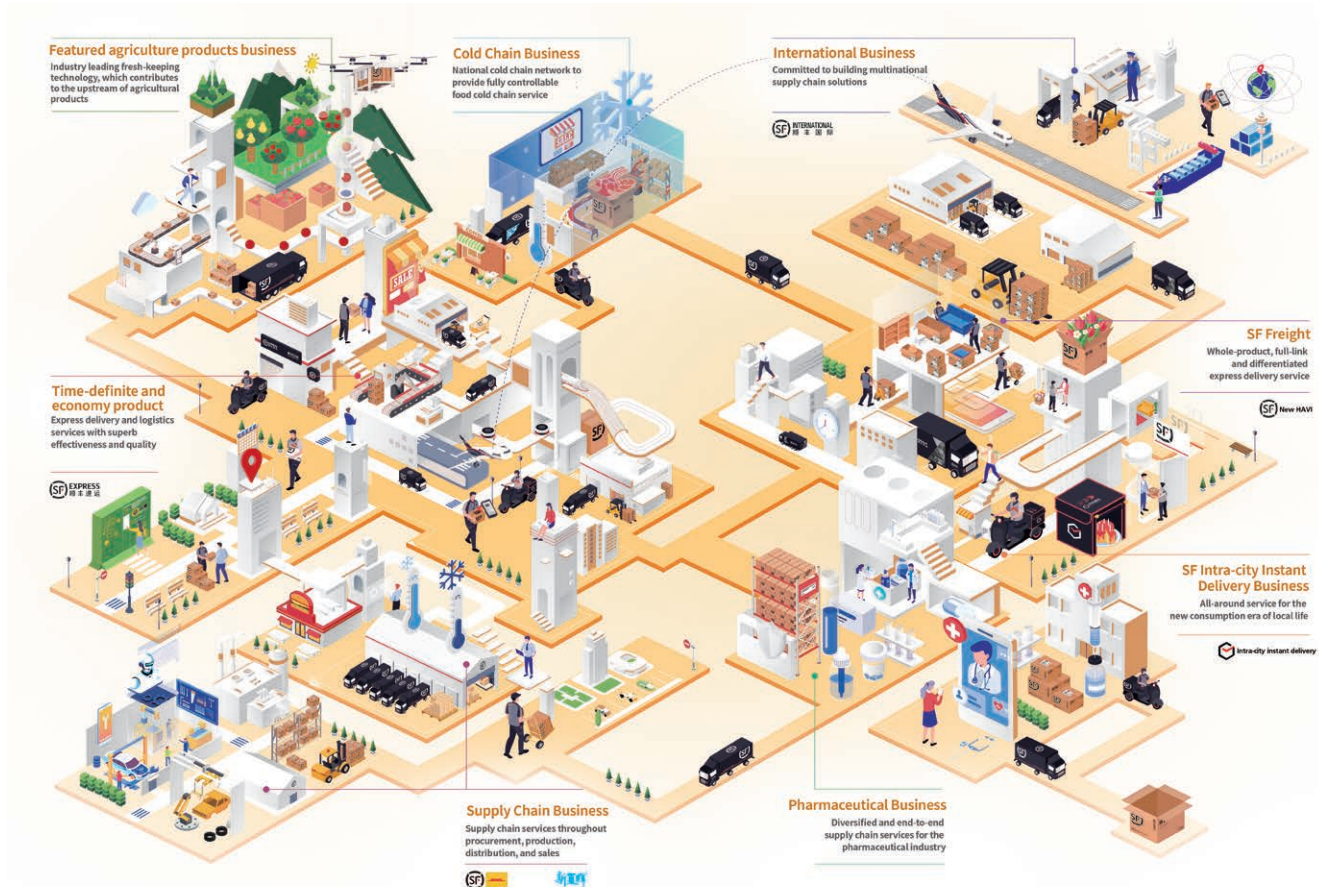
With the continuously rapid growth in its diversified business lines such as freight, cold chain and pharmaceutical transportation, and intra-city instant delivery, SF Holding has established an industry-leading network coverage in terms of depth and width, operational capabilities, innovation technology, service quality and brand image, ranking among the top by market share in the respective industries. SF continued to build core capabilities in overseas networks, customs clearance, sea, land and air multimodal transportation and other areas to further enhance its cross-border and overseas service capabilities by exploiting diversified modes such as self-operation, joint ventures and distributors. On the basis of diversified services, for years, the Company has maintained close contact with front-end customers and listened to their voices by leveraging its fully developed, efficient logistics network system. Meanwhile, by purchasing industry-leading supply chain enterprises, the Company

has established New HAVI and SF DHL. It has rapidly formed understandings and experience of the supply chain service industry. By taking advantages of others' strength, the Company has gained rapid insights into pain points of users in multiple industries. It continues to enable upgrade and iteration of products and services, and improves service quality and customer value.

At the same time, SF Holding has made arrangements in the technology field. It has realized step by step the transformation from physical to digital operations, by launching automation/unmanned equipment, wearable devices, information systems and IoT. On the basis of the above, the Company enables data transmission, accumulation and application by exploiting big data, visualization, AI and other technologies, provides customers with agile, efficient and stable digital supply chain services throughout the process of procurement, production, circulation, sales and after-sales to promote industrial chain upgrading and make digital technologies benefit entities in turn. SF Holding has also joined hands with industry-leading companies to leverage their respective advantages, share resources and jointly develop technical solutions. The Company has carried out exploration and expansion of customers and their upstream and downstream supply chains to pursue ecological cooperation.

The Company announced in February 2021 that it intended to acquire the controlling stake of Kerry Logistics Network Limited ("Kerry Logistics") (approximately 51.8% of the issued share capital of the target company and 51.5% of the fully diluted share capital) and cancel 51.8% of Kerry Logistics' share options that had not been exercised as at the final vesting date held by Kerry Logistics' share option holders on behalf of the Kerry Logistics. The closing of such transaction requires the satisfaction or exemption of certain prerequisites before the final deadline. The transaction, if successfully closed, will further improve the company's capability of integrating integrated logistics solutions and effectively supplement its resources and capabilities in international freight forwarding, customs clearance and other aspects. In combination with SF Holding's international cargo airline resources and the target company's extensive international freight forwarding network, this transaction will further strengthen SF's competitive advantage in international cross-border freight transport.

Scene graph of integrated logistics of SF

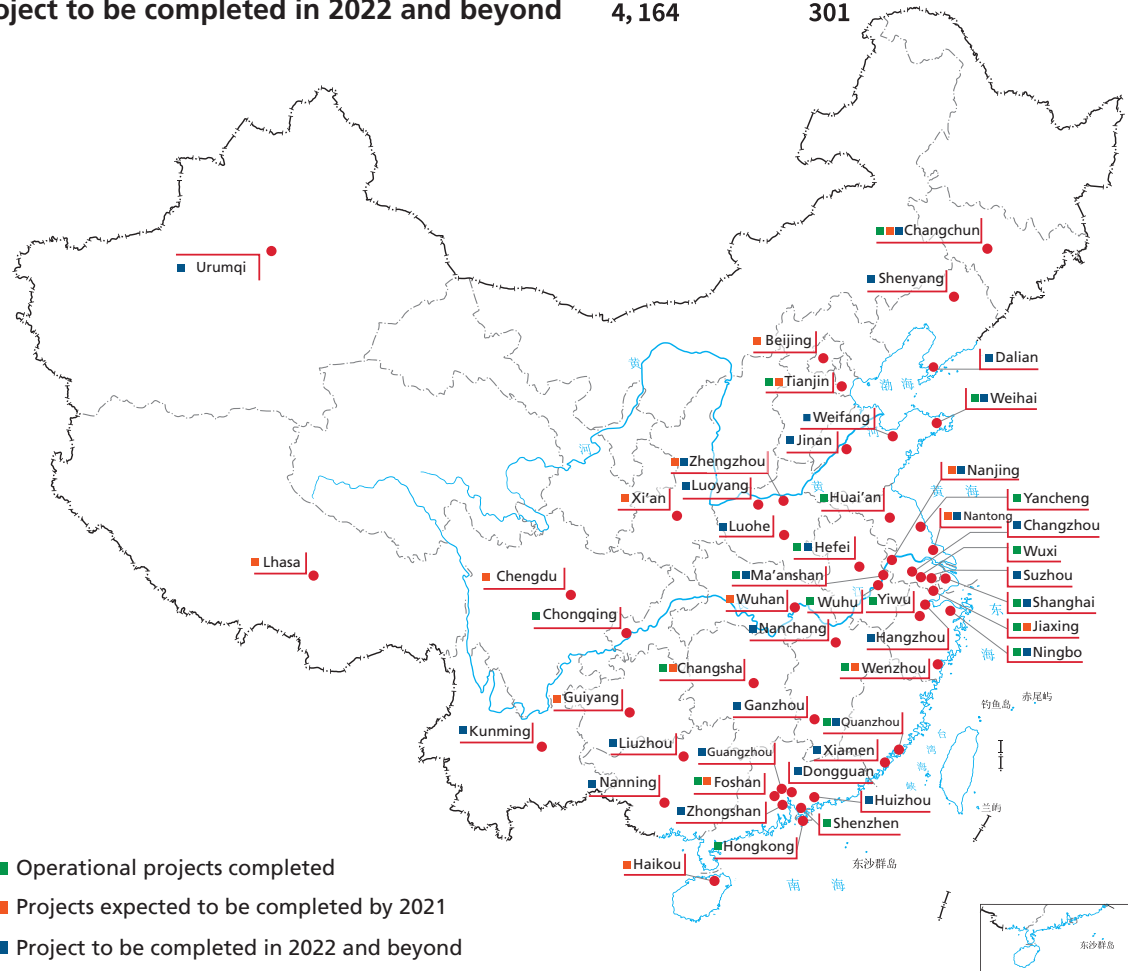


(VI) Prominent first-mover advantages on scarce logistics site resources to facilitate industrial upgrading

SF Industrial Park is committed to becoming an industrial park operator based on modern logistics. As an important part of its strategic layout, it will continue to diversify SF Holding's "ground network", to complete SF's key resources and services provided to customers. Actively responding to the requirements of the "14th Five-Year Plan" for the express delivery industry and the national "New Infrastructure" policy, the Company has built "smart logistics" parks and "technological innovation" parks providing services to more than 1,500 customers, while developing digital infrastructure industry chains such as "information network" and "transportation logistics network". It provides customers with a full range of comprehensive package services in warehousing, logistics, business flow, information and capital flows to optimize and upgrade their supply chains and empower their business development. As at the end of the reporting period, SF Holding has successfully laid out an industrial park project across 50 cities, and the logistics sites covered a land area of approximately 8,721 mu, approximately 1.72 million square meters were completed. It is expected that approximately 1.38 million square meters will be completed in 2021, in the next three years, the area under management and operation of SF Industrial Park will exceed 5 million square meters.

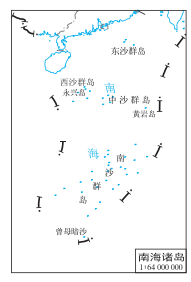
Resources of logistics sites: industrial park projects in 50 cities have been planned with obvious first-mover advantage

	Site area (mu)	GFA ('000 square meters)
Total scale	8,721	611
Including		
Operational projects completed	2,337	172
Projects expected to be completed by 2021	2,220	138
Project to be completed in 2022 and beyond	4,164	301



- Operational projects completed
- Projects expected to be completed by 2021
- Project to be completed in 2022 and beyond

Note 1: If a single city is marked by more than one icons, it means that the project is built in phases in that city or multiple projects are built in that city with different completion time.
 Note 2: The above data includes industrial park projects included in asset-backed special plans and logistics property development fund, which are operated and managed by the Company.



In order to revitalize the existing assets of industrial parks of the Company, satisfy the rolling development needs of projects, and accelerate the layout of industrial parks, the Company has built an asset management platform. It has been actively exploring asset securitization and other innovative asset operation modes for logistics industrial parks while reserving the right to operate and manage these assets. During the period 2018-2020, the Company issued ABS asset securitized products in respect of logistics property by way of shelf offering for three consecutive phases, to establish a special asset-backed plan for underlying asset, which took 10 projects located in nine cities (i.e., Shanghai, Wuxi, Shenzhen, Yiwu, Huai'an, Jiaxing, Yancheng, Quanzhou and Ningbo) as target assets. The target assets covers in aggregate, covering approximately 845 mu of land area with a total GFA of approximately 670,000 square meters. Such products has raised total proceeds of approximately RMB4.6 billion, and earned a total asset appreciation investment income of approximately RMB1.8 billion. In 2020, the Company explored the asset management model in respect of development under the development fund model. It cooperated with CITIC Capital to establish a logistics property development fund. The scale of such fund was RMB2.1 billion worth in US dollars. Quality logistics portfolios located in Beijing, Guangzhou and Zhengzhou was contributed into the fund as the project asset in the first phase, which covers in aggregate approximately 493 mu of land area with a total GFA of approximately 320,000 square meters. Additionally, in 2021, the Company is planning to establish a real estate investment trust by using its property assets as underlying assets and make the latter get listed on the Hong Kong Stock Exchange. In the future, the Company will continue to expand its innovative financing channels to offer further support for its strategic asset investments and increase its core competitiveness.

(VII) Warm, principled and productive SF culture

In SF's history of development, corporate culture is not just a belief, but more as a commitment and practice. It is reflected in every word and action of all SF employees, is expressed in every operating process, and has become a strong spiritual force that is embedded in SF's cohesiveness, competitiveness, and vitality. **1. SF's success is grounded in assisting customers to succeed:** SF has always been customer-oriented and is committed to providing customers with above expectation services, assisting customers to create value and achieve success. Since the outbreak of COVID-19, as one of the very few logistics service providers that can maintain normal operations and provide end-to-end whole-process services, SF Holding has joined the fight against the pandemic by regarding the fight as its unshirkable responsibility. Starting from customer needs, SF's customer support team has made every attempt to maintain safe and stable services for customers during the pandemic, thus winning trust from customers. **2. Innovation drives SF forward:** SF Holding advocates the culture of innovation, emphasizing that everyone and every move can be innovative. While improving productivity and service quality through research and development of new technologies, it has continuously introduced innovative service and solutions by keeping pace with market changes to provide customers with high-quality, efficient services. **3. Equality and respect uniting every heart:** SF treats every staff equally and with respect, respecting the value of their contributions, providing everyone with equal development opportunities and assisting staff to actualize personal value. **4. Be responsible proactively and fulfill the mission:** SF has always been participating in social welfare activities and proactively assuming social responsibilities. When natural disaster occurred, SF Holding actively devoted actively devote itself to disaster relief by exploiting its strengths. During the COVID-19 pandemic of 2020, SF Holding stood firm mobilizing its HR, transportation and financial resources to the fullest extent, provided a strong specialized assistance for the delivery of anti-pandemic materials and living supplies, and built "green channels" for the transportation of pandemic control supplies. SF Holding also encourages employees to take social responsibility. Upholding just and rightful acts, working for the public good, and other positive events occur more and more frequently among SF couriers. Wang Yong, the "most impressive courier", Yang Jingshan, the founder of a "volunteer service team" during the pandemic, Li Yuanping, who has donated blood for free for 22 years, and many other SF staff proactively shoulder social responsibility, conveying touching sensations. Serving customers and giving back to the society with the simplest actions and the most sincere beliefs are the social responsibilities of SF staff.

04

Management Discussion and Analysis of Business Operation

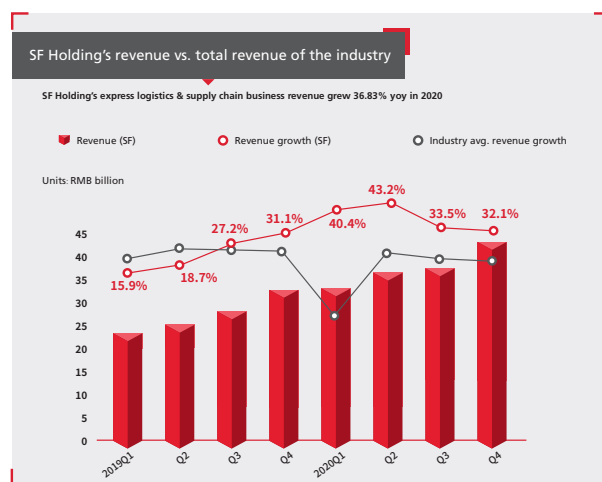
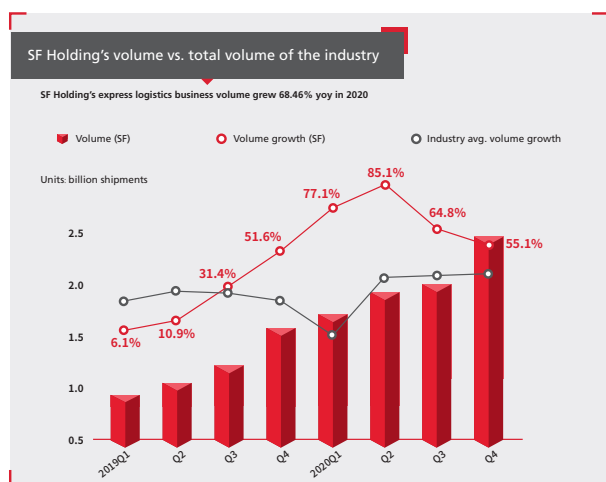


I. Overall Performance of the Company in 2020

(I) Overall financial performance

The company's forward-looking, industry-leading strategic layout has gradually erected defences over many years of development and operations. In the face of the COVID-19, the company's performance demonstrated strong overall operating and anti-risk capabilities, and its core advantages became even more evident. In 2020, the company actively responded to changes in the internal and external environments, turning crises into opportunities and expanding and exploring simultaneously, while also achieving good business growth. In 2020, the company achieved year-on-year growth by shipment quantity of 68.46%, far exceeding the 31.2% growth rate for the industry as a whole, and its market share increased to 9.76%, an increase of 2.15 percentage points over the previous year.

During the early stages of the COVID-19, SF Holding's robust and effective capabilities in terms of managing and controlling its network, its scarce resources ranging from all-cargo aircraft, through railway and high-speed rail routes and drones to Hive Box intelligent lockers, inter alia, as well as its diversified comprehensive logistics capabilities, mean that where ground transportation is impeded and contact delivery is at risk, SF Holding is able to guarantee the rapid resumption and stability of operations across its network, applying all of its resources to solve the express logistics difficulties experienced by their customers during the epidemic, and meet the overall transportation need for anti-epidemic supplies in wider society, as well as the daily life necessities of individual citizens. In the first quarter, the company defied the trend to achieve growth, and business volume grew 77.1% year-on-year.



Note 1: Data sources from state Post Bureau and announcements of the Company.

In the post-epidemic era, the penetration rate of e-commerce has continued to rise, and the trend towards an online shift of high-end consumption has accelerated. With the upgrading and transformation of the consumption structure, e-commerce marketing efforts moving down to lower tier markets and new industry trends such as the rise of second tier e-commerce and live e-commerce, the e-commerce market has maintained rapid growth. The company has seized market opportunities, continued to deepen its presence in its traditional business, and ushered in new space for growth. On the one hand, the company has continued to improve its product mix, enhance product differentiation, and keep up with market demand, while at the same time also energetically exploring the e-commerce express delivery market, rapidly increasing the scale of its business, driving the rapid growth of the company's overall business and significantly increasing its market share. On the other hand, the company has continued to lay the groundwork for its operating infrastructure, optimise its operating model, and enhance efficiency and quality levels. The company's time-definite express and economy product have achieved increased income with reduced expenditures, guaranteeing the company's high-quality, stable and healthy income and profit growth.

The company's freight, cold chain and pharmaceuticals, intra-city instant delivery and international express and other new business segments have continued to maintain rapid growth, achieving a compound growth rate of 64.5% over the three years from 2018 to 2020, further increasing their proportion of total operating income to 28.24%, and becoming the new engine driving the company's business growth. The company's comprehensive logistics services and supply chain services capabilities have been further enhanced.

The company's key financial indicators are shown in the table below:

Item	Indicator	Current reporting period	The same period for previous year	Increase/decrease over the same period for previous year
Shipment	Shipments of express logistic business ^{note 2} (billions)	8.137	4.831	68.46%
	Average revenue per shipment of express logistic business ^{note 2} (RMB)	17.77	21.94	-18.99%

Item	Indicator	Current reporting period	The same period for previous year	Increase/decrease over the same period for previous year
Income statement	Revenue (RMB billions)	153.987	112.193	37.25%
	Net profit attributable to shareholders of the parent company (RMB billions)	7.326	5.797	26.39%
	Net profit attributable to shareholders of the parent company after deducting non-recurring profit or loss (RMB billions)	6.132	4.208	45.74%
	Weighted average return on net assets	15.20%	14.86%	An increase of 0.34 percentage points
	Earnings per share (RMB/share)	1.64	1.32	24.24%

Item	Indicator	End of current reporting period	End of previous year	Increase/decrease over previous year end
Balance sheet	Total assets (RMB billions)	111.160	92.535	20.13%
	Total equity attributable to shareholders of the parent company (RMB billions)	56.443	42.420	33.06%
	Debt to asset ratio	48.94%	54.08%	A decrease of 5.14 percentage points

Note 2: "Express logistics business" includes the company's time-definite express, economy product, freight, pharmaceuticals and cold chain, intra-city instant delivery and international express business, but does not include supply chain and other segments.

Revenue: In 2020, the company generated total revenue of RMB153.987 billion and year-on-year growth of 37.25%, far higher than the industry growth rate of 17.3%. Our traditional business recorded increases in both business volume and revenue, of which, revenue from time-definite express generated year-on-year growth of 17.41%; revenue from economy product achieved year-on-year growth 64.00%, contributing more than 40% of the increase in overall revenue. Other business segments have continued to maintain rapid growth, with total revenue achieving year-on-year growth of 51.21%, and contributing more than 35% of the increase in overall revenue.

Profit: In 2020, the company generated a net profit attributable to shareholders of the parent company of RMB7.326 billion and year-on-year growth of 26.39%, and net profit attributable to shareholders of the parent company after deducting non-recurring profit or loss of RMB6.132 billion and year-on-year growth of 45.74%. The net margin attributable to the parent company after deducting non-recurring profit or loss achieved 3.98%, an increase of 0.23 percentage points compared to the same period for the previous year.

On the one hand, the company's business volume grew rapidly, the capacity utilisation rate increased, highlighting economies of scale. In line with changes in the business structure, the company has implemented an optimisation of its operating model at a steady pace (including measures such as the separation of handling processes from time-sensitive parcels and less time-sensitive parcels), gradually implementing improvements focusing on various areas such as collection, dispatch and transit, inter alia. These have significantly increased operating efficiency throughout the entire process. At the same time, the company has reaped the benefits of its continued investment in digitisation, smart and visualisation technologies, which have assisted organisational streamlining and ensured higher management efficiency, while the overheads ratio has continued to drop.

On the other hand, the company's land transportation products, such as economy express and freight product, have grown rapidly, and the proportion of this business has increased significantly. Land transportation network is also a capability foundation for providing efficient and agile one-stop supply chain service. For this reason, the company increased its resource investment in its land transportation network during the peak period in the fourth quarter, to expand its land transportation network capabilities. In addition, the company forecasts that all business segments will maintain rapid growth in the future, and it is therefore making advance plans in terms of key resources such as site upgrades and equipment automation, inter alia. These investments will generate cost pressures in the short term, but with the gradual increase in business volume and the expansion of its network scale, economies of scale will gradually be released and emerge after a certain ramp-up period.

During the early stages of the COVID-19, the company paid large amounts of employee incentives and subsidies as well as epidemic prevention and disinfection costs in order to ensure the rapid resumption of work as well as production safety. During the current normalised prevention and control phase, the company has continued to pay these epidemic prevention and disinfection costs. In response to the impact of the epidemic, the state has introduced a series of tax and fee reduction policies including VAT exemptions ^{note 3}, corporate social insurance reductions and exemptions, and vehicle toll exemptions, which have effectively alleviated the epidemic cost pressure on the company.

Note 3: According to Articles 3 and 5 of the *Announcement of the State Administration of Taxation of the Ministry of Finance on the Taxation Policy on Supporting the Prevention and Control of the Outbreak of COVID-19* (Announcement of the State Administration of Taxation of the Ministry of Finance No. 8 of 2020), taxpayers are exempted from VAT on the income derived from the transportation of key supplies for the prevention and control of the pandemic and that derived from the courier service for the delivery of essential living supplies to residents.

According to the segment report ^{note 4}, the company generated a total profit of RMB10.039 billion in 2020, of which the express segment accounted for a total profit of RMB12.284 billion, maintaining a healthy profit margin; while total losses in the freight and other segments came to RMB-1.158 billion and RMB-1.064 billion respectively, marking an increase in operating efficiency.

Unit: RMB billion

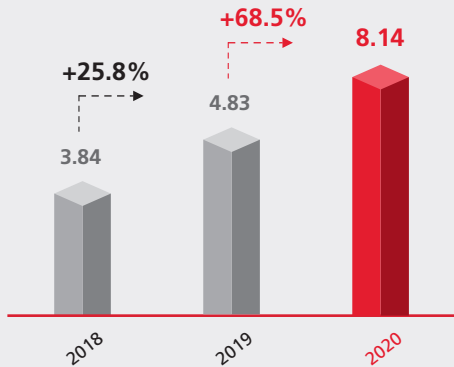
Items	Express segment	Freight segment	Others	Inter-segment elimination	Total
Revenue from external customers	123.397	19.337	11.253	–	153.987
Inter-segment revenue	9.872	3.041	6.572	-19.485	–
Total profit/(loss)	12.284	-1.158	-1.064	-0.023	10.039
Income tax expenses	3.296	-0.249	0.061	-0.001	3.107
Net profit/(loss)	8.987	-0.908	-1.125	-0.022	6.932
Gross profit margin	18.96%	-0.59%	9.92%	/	16.35%
Net profit margin	6.74%	-4.06%	-6.31%	/	4.50%

Note 4: We disclose segment information since 2020 annual report, see Note 7(a) to "Financial Statements in Chapter 12" for details. The freight segment mainly includes freight business, whereas the express segment mainly includes the time-definite express, economy product, pharmaceuticals and cold chain, and international express etc, and other segments mainly include intra-city, supply chain, other incubating new businesses and undistributed parts.

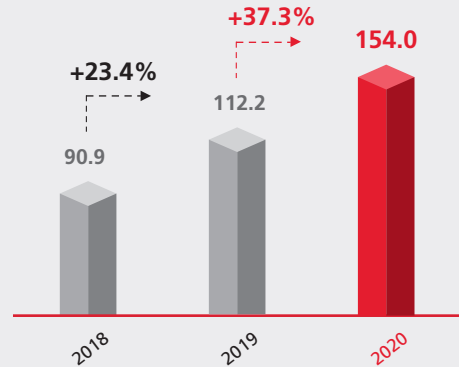
Financial status: As of the end of the reporting period, the company had total assets of RMB111.160 billion, an increase of 20.13% compared to the end of 2019. Net assets attributable to shareholders of the parent company totalled RMB56.443 billion, an increase of 33.06% compared to the end of 2019. The debt-for-equity swap of the publicly issued convertible corporate bonds issued by the company was completed in early August 2020, and the debt to asset ratio at the end of the company reporting period dropped from 54.08% as of 31 December 2019 to 48.94% as of 31 December 2020, maintaining a healthy debt level and a stable and optimistic financial status.

Operating results: both business volume and financial results continued to grow steadily

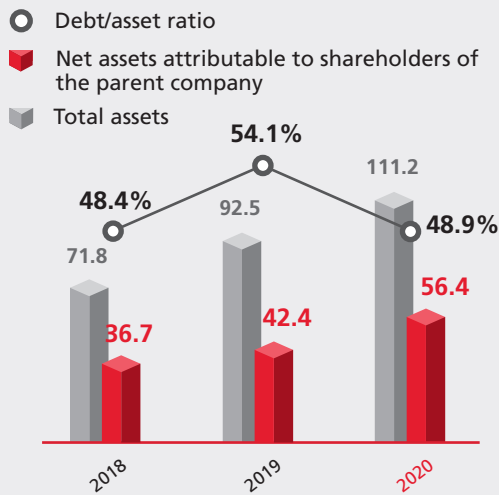
Shipment Unit: billion shipments



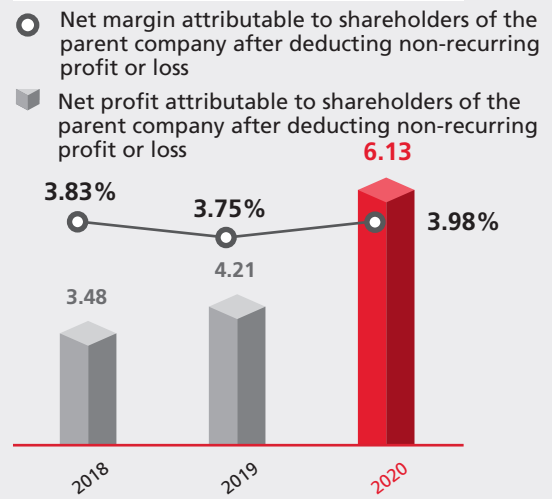
Revenue Unit: RMB billion



Assets Unit: RMB billion



Net profit attributable to the parent company after deducting non-recurring profit or loss Unit: RMB billion



(II) The traditional business grew rapidly, contributing sustainable and healthy revenue and profit

1. We adopted proactive marketing strategies and focus on both organic growth and expansion, striving to constantly improve customer experience and loyalty

In 2020, the company has continued to focus on industry characteristics, focusing on contextualisation, digitisation and further refinement, digging deeper into customer requirements, and continuing to improve its ability to serve its customers as well as the customer experience, and increase customer loyalty. At the same time, the company has continued to improve its product mix, refining its product and service standards, and using scientific pricing models to ensure reasonable and differentiated product pricing, improve product differentiation and promote operating model optimisation in order to ensure the quality, stability and health of customer and income growth.

Credit account customers: The company has upgraded a comprehensive credit account customers management system to cover all customers and full product sales in 2020, marking a significant improvement in customer loyalty. A management model has been built which is oriented by customer stratification, industry perspectives and scenario classification which relies on SF Holding's own logistics big data platform to achieve the process-wide visualisation and traceability of customer management data. This flattens customer demand channels while continuing to focus on the customer logistics ecological chain, dig deep into the upstream and downstream businesses of customers and their industry chains, combine products and logistics layer cross-selling, further increasing overall industry solution capabilities.

As of the end of the reporting period, the number of active credit account customers had reached 1.5 million. In 2020, revenue from credit account customers recorded year-on-year growth in excess of 30%, with a rapid increase in customers with monthly sales figures in excess of RMB10,000. The proportion of customers with monthly sales figures at the RMB1 million level has also gradually increased, while the portion of customers in the e-commerce field has further increased, and the customer structure has continued to optimise.

Retail customers: The focus has been on the expansion of C2C business contact points, deepening channel operations, improving the customer service experience, and creating a competitive online and off-line channel service experience. In terms of off-line channels, we have continued to expand our cooperation with socialised resources, further expanding and increasing the density of our network coverage in cities, towns and villages. Digitalised smart tools have helped to support the accuracy of our investments in business frontline resources. The continuous innovation and optimisation of our online channels has allowed us to provide users with a smoother and more convenient product experience, while on the other hand, continuous enhancements to our online operating capacity development have built a long-term, automated, precise and agile retention system which covers the entire user life cycle, which simultaneously incorporates a differentiated operating strategy, effectively increasing user loyalty.

As of the end of the reporting period, individual member numbers had reached 380 million, an increase of 52% compared to the end of 2019. There were almost 100 million online monthly active users, and the number of users exceeded 275 million, marking year-on-year growth of 12.4%. Of these, the number of single online orders recorded year-on-year growth of 77.71%.

2. We continuously consolidated the operating infrastructure, enhanced our core advantages and reduced costs and increased efficiency

In 2020, the company has encouraged process standardisation based on different products and its service standards to enhance competitiveness in market segments, continued to increase investment in smart and automation technologies, and optimised operating models across all links, furthering the integration of internal and external resources, in order to achieve increases in operating efficiency, timeliness and quality, while at the same time consolidating core advantages, and achieving reduced costs and increased efficiency. **Terminal outlets:** We have further increased the density of terminal outlet distribution in order to build new channels to penetrate lower tier cities and rural areas to achieve increased coverage rates, strengthen the integration of the outlet network and distribution capacity, and optimise outlet network operating costs, while at the same time combining the application of digital tools to significantly increase collection and delivery as well as a warehouse management. **Distribution network:** We have optimised distribution site planning and furthered site resource integration across all business segments. Investment in distribution automation equipment has increased, leading to a significant improvement in the automation coverage rate. Overall site daily processing peak order volumes have increased by 47%; we have also optimised processes and procedures in transit depots based on the changes of cargo volumes and cargo structures to reduce damage and to increase efficiency. The continued promotion containerized transport, regional direct distribution and shipping, direct delivery at transit depots and other models have effectively reduced pressure on the allocation and warehouse management links, and freed up on-site production capacity. **Transportation:** We have increased the controllability of our transport resources by increasing self-operated transportation capacity and also improving transportation outsourcing platforms. We have also increased our trunk loading rate by integration of long distance routes, integration of unilateral resources, and promotion of large vehicle models and Drop and Pull transport modes. Algorithm optimisation helped to transform low-load, high-cost routes into low-cost commercial flight resources, while at the same time, air-side direct collection, direct despatch and other models have continued to increase loading rates on our own all-cargo aircraft. In addition, the company has effectively promoted a collaboration and separation network model for time-sensitive parcels and less time-sensitive parcels in different scenarios, achieving reductions in costs and increasing efficiency, and enabling economies of scale. As of the end of the reporting period, 95% of preferential shipments were sorted at the customer site, and 47% of economy products were containerized distribution and transport. Trunk route filling, exclusive trunk routes for preferential goods, switchover to larger vehicles and other measures have achieved increased trunk loading rates and transportation efficiency.

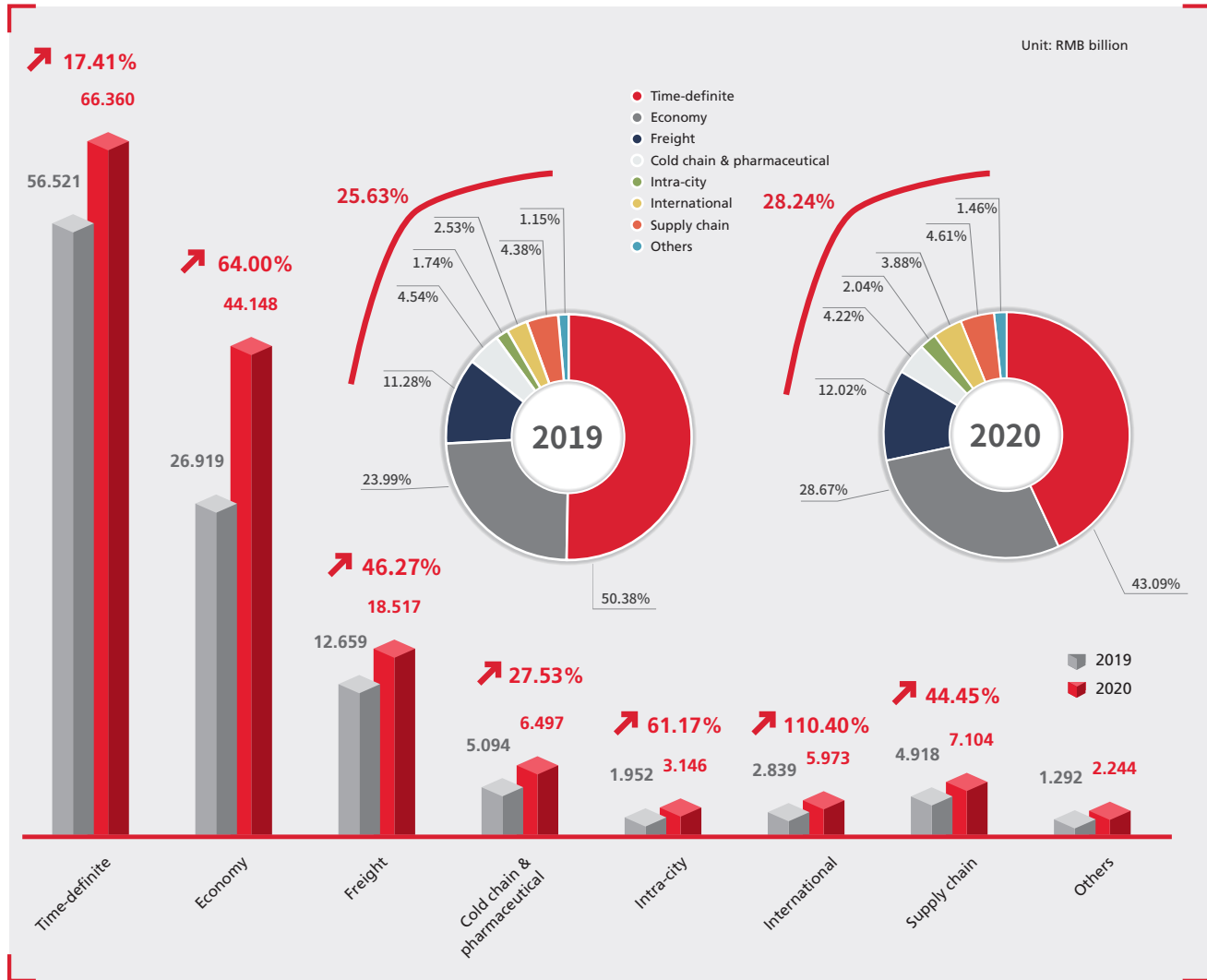
Thanks to these measures, collection and delivery efficiency increased by more than 20% year-on-year in 2020, while warehouse management efficiency increased by more than 30% year-on-year. Dedicated aircraft loading rates, trunk and branch line loading rates and linkage efficiency all increased to various degrees, and timeliness and customer satisfaction levels all increased year-on-year.

3. The traditional business has opened up new space for growth, achieving rapid growth and generating economies of scale

In 2020, the company's time-definite express business generated revenue of RMB66.360 billion and year-on-year growth of 17.41%. In the early days of the COVID-19, the company's rapid resumption of work ensured the delivery of epidemic prevention supplies and the daily life necessities of individual citizens, driving rapid growth in time-definite express shipments. In the post-epidemic era, the e-commerce penetration rate has continued to increase, the trend towards an online shift of high-end consumption has accelerated, and the company has seized market opportunities, fully tapping into high-end e-commerce needs. The use of time-definite express items by high-end e-commerce customer groups has grown significantly in business volume terms, and the company's time-definite express shipments have ushered in new growth momentum.

In 2020, the company's economy product business generated revenue of RMB44.148 billion and year-on-year growth of 64.00%, and year-on-year growth in business volume of 155.86%. The company has sustained its active economy express business strategy, and continues to energetically explore the market for e-commerce shipping, rapidly increasing the scale of its economy express business, driving a significant increase in the company's market share, and releasing economies of scale. With the upgrading and transformation of the consumption structure, e-commerce marketing efforts moving down to lower tier markets and new industry trends such as the rise of second tier e-commerce and live e-commerce, the e-commerce market has maintained rapid growth. At the same time, the e-commerce market has begun to demonstrate a certain degree of differentiation in terms of models, traffic, channels and products, inter alia, and growth in the company's economy express business has opened up new space for growth. The company has relied on advantages such as its network, brand and service walls to provide timely, high-quality independent third-party comprehensive logistics services to brand e-commerce customers, helping customers to reduce contract performance costs capital while also improving the consumer's logistics service experience, which feeds back into growth in the e-commerce customer's business.

(III) New business maintained its rapid growth, contributing to the formation of our industry-leading comprehensive logistics service capabilities



1. Freight

The less-than-truck-load industry in which SF Freight (顺丰快递) operates is a trillion-dollar market, which is in the stage of scale and accelerated industry consolidation. Unlike the highly concentrated and seemingly highly standardised and scaled express delivery industry, concentration in the less-than-truck-load industry is still relatively low, offering major potential for market development and integration. In line with the Made in China 2025 plan and the dual cycle development layout, national policy provides powerful support for Entity + manufacturing industries, leading to a continuous upgrading of industry structures and consumption. Market needs are gradually shifting to the high end of the supply chain, the personalisation of value, and value-added services, marking an excellent market opportunity for SF Freight (顺丰快递), which focuses on high-quality services and market-leading timeliness while at the same time also facing the market challenges of uneven industry service standards and increasingly fierce competition.

SF Freight (顺丰快递) has fully embraced these market developments and changes. While maintaining the operation of its SF Freight (顺丰快递) and SX Freight (顺心捷达) brands, it has accelerated the business integration of the SF Freight (顺丰快递) directly operated network and the SX Freight (顺心捷达) franchise network, incorporating SF Holding's high-quality genetic heritage, and continuing to optimise its business structure and service system, actively expanding large-ticket, long-distance dedicated vehicles, metropolitan freight and other scenario services as we expand our business services and set new standard levels for industry services. The integration of these dual networks and resources opens up links along the entire business chain for customers, ranging from raw material procurement to product sales, achieving the integration of the supply chain. On the one hand, the direct sales system continues to consolidate delivery scenarios and service capabilities targeting the medium-to high-end, providing a comprehensive upgrade of products and services, solving industry bottlenecks such as large-scale supply chain and door-to-door, warehousing and other services to the B-end, and personalisation scenarios providing home installation and other expanded one-stop services to the C-end. On the other hand, building and strengthening the mid-end business services network through the franchise system will provide customers with consistently high-quality and timely cost-effective products and services, achieving all-round business coverage. In addition, we will also accelerate cooperation with high-quality social logistics resources and the construction of comprehensive supply chain delivery capabilities, expand large-ticket allocation, dedicated vehicle transportation, metropolitan freight and other comprehensive service systems for the full supply chain scenario, in order to meet ever more diverse market needs with an ever higher-quality service experience.

In 2020, SF Freight (顺丰快递) has continued to improve our investment in field and line resources, upgrading and automating equipment and consolidating our operating infrastructure, and timeliness has continued to improve. On the end-user side, we are introducing home-installation services, operating these ourselves in 26 hub cities, and introducing a total of 21 service providers, establishing differentiated competitiveness in terms of end-user delivery and installation as we build a delivery and installation service network with nation-wide coverage which provides customers with one-stop services. As of the end of 2020, SF Freight's (顺丰快递) self-operated and franchise network comprised a total of 185 transit depots (including collection and despatch

points) and approximately 1,500 collection and delivery points with a total surface area of more than 3.3 million square meters, and daily loading capacity of 215,000 tonnes, an increase of 69.3% compared to the end of 2019. We operate 2,911 trunk routes, 10,902 branch routes, a network of 10,130 franchise outlets, and provide business coverage across 32 provinces and 365 major cities and areas nationwide.

In 2020, SF Freight (顺丰快递) established a technology subsidiary, which relies on the SF Holding group technology infrastructure and leverages SF Holding's early investment in technology. On the basis of the low-cost replication and promotion of SF Holding's wealth of experience in logistics technology applications, we have created a smart digital technology infrastructure suited to the entirety of our collection, transshipment, despatch and delivery chain of freight business scenarios, continuously seeking out and improving optimal network timeliness, cost and quality solutions, particularly in terms of operations planning. We use algorithmic models to provide advance cargo volume forecasts, optimal network planning, precise resource investments, and have continued to increase operational efficiency and service quality with the assistance of technology.

In 2020, the freight business generated a revenue of RMB18.517 billion and year-on-year growth of 46.27%. Overall LTL cargo volume for the year recorded year-on-year growth of in excess of 70%, with a single-day peak cargo volume of 69,000 tonnes, marking year-on-year growth of 103%, including a directly operated single-day cargo volume peak of 45,000 tonnes, marking year-on-year growth of 96%, and a franchise single-day cargo volume peak of 24,000 tonnes, marking year-on-year growth of 118%. Our revenue scale and business growth rate rank first among the main LTL market players.

2. Cold chain and pharmaceuticals

According to experts from the Cold Chain Logistics Professional Committee of China Federation of Logistics and Purchasing, the total scale of China's cold chain logistics market was expected to reach RMB383.2 billion in 2020, representing a year-on-year increase of 10.3%; the total cold chain demand will exceed 265 million tonnes. In 2020, with the long-term explosion in demand for retail fresh food during the epidemic and the ongoing recovery of chain restaurant consumption, cold chain logistics market demand is once again being unleashed after a short-term downturn. At the same time, government bodies and consumers have significantly raised their estimation of the value of cold chain logistics, and a series of industry policies are being promulgated. With supervision of the industry now high on the agenda, cold chain logistics will soon turn and transform from its chaotic past to a high-threshold, newly rebuilt, highly integrated and highly supervised phase.

Over the years, SF Holding has established a nationwide food cold chain network with absolute advantages in terms of network coverage. Its cold chain technology and implementation standards are industry leaders, relying on a robust transportation network, leading warehousing services, intelligent compartmentalised warehousing solutions, professional temperature control technologies and advanced system management to provide customers with professional, safe, bespoke and efficient process-wide controllable cold chain services, covering food industry production, e-commerce, distribution, retail and other areas. In May 2020, two industry standards, the drafting of which SF Holding was involved in, were awarded the Shenzhen Standards Regional Special

Fund Award. In August 2020, the China Federation of Logistics and Purchasing's Cold Chain Logistics Expert Committee released its "2019 China Cold Chain Logistics Top 100 List". SF Cold Chain has ranked first for the past two years.

In 2020, benefiting from the massive growth in non-contact online consumption, SF Cold Chain's B2C products business reported solid levels of growth. At the same time, the company has continued to expand the B2B market, and its overall refrigerated transport business has continued to grow in scale. Similarly, SF Holding has continued to strengthen its cold chain warehousing and trunk network, further increasing network coverage, operational efficiency and service quality. On the one hand, the integration of multiple models with SF express's collection and delivery networks, self-operated and outsourcing resources has enabled further expansion of the terminal network, and increased network coverage. On the other hand, the optimisation of cold chain warehousing sites, the upgrading of operating standards, an increase in the introduction of automation and other measures have further increased operating efficiency and service quality. As of the end of the reporting period, SF Holding operates 26 comprehensive high-standard cold-storage facilities integrating multiple temperature zone management and distribution, with operating areas covering 150,000 square meters, and an advanced vehicle GPS global positioning and real-time on-board temperature control monitoring system for process-wide temperature control.

Additionally, SF Holding has continued to boost the upward trend for agricultural products, actively responding to calls from governments at all levels to assist the agricultural community, coordinating with governments, production area associations and others in the organisation of 31 local events focusing on logistics or production and sales for lychees, beef, mutton and other major agricultural products; we help farmers to promote special product brands, and have to date issued a total of 3,900 press releases, reaching a readership of more than 312 million persons/times. SF Holding relies on its own logistics network, timeliness, packaging and preservation technology and other advantages, and has continued to focus on the B2C industry chain, using our compartmentalised warehousing, on-site distribution, seamless air & land docking and other models to further increase timeliness and quality, and reduce customers' overall logistics costs. At the same time, we have further expanded into the B2B services market, consolidating SF Holding's market position in the fresh food segment. Our customers have recognised our contributions to a variety of products including Yantai cherries, Lingnan lychees, Xianju bayberries, Wuxi peaches, and mutton from Inner Mongolia, and the business growth trend is healthy.

With the furthering of national pharmaceutical reform and the need for normalised epidemic prevention and control, pharmaceutical distribution channels will rapidly undergo flattening and in-depth development. The service capabilities and quality & safety requirements of pharmaceutical logistics companies will undergo unprecedented improvement. The pharmaceutical logistics industry will gradually transform from a fragmented, small, disorganised state with multiple small-scale players offering very uneven operational quality to a more intensive, scaled future, and pharmaceutical logistics companies will urgently need to increase their supply chain-wide integration and emergency management capabilities, improving their synergy levels while accelerating the pace of development of informatisation, intelligence and digitisation.

Relying on its own logistics network, technology foundation and leadership experience in intensive resource management, SF Holding has continued to improve, expand and widen its pharmaceutical services network to provide customers with professional, safe, process-wide controllable end-to-end pharmaceutical logistics supply chain solutions and services, and has already achieved coverage across multiple fields ranging from pharmaceuticals industry production, commerce, e-commerce, distribution, clinical and other areas. As of the end of the reporting period, SF Pharmaceutical's network covered 240 prefecture-level cities and 2,068 districts and counties, and operated 12 pharmaceutical warehouses (10 GSP-certified pharmaceutical facilities and 2 bespoke warehouses) with a total area of approximately 170,000 square meters. Fifty pharmaceutical transportation trunk routes link hub cities nationwide, and we also operate an industry-leading logistics information system and in-house developed TCEMS process-wide visualisation and monitoring platform.

In 2020, the company has continued to cultivate customers in the pharmaceuticals sector, and its pharmaceuticals business has continued to maintain rapid growth, with income doubling year-on-year, achieving solid results in service timeliness, service quality and cost control terms. SF Pharmaceutical has also gradually shifted from solely transporting pharmaceuticals to become a diversified, end-to-end supply chain logistics service provider, comprehensively deepening and upgrading its cooperation with pharmaceutical manufacturers, distributors, vaccine makers, disease control centres and hospitals at all levels, chain store pharmacies, pharmaceutical e-commerce and other businesses across the industry chain. Against the background of the prevention and control of the COVID-19, there has been a surge in demand for the home delivery of drugs from the C-side, and the Web medicine and DTP pharmacy markets have developed as never before. SF Holding cooperates with major Chinese Web hospitals and DTP pharmacies in the provision of 'last mile' services to patients. We have continued to make breakthroughs in cold chain transportation for clinical investigations, such as biological samples, as well as vaccine supply chains and smart pharmaceutical logistics, and we provide high-quality storage facilities, transportation, process-wide quality traceability and other pharmaceutical cold chain supply chain services for vaccine makers and disease control centres. While ensuring the domestic transportation of pharmaceuticals, SF Holding's pharmaceuticals business has gradually embarked on new initiatives in the sphere of international pharmaceutical transport services, formulating bespoke logistics solutions for the export of coronavirus vaccines able to provide process-wide, door-to-door, port-to-port, and door-to-port services, leveraging the advantages of a transportation network at the domestic end and a self-operated air service operating model to guarantee the cost and quality of services.

In 2020, the Company's revenue from the cold chain and pharmaceutical business amounted to RMB6.497 billion, representing a year-on-year increase of 27.53%, maintaining its rapid growth.

3. Intra-city instant delivery

With the continued upgrading of lifestyle services, and rapid changes and iterations in consumption habits, service scenarios and sales channels, local life has entered a new era of consumption. In this new consumption era, trends such as the privatisation of traffic flows, commercial branding and e-commerce marketing efforts moving down to lower tier markets have become increasingly evident, and consumers now have higher personalized expectations for “instant” shopping, spawning a vast range of demands for instant delivery services. Instant logistics, a core infrastructure function in local life, continues to expand the boundaries of our business, has continued to maintain rapid growth, and offers huge future market potential.

SF’s intra-city instant delivery service is committed to building a third-party real-time logistics platform featuring “high quality, high efficiency and full scenario” under the concept of “professional and user-friendly delivery”, which already provides a full-scenario delivery system covering catering, supermarkets, fresh food, apparel, pharmaceuticals, household electricals and electronics, and urgent office supplies, inter alia, serving in excess of 300,000 merchants and 100 million individual users. In 2020 the number of participating brands registered year-on-year growth in excess of 300%.

In 2020, SF Intra-city has consistently focused on its customers’ needs, and has continued to improve its “all-product, all-scenario, and all-time” product mix, further fine-tuning its bespoke solutions targeting different sub-sectors, and bringing comprehensive improvements to its multi-industry service capabilities; we have further identified the pain points of individual users, providing one-stop solutions for the lifestyle needs of C-side users through our delivery, collection, purchase and processing services. At the same time, we have accelerated our expansion into lower tier markets, with nationwide network coverage exceeding 500 cities, helping ever larger numbers of merchants to upgrade and iterate their business models. We have also continued to extend logistics links such as ‘last mile’ delivery and urban supply chains, achieving balanced order distribution across all time segments, distances and product types, helping to increase delivery efficiency.

In addition, SF Intra-city is committed to customer and rider satisfaction, and has continuously introduced innovative technologies centred around its own intelligent integration despatch system, leveraging the smart, refined allocation of shopfront, commercial area and city-wide capacity to achieve the effective integration of diverse capacities, making us not only able to process orders with confidence even at peak periods and in any weather, but also highlighting the scale effect. This results in a dual increase in performance quality and rider efficiency, and our customer and rider satisfaction levels have consistently achieved industry-leading rankings.

In 2020, revenue from the Company’s intra-city delivery business amounted to RMB3.146 billion, representing an increase of 61.17% over the same period last year, much higher than the average growth rate of the industry.

4. International Express

SF International is committed to providing convenient and reliable logistics services, such as international express delivery, international e-commerce parcels, international freight forwarding, international warehousing, goods consolidation and forwarding services, for domestic and foreign manufacturers, trading companies, cross-border e-commerce companies and consumers. In addition, we can provide integrated and customized import/export supply chain solutions, including market access, transportation, customs clearance, delivery, warehousing and system, based on our customers’ needs. In October 2020, SF International provided the cross-border transportation for a first batch of 4,000 live sheep donated by Mongolia to China. This shipment was completed to a high level of quality thanks to our expansive operating network and robust resource scheduling capabilities.

SF Holding’s international courier business has continued to grow. As of the end of the reporting period, SF International’s courier business served 78 nations and regions around the world, having added 16 new countries in Africa, South America and Southeast Asia since the end of 2019, including Kenya, Argentina, and Laos. We have also newly launched transportation services for international preferential distribution products and epidemic prevention supplies. SF International’s e-commerce business covers 225 countries and regions around the world. We rely on our self-operated international air transport resources, our own customs clearance guarantee capabilities, overseas local service teams and logistics networks to fully ensure the stability of our cross-border logistics operations, and at the same time, we are exploring multi-faceted cooperation with leading cross-border e-commerce platforms, achieving business stable growth.

In 2020, SF International has worked vigorously to develop its international freight business, and has continued to strengthen its system and network chassis capabilities. This has included a focus on exploring export routes from China to the USA and Europe, introducing first-class freight forwarding services in major ports, guaranteeing the availability of shipping space and containers, as well as the whole-hearted development of high-quality rail routes from China to Europe and Russia. In order to respond to urgent external market demand for epidemic prevention supplies and other international cargo air transport needs, SF International has rapidly opened up 30 new international all-cargo aircraft routes including from China to the Americas, Europe, and South and Southeast Asia. In 2020, our all-cargo aircraft carried a total volume of approximately 90,000 tonnes on international routes.

SF International provides its customers with full-scenario, integrated, self-controllable international supply chain solutions to help Chinese enterprises complete their overseas layout and help overseas brands expand at home and abroad. In 2020, SF International successfully established a number of overseas supply chain warehousing and distribution projects and cooperative relations with several industry-leading businesses to build bespoke, integrated, technology-driven supply chain logistics service capabilities, giving new momentum to SF Holding’s overseas business. SF International will continue to promote the development of China’s bonded port areas business, pursue the cultivation of the market, and leverage the assistance of technology and resource integration to provide customers with multiple-scenario, full-routing, customized bonded logistics solutions.

In 2020, the revenue from the Company's international express business amounted to RMB5.973 billion, representing a year-on-year increase of 110.40%, making it the fastest growing business segment of the Company.

5. Supply chain business

In 2020, the company leveraged its explorations of the supply chain business and customer practices, combined with SF Holding's DNA (its digitisation, standardisation, and product focus), to build and gradually improve its focus on helping corporate customers to achieve new direct-to-consumer (D2C) growth more effectively. Three major standardisation and modular digital product systems—big data decision-making, smart supply chains and omni-channel operation—are continuously being optimised and iterated, and these have already been rapidly promoted in the world's top 500 companies in the fast-moving retail, footwear, apparel and beauty, high-end industrial manufacturing and other industries and growth companies. SF Holding has also continued to empower New Havi and SF DHL with technology as well as synergies within SF Holding's network and resources, driving the digital transformation and upgrading and new business growth of them.

SF Holding has joined forces with leading domestic businesses to innovate in the creation of a new "e-commerce shared inventory" model, whereby the construction of informatisation platforms, AI intelligent analysis and the integration of warehousing and distribution achieve recycling, controllability, optimisation and sharing within the channel inventory, increasing business management capabilities in terms of out of stock rates, supply response, inventory levels, and product freshness, inter alia. At the same time, we have partnered with global industry-leaders in order to innovate, working together to create a new generation of smart shop front inventory management systems based on big data, artificial intelligence and the Internet of Things technologies, sales forecasting and automated stock replenishment systems, one-stop smart operation management supply chain platforms and network optimised designs in order to provide more effective access to terminal front-end networks and O2O omni-channel intelligent distribution and other practices, achieving significant results in terms of improvements to the customer experience, the optimisation of operating efficiency and costs, and sustainable development, inter alia, in order to better empower omni-channel B2B2C business model innovation. For growing SMEs, we provide SaaS deployment of digital products, end-to-end supply chain operation and maintenance, and agile technology solutions ranging from design drawings to logistics landing, enabling core digital management capabilities, big data decision-making capabilities covering areas such as the consumers, the platform, production selection and inventory, and then production, helping SMEs achieve new, rapid high-quality growth.

Based on a multi-tier safety management system, New Havi has established a comprehensive crisis management emergency plan, effectively guaranteeing the safety of employees, goods and operations, as well as service quality are maintained at high levels across the entire supply chain. While maintaining high-efficiency, high-quality services, New Havi has implemented a diversified development strategy, making significant progress in business development, market integration and strategic project implementation. Their scope of services and geographic areas have expanded continuously; their in-depth integration with all segments of SF Holding has enabled strategic integration at the business level, successfully completing a number of strategic projects, and achieving solid levels of growth in terms of customer volume and business income. New Havi has received numerous industry accolades, including awards such as the China Federation of Logistics and Purchasing's Cold Chain Logistics Expert Committee's "2020 China Cold Chain Enterprise of the Year", ranking fourth in the "2019 China Cold Chain Logistics top 100 Companies", and the China Materials Storage and Transportation Association's "2020 Digital Supply Chain Technology Pioneer Award".

The COVID-19 has brought challenges and uncertainty to many corporate customers. Thanks to the synergies in the local and global network resources of the SF Holding network and Deutsche Post's DHL-Dunho Group, SF DHL has provided customers with stable, reliable support for their supply chains, increasing the flexibility and resilience of customer supply chains. At the same time, SF DHL has used the SF's technology resources to continue to optimise supply chain platforms and digitally integrate every link of the supply chain in order to drive the unification of business scenario information and data, and the transformation of operational modules. They have also made use of automated logistics products to continue increasing the efficiency of customer supply chains, helping customers to transform their supply chains. At the same time, they have formed a product mix based on digital innovation in key industries, providing customers with stable, reliable technology supply chain solutions. As the width and depth of cooperation with customers has increased, SF DHL's business has continued to maintain good levels of growth, significantly ahead of the industry level, and new business signed has doubled year-on-year.

In 2020, the revenue from the Company's supply chain business as a whole amounted to RMB7.104 billion, representing a year-on-year increase of 44.45%, staying ahead of its peers in the industry.

II. Analysis on Main Business

1. Overview

For details, please refer to “I. Overall Business Performance of the Company in 2020” under the section “Chapter 4 Management Discussion and Analysis of Business Operation.”

2. Revenues and costs

(1) Composition of revenue

Unit: RMB

	2020		2019		Increase/ Decrease over the previous year
	Amount	Proportion of Revenue	Amount	Proportion of Revenue	
Revenue	153,986,870,053.07	100%	112,193,396,064.26	100%	37.25%
Categorized by industry					
Express logistic and supply chain	151,743,162,336.64	98.54%	110,901,420,494.93	98.85%	36.83%
Sales of goods	1,180,983,047.56	0.77%	491,341,448.53	0.44%	140.36%
Others	1,062,724,668.87	0.69%	800,634,120.80	0.71%	32.74%
Categorized by product					
Time-definite Express	66,360,096,917.89	43.09%	56,521,076,407.79	50.38%	17.41%
Economy Product	44,147,509,817.60	28.67%	26,918,501,648.58	23.99%	64.00%
Freight	18,516,572,808.91	12.02%	12,659,184,236.99	11.28%	46.27%
Cold Chain and Pharmaceuticals	6,496,794,966.65	4.22%	5,094,175,561.14	4.54%	27.53%
Intra-City Instant Delivery	3,145,514,366.69	2.04%	1,951,653,245.62	1.74%	61.17%
International Express	5,972,545,517.49	3.88%	2,838,674,340.03	2.53%	110.40%
Supply Chain	7,104,127,941.41	4.61%	4,918,155,054.78	4.38%	44.45%
Others	2,243,707,716.43	1.46%	1,291,975,569.33	1.15%	73.66%
Categorized by region					
Express logistic and supply chain – East China	43,588,871,247.87	28.31%	32,996,462,227.63	29.41%	32.10%
Express logistic and supply chain – South China	40,793,889,389.82	26.49%	26,517,373,005.14	23.64%	53.84%
Express logistic and supply chain – North China	31,254,428,330.91	20.30%	24,392,054,281.78	21.74%	28.13%
Express logistic and supply chain – Central China	19,708,732,304.16	12.80%	14,605,364,245.05	13.02%	34.94%
Express logistic and supply chain – West China	12,037,635,572.20	7.82%	8,876,612,296.57	7.91%	35.61%
Express logistic and supply chain – Hong Kong and Macao	2,945,920,614.21	1.91%	2,390,221,110.22	2.13%	23.25%
Express logistic and supply chain – Overseas	1,413,684,877.47	0.92%	1,123,333,328.54	1.00%	25.85%
Sales of goods and others	2,243,707,716.43	1.46%	1,291,975,569.33	1.15%	73.66%

Note 1: Product revenue and district revenue in the preceding table have not been audited.

Note 2: Any discrepancies in the above table between totals and sums of the amounts are due to rounding.

(2) Industries, products, or regions accounting for more than 10% of company revenue or operating profit

Applicable Not applicable

Is the Company required to comply with disclosure requirement of a particular industry?

Yes

Express Delivery Service Industry

The Company is required to comply with the disclosure requirements presented in the *Shenzhen Stock Exchange for Industrial Information Disclosure No.9 – Listed Companies Engaged in the Express Delivery Services Business*.

Unit: RMB

	Revenue	Cost of revenue	Gross Profit Margin	Revenue Increase/Decrease over the previous year	Cost of revenue Increased or Decreased over the previous year	Gross Profit Margin Increased or Decreased over the previous year
Industries						
Express logistic and supply chain	151,743,162,336.64	126,907,806,028.98	16.37%	36.83%	38.52%	-1.02%

During the reporting period, the Company has accounted its operation costs according to the nature of resources consumed appropriately. However, a fair and accurate allocation of cost by product or by region has not been possible. It was because the express and logistics industry itself was basically a complex network, by highly connection, overlaps in different types of resources consumed, all direction of waybills, a tremendous number of customers, highly crossover of different types of resources fully shared.

Where the Company's statistical criteria for core business data are adjusted during the reporting period, the core business data for the most recent year have been adjusted based on the statistical criteria effective as of the end of the reporting period

Applicable Not applicable

(3) Was the Company's sales of goods greater than sales of service?

Yes No

(4) Fulfillment of significant sales contracts signed by the Company as of the reporting period

Applicable Not applicable

(5) Composition of cost of revenue

Categorized by industry

Unit: RMB

Industries	Items	2020		2019		Increased or Decreased over the previous year
		Amount	Proportion of cost of revenue	Amount	Proportion of cost of revenue	
Express logistic and supply chain	Cost of revenue	126,907,806,028.98	98.52%	91,617,157,215.40	98.89%	38.52%
Sales of goods	Cost of revenue	1,130,999,451.98	0.88%	482,862,092.06	0.52%	134.23%
Others	Cost of revenue	771,227,766.62	0.60%	549,596,898.23	0.59%	40.33%

The comparative analysis of the Company's cost of revenue is as follows:

Unit: RMB

Items	2020		2019	
	Amount	Proportion of cost of revenue	Amount	Proportion of cost of revenue
Employee benefits	13,046,691,833.67	10.13%	11,692,216,186.23	12.61%
Outsourcing cost	80,840,150,564.15	62.76%	53,827,532,749.52	58.10%
Transportation cost	14,263,861,120.35	11.07%	10,394,570,267.65	11.22%
Office and rental fees	7,465,496,828.14	5.80%	6,455,617,411.18	6.97%
Packing and Material expenses	4,614,122,881.32	3.58%	3,909,254,092.06	4.22%
Depreciation and amortization expenses	4,444,782,411.36	3.45%	3,740,987,283.14	4.04%
Cost of revenue of goods	1,130,999,451.98	0.88%	482,862,092.06	0.52%
Customs costs	374,554,515.27	0.29%	284,526,670.27	0.31%
IT and information platform expenses	437,123,188.64	0.34%	333,076,877.40	0.36%
Claims expenses	1,164,674,406.24	0.90%	845,900,713.64	0.91%
Travelling and transportation expenses	95,428,535.62	0.07%	90,401,458.35	0.10%
Taxes	7,920,520.11	0.01%	5,015,598.60	0.01%
Others	924,226,990.73	0.72%	587,654,805.59	0.63%
Total	128,810,033,247.58	100.00%	92,649,616,205.69	100.00%

(6) Did the scope of consolidation change during the reporting period?

Yes No

For details about the changes in the Company's scope of consolidation in 2020, refer to "V. Changes in the Scope Consolidation" of "Chapter 12 Financial Report".

(7) Major changes or adjustments to the Company's business, products, or services during the reporting period

Applicable Not applicable

(8) Major customers and major suppliers

Major customers

Total Revenue from the top five customer sales (RMB)	8,053,902,349.35
Total Revenue from the top five customers in proportion of total revenue	5.23%
Total Revenue from related parties in the top five customers in proportion of total revenue	0.84%

Information about the top 5 customers

SN	Customer	Revenue (RMB)	Proportion of Total Revenue
1	Customer 1	4,206,824,816.44	2.73%
2	Customer 2	1,291,573,295.07	0.84%
3	Customer 3	884,785,346.05	0.57%
4	Customer 4	843,367,617.28	0.55%
5	Customer 5	827,351,274.51	0.54%
Total	—	8,053,902,349.35	5.23%

Other information regarding major customers

Applicable Not applicable

During the reporting period, the Company provided services to its related parties, M China Management Limited and its subsidiaries and its franchisees, and obtained sales revenue of RMB 1,291,573,295.07. Apart from that, the Company does not have an associated relationship with the other major customers mentioned above, and the Company's directors, supervisors, senior managers, core technical personnel, shareholders who hold more than 5% of the shares, actual controller and other related parties do not directly or indirectly hold any interest in other major customers.

Major suppliers

Total purchase amount of the top five suppliers (RMB)	11,775,854,847.94
Total purchase amount of the top five suppliers in proportion of total annual purchase amount	9.84%
Total purchase amount of related parties of the top five suppliers in proportion of total annual purchase amount	0.00%

Information about the top 5 suppliers

SN	Supplier	Purchase Amount (RMB)	Proportion of Total Annual Purchase Amount
1	Supplier 1	3,276,283,989.25	2.74%
2	Supplier 2	3,039,203,114.48	2.54%
3	Supplier 3	2,717,462,978.29	2.27%
4	Supplier 4	1,690,003,269.59	1.41%
5	Supplier 5	1,052,901,496.33	0.88%
Total	—	11,775,854,847.94	9.84%

Other information regarding major suppliers

Applicable Not applicable

3. Expenses

Unit: RMB

	2020	2019	Increased or Decreased over the previous year	Description on major Changes
Selling and distribution expenses	2,252,380,750.02	1,996,887,445.06	12.79%	No major changes.
General and administrative expenses	11,599,761,414.28	9,699,267,908.83	19.59%	Attributable to the increase in the employee benefits as a result of the increase in the operations scale.
Financial cost	852,547,212.49	682,991,065.31	24.83%	Attributable to an increase in interest accrued on debt financing and a decrease in interest income.
Research and development expenses	1,741,558,376.19	1,193,281,876.00	45.95%	Attributable to increase in R&D activities, and related expenses increased simultaneously.

4. R&D investment

Applicable Not applicable

The Company always attaches great importance to the investment and construction of information systems, and continuously optimizes the construction of framework information systems, including the operation management system of each business segment, and the decision support system based on big data analysis to create a simple and efficient business process. In recent years, the Company has actively invested in various intelligent logistics projects aiming to lead a new era of intelligent, visual, refined and digital logistics through comprehensive application of artificial intelligence, Internet of Things, machine learning, Smart logistics map, intelligent equipment and other technologies, thereby enhancing operation efficiency and enterprise value. For details, please refer to relevant explanation in Section "III. Core Competitiveness Analysis" in Chapter 3.

Investments in R&D

	2020	2019	Increased or Decreased over the previous year
Number of R&D staff	6,089	5,058	20.38%
Proportion of R&D staff as a percentage of total staff	4.99%	4.41%	0.58%
Technology investment amount (RMB)	4,272,565,131.03	3,667,768,156.92	16.49%
Technology investment as a percentage of revenue	2.77%	3.27%	-0.50%
Including: R&D investment amount (RMB)	3,000,756,361.16	2,565,400,199.63	16.97%
R&D investment as a percentage of revenue	1.95%	2.29%	-0.34%
Including: Amount of capitalized R&D investment (RMB)	1,209,591,784.46	1,308,367,385.13	-7.55%
Capitalized R&D investment as a percentage of R&D investment	40.31%	51.00%	-10.69%

Explanation for a significant change in R&D investment as a percentage of total revenue as compared with last year

Applicable Not applicable

Explanation for a significant change in R&D investment capitalization rate as compared with last year

Applicable Not applicable

5. Cash flow

Unit: RMB

Item	2020	2019	Increased or Decreased over the previous year
Sub-total of operating cash inflows	239,308,915,155.66	174,776,588,984.70	36.92%
Sub-total of operating cash outflows	227,984,995,601.42	165,655,315,509.21	37.63%
Net cash flows from operating activities	11,323,919,554.24	9,121,273,475.49	24.15%
Sub-total of investing cash inflows	114,267,335,810.08	49,057,543,480.12	132.93%
Sub-total of investing cash outflows	129,151,642,041.64	63,106,254,634.22	104.66%
Net cash flows from investing activities	-14,884,306,231.56	-14,048,711,154.10	5.95%
Sub-total of financing cash inflows	20,641,562,411.31	25,170,014,634.06	-17.99%
Sub-total of financing cash outflows	19,309,911,492.24	17,798,253,129.21	8.49%
Net cash flows from financing activities	1,331,650,919.07	7,371,761,504.85	-81.94%
Net increase in cash and cash equivalents	-2,297,964,692.52	2,465,176,904.27	-193.22%

Main influencing factors of major year-on-year changes in relevant data

Applicable Not applicable

1. Net cash flows from operating activities rose by RMB2.203 billion as compared with those in 2019. It was driven mainly by business and profit growth.
2. Net cash outflow used in investing activities rose by RMB0.836 billion as compared with those in 2019. It was mainly attributable to an increase in the net outflow on purchases and construction of long-term assets and a decrease in the net cash outflow on subsidiary acquisitions.
3. Net cash flows from financing activities decreased by RMB6.040 billion as compared with those in 2019. It was mainly attributable to a decrease in net cash inflow from borrowings and issuance of debentures.
4. Net increase in cash and cash equivalents includes the effect of exchange rate changes on cash and cash equivalents as follows:

Unit: RMB

Item	2020	2019	Increased or Decreased over the previous year
Effect of foreign exchange rate changes on cash and cash equivalents	-69,228,934.27	20,853,078.03	-431.98%

Explanation for significant differences between the net cash flow from operating activities and the net profit during the reporting period

Applicable Not applicable

III. Non-core Business Analysis

Applicable Not applicable

Unit: RMB

	Amount	Proportion of Total Profit	Reason	Whether Sustainable
Other income	1,318,934,057.45	13.14%	Mainly including government grants related to daily activities.	No
Investment income	850,811,265.93	8.48%	Mainly including investment income from the disposal of subsidies and income from structured deposits.	Revenue from structured deposits is sustainable, while other investment income is not sustainable.
Gains and losses arising from changes in fair value	134,117,993.80	1.34%	Mainly including changes in fair value of other non-current financial assets.	No
Credit impairment losses	-472,755,027.90	-4.71%	Mainly including bad debt losses of accounts receivable, other receivables, loans and advances and factoring receivables.	No
Asset impairment losses	-35,057,913.15	-0.35%	Mainly including impairment losses of intangible assets.	No
Non-operating income	229,226,190.56	2.28%	Mainly including government grants unrelated to daily activities and compensation income.	No
Non-operating expenses	326,074,129.95	3.25%	Mainly including compensation expenses, donations, and losses on scrapping of assets.	No

IV. Analysis of Assets and Liabilities

1. Major Changes in Asset Composition

The company initially applied the new revenue standard or the new lease standard since 2020, and adjusted the relevant item in the financial statements at the beginning of the year of application.

Applicable

Unit: RMB

	Year End of 2020		Year Beginning of 2020 (Restated) (Note)		Increase/ Decrease in Proportion	Major Changes
	Amount	Proportion of Total Assets	Amount	Proportion of Total Assets		
Cash at bank and on hand	16,417,891,707.19	14.77%	18,520,991,737.10	19.95%	-5.18%	For details, please refer to analysis on cash flow in "II. Analysis on Main Business" under Chapter 4 Management Discussion and Analysis of Business Operation.
Financial assets held for trading	6,276,922,669.69	5.65%	2,910,172,928.20	3.14%	2.51%	Mainly due to increase in structured deposits.
Accounts receivable	16,849,064,250.79	15.16%	12,044,542,725.83	12.98%	2.18%	Mainly due to business growth.
Inventories	986,950,595.04	0.89%	881,658,973.69	0.95%	-0.06%	No major changes.
Long-term equity investments	3,647,231,277.90	3.28%	2,221,512,673.14	2.39%	0.89%	Mainly due to increase in investments in joint ventures and associates.
Investments in other equity instruments	5,027,489,054.30	4.52%	4,933,692,937.19	5.32%	-0.80%	No major changes.
Investment properties	2,219,404,821.35	2.00%	2,019,525,900.61	2.18%	-0.18%	No major changes.
Fixed assets	22,356,651,754.60	20.11%	18,903,827,062.42	20.37%	-0.26%	No major changes.
Construction in progress	5,379,854,462.06	4.84%	3,116,490,618.26	3.36%	1.48%	Mainly due to increase in investments in aircraft import and refit, industrial park projects, and distribution hubs.
Intangible assets	10,633,114,090.26	9.57%	10,008,036,356.04	10.78%	-1.21%	Mainly due to the completion of self-developed software and land purchases.
Goodwill	3,377,141,391.71	3.04%	3,564,540,458.80	3.84%	-0.80%	No major changes.
Short-term borrowings	7,996,570,312.73	7.19%	6,053,374,642.50	6.52%	0.67%	The sum of the Company's short-term borrowings, other current liabilities, long-term borrowings and bonds payable decreased by RMB5.828 billion compared with year end-2019, which is mainly attributable to the conversion of convertible corporate bonds.
Accounts payable	15,484,940,351.95	13.93%	12,226,819,326.41	13.17%	0.76%	Mainly due to increase in cost of revenue.
Other payables	7,530,793,784.24	6.77%	4,707,159,830.62	5.07%	1.70%	Mainly due to increase in investments in long-term assets.
Other current liabilities	92,355,845.77	0.08%	1,017,446,858.50	1.10%	-1.02%	Please refer to the above short-term borrowings description.
Long-term borrowings	1,865,820,266.05	1.68%	6,539,556,784.41	7.05%	-5.37%	Please refer to the above short-term borrowings description.
Bonds payable	8,425,430,468.77	7.58%	10,597,985,016.52	11.42%	-3.84%	Please refer to the above short-term borrowings description.
Other equity instruments	-	-	768,938,484.90	0.83%	-0.83%	Mainly due to the conversion of convertible corporate bonds.
Capital reserve	24,405,217,286.50	21.96%	16,124,018,594.16	17.37%	4.59%	Mainly due to the integrated impact of the conversion of convertible corporate bonds, and contributions from minority.

Note: The Company adopted the New Revenue Standards on 1 January 2020. In accordance with transition provisions of the New Revenue Standards, the Group and the Company recognised the cumulative effect of initially applying the standards as an adjustment to the opening balance of relevant line items in the financial statements in 2020. The comparatives data were not restated. Refer to "II. (31) Significant changes in accounting policies (a) Revenue" of "Chapter 12 – Financial Statements" for details.

2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Opening Balance	Changes in Fair Value Gains and Losses in Current Period	Accumulated Fair Value Changes Included in Equity	Provision for Impairment in Current Period	Amount of purchase in the Current Period	Amount of Sales in Current Period	Other Changes	Closing Balance
Financial assets								
1. Financial assets held for trading (excluding derivative financial assets) (Note)	3,388,967,567.15	134,361,273.94	-	-	3,186,279,592.81	200,993.61	399,041,270.48	7,108,448,710.77
2. Derivative financial assets	245,792.67	-243,280.14	-	-	-	-	-2,512.53	-
3. Investments in other equity instruments	4,933,692,937.19	-	554,643,478.69	-	150,000.00	143,873,225.00	-317,124,136.58	5,027,489,054.30
Subtotal financial assets	8,322,906,297.01	134,117,993.80	554,643,478.69	-	3,186,429,592.81	144,074,218.61	81,914,621.37	12,135,937,765.07
Total	8,322,906,297.01	134,117,993.80	554,643,478.69	-	3,186,429,592.81	144,074,218.61	81,914,621.37	12,135,937,765.07
Financial liabilities	-	-	22,155,013.53	-	-	-	-	22,155,013.53

Note: Financial assets held for trading include structured deposits that do not carry the characteristics of contract cash flow for principal and interest. The structured deposits have short maturities and are highly liquid, and net purchases and sales for the current period are stated in the current period.

Other changes

Other changes in financial assets held for trading are mainly investment income realized by matured structured deposits, and other changes in investment in other equity instruments are mainly due to exchange differences on translation of foreign currency financial statements.

Did significant changes occur for the Company's major asset measurement attributes during the reporting period?

Yes No

3. Limitation of asset rights as of the end of the reporting period

At the end of the reporting period, the Company's assets with restricted rights are mainly used for mortgages of long-term bank loans, details of which are as follows:

Unit: RMB

Item	Book Value at the End of Period	Limitation Reason
Cash at bank	1,001,338,112.80	Legal reserves in the Central Bank
Fixed assets	181,287,156.79	Long-term borrowing mortgage
Intangible assets	1,287,261,514.15	Long-term borrowing mortgage
Investment properties	77,180,832.16	Long-term borrowing mortgage
Construction in progress	52,268,484.85	Long-term borrowing mortgage
Total	2,599,336,100.75	

V. Analysis of Investments

1. General situation

Applicable Not applicable

The Company is required to comply with the disclosure requirements presented in the *Shenzhen Stock Exchange for Industrial Information Disclosure No.9 – Listed Companies Engaged in the Express Delivery Services Business*.

Investment Amount During the Reporting Period (RMB)	Investment Amount During the Same Period of Previous Year (RMB)	Change
14,153,614,866.46	12,914,521,137.20	9.59%

Of these, breakdown items of capital expenditure during the reporting period are as in the table below:

Item	Investment Amount During the Reporting Period (RMB)
Office and Buildings	389,940,276.02
Land	1,216,991,063.65
Warehouse	830,641,398.10
Sorting center	3,837,938,786.98
Aircraft	2,156,950,691.95
Vehicle	1,265,255,934.15
Information technology equipment	760,647,444.94
Equity investments	1,886,143,305.41
Others	1,809,105,965.26
Total	14,153,614,866.46

2. Significant Equity Investment Obtained During the Reporting Period

Applicable Not applicable

3. Significant Non-Equity Investment Ongoing During the Reporting Period

Applicable Not applicable

4. Investments in Financial Assets

(1) Investments in Securities

Applicable Not applicable

Unit: RMB

Security Type	Stock Code	Abbreviation of Security	Initial Investment	Accounting Measurement Model	Book value at the beginning of the reporting period	Gains and losses from changes in fair value during the period	Accumulated fair value changes included in equity	Purchase amount during the reporting period	Sales amount during the reporting period	Gains and losses of the reporting period	Book value at the end of the reporting period	Accounting items	Capital source
Domestic and foreign stock	06166	China VAST	252,752,582.40	Fair value measurement	453,544,426.19	-	-4,117,793.23	-	143,873,225.00	28,443,881.62	278,203,363.27	Investments in other equity instruments	Self-owned funds
Domestic and foreign stock	01810	Xiaomi Corporation	200,119,634.16	Fair value measurement	133,964,459.19	-	274,075,842.80	-	-	-	386,952,350.26	Investments in other equity instruments	Self-owned funds
Domestic and foreign stock	01492	Zhongdi Dairy	106,284,600.84	Fair value measurement	42,024,305.02	-	65,040,469.76	-	-	-	100,084,665.79	Investments in other equity instruments	Self-owned funds
Domestic and foreign stock	300771	Zhilai Technology	21,377,000.00	Fair value measurement	176,850,750.00	-	-50,932,350.00	-	-	1,110,356.12	125,918,400.00	Investments in other equity instruments	Self-owned funds
Other securities held at the end of the period			-	-	-	-	-	-	-	-	-	-	-
Total			580,533,817.40	-	806,383,940.40	-	284,066,169.33	-	143,873,225.00	29,554,237.74	891,158,779.32	-	-
Disclosure Date of Securities Investment Approval Board Announcement													N/A
Disclosure Date of Securities Investment Approval Shareholders Meeting Announcement (if any)													N/A

(2) Investments in Derivatives

Applicable Not applicable

Unit: RMB10 thousands

Counterparty	Related-party relationship (Y/N)	Related-party transactions (Y/N)	Type of derivatives	Initial investment amount	Starting date	Ending date	Investment amount at the beginning of the reporting period	Amount of purchase in the reporting period	Amount of sales in the reporting period	Provision for impairment (if any)	Investment amount at the end of the reporting period	Investment amount at the end of the reporting period to net assets of the Company	Gains/(losses) recognized during the reporting period
Bank	No	No	Interest Rate swap contracts	-	2016/7/25	2020/4/21	3,296.07	N/A	N/A	-	-	0.00%	18.93
Bank	No	No	Foreign exchange forward contracts	130,466.00	2020/7/20	2023/7/24	-	N/A	N/A	-	130,466.00	2.30%	-13.94
Bank	No	No	Foreign exchange forward contracts	97,849.50	2020/7/28	2023/7/24	-	N/A	N/A	-	97,849.50	1.72%	-28.74
Bank	No	No	Foreign exchange forward contracts	97,849.50	2020/7/30	2023/7/24	-	N/A	N/A	-	97,849.50	1.72%	-30.05
Total				326,165.00	-	-	3,296.07	N/A	N/A	-	326,165.00	5.74%	-53.80
Source of funds													Self-owned funds
Lawsuit if applicable													N/A
Disclosure Date of Derivatives Investment Approval Board Announcement (if any)													March 24, 2020
Disclosure Date of Derivatives Investment Approval Shareholders Meeting Announcement (if any)													N/A

Counterparty	Related-party relationship (Y/N)	Related-party transactions (Y/N)	Type of derivatives	Initial investment amount	Starting date	Ending date	Investment amount at the beginning of the reporting period	Amount of purchase in the reporting period	Amount of sales in the reporting period	Provision for impairment (if any)	Investment amount at the end of the reporting period	Investment amount at the end of the reporting period to net assets of the Company	Gains/(losses) recognized during the reporting period
Risk analysis and control measures for derivatives investment during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)													<p>(I) Risk analysis</p> <p>The foreign exchange hedging business is carried out by the Company based on the principles of lawfulness, prudence, safety and effectiveness, and not for speculative purposes. All foreign exchange hedging transactions are derived from normal cross-border business, but certain risks may exist in foreign exchange hedging transactions.</p> <ol style="list-style-type: none"> 1. Market risk: The foreign exchange hedging business carried out by the Company and its subsidiaries mainly involves daily cross-border intermodal transportation fees and investment and financing activities denominated in foreign currencies related to the main business. The associated market risk refer to losses which may arise from changes in price of foreign exchange hedging products due to fluctuations in market prices of underlying exchange rates and interest rates. 2. Liquidity risk: Since all foreign exchange hedging business is conducted through financial institutions, we are subject to the risk of having to pay fees to banks due to losses in closing out positions caused by insufficient liquidity in the market. 3. Non-performance risk: The Company and its subsidiaries conduct foreign exchange hedging business mainly based on rolling forecasts for risk management. We are subject to the risk that the actual cash flow deviates from forecast, resulting in failure to fulfill obligations under relevant hedging contracts when due. 4. Other risks: In the course of business, if the person concerned fails to report and seek approval in accordance with the prescribed procedures, or fails to make records on foreign exchange hedging business accurately, timely and completely, losses may be incurred or trading opportunities may be lost. At the same time, if the person concerned fails to fully understand the terms of the transaction contract and product information, we are exposed to related legal risks and transaction losses as a result. <p>(II) Risk control measures</p> <ol style="list-style-type: none"> 1. Clarify the criteria of initiating transaction of foreign exchange hedging product: All foreign exchange hedging businesses are derived from normal cross-border business for the purpose of averting and preventing exchange rate and interest rate risk. No foreign exchange derivatives trading shall be carried out for speculative purposes. 2. Selection of products: Hedging products with simple structure, strong liquidity and controllable risk are selected to carry out foreign exchange hedging business. 3. Counterparty selection: The counterparties of the Company's foreign exchange hedging business are large state-owned commercial banks and international banks with sound operation, good credit, long history of cooperation with the Company and good credit standing. 4. Determination of fair value of foreign exchange hedging products: The foreign exchange hedging products operated by the Company are mainly for the management of foreign exchange transactions in the predictable future period, with high market transparency and active trading; the transaction price and settlement unit price of which can fully reflect their fair value. The Company confirms the fair value of the hedging products in accordance with the transaction data provided by or obtained from the public domain including banks and Reuters. 5. Equipped with professional staff: The Company has maintained a team of professionals with expertise in financial derivatives, responsible for the company's exchange rate risk management, market analysis, product research and the Company's overall management policy recommendations, etc. 6. Establishing a comprehensive risk alarm and reporting mechanism: The Company sets risk limits for foreign exchange hedging business where transactions have been made, timely evaluates changes in risk exposure and derived gains and losses, and provides regular risk analysis report to the management and the Board of Directors. Appropriate risk assessment models or monitoring systems are used to continuously monitor and report various risks. More frequent reports are made when the market fluctuates drastically or when risks are higher. A response plan will be made promptly. 7. Separation of duties and personnel between the front end and back end is strictly implemented. Dealers cannot concurrently hold the position as accounting personnel and vice versa.
Changes in fair value or market price of invested derivatives during the reporting period (the specific methods, relevant assumptions and parameters used in the analysis of the fair value should be disclosed)													The Company's analysis of the fair value of derivatives is based on the financial market fair value valuation report provided by the bank at month end.
Explanation of whether the accounting policies and accounting principles of the Company's derivatives are significantly changed compared with the previous reporting period during the reporting period													No
Opinions of independent directors on the Company's derivatives investment and risk control													The independent directors believed that the company had established an internal control system for foreign exchange hedging and effective risk control measures in accordance with the requirements stipulated by relevant laws. Under the premise of complying with national laws and regulations and ensuring that the company's daily operation were not affected, the company used its own funds to carry out foreign exchange hedging in a timely manner, which was conducive to preventing interest rate and exchange rate risks, reducing the impact of interest rate fluctuations on the company, in line with the company, the interests of all shareholders and was no harm to the company and all shareholders, especially the interests of minority shareholders.

5. Use of Raised Funds

Applicable Not applicable

(1) Overall use of Raised Funds

Applicable Not applicable

Unit: RMB10 thousands

Year	Method of Funding	Total Raised Funds	Total Raised Funds invested in the current year	Accumulative Raised Funds invested (Note 1)	Total Raised Funds with usage altered in the reporting period	Accumulative Raised Funds with usage altered	Proportion of accumulative total Raised Funds with usage altered	Total unused Funds	Use and Allocation of unused Funds	Funds Idled for over Two Years
2019	Public Issuance of Convertible Corporate Debentures	577,717.37	366,211.99	585,458.20	175,000.00	175,000.00	30.29%	-	N/A	-
合计	-	577,717.37	366,211.99	585,458.20	175,000.00	175,000.00	30.29%	-	-	-

Description for overall utilisation of Raised Funds

As at 31 December 2020, the Company had completed all the investment projects of Raised Funds, the accumulated Funds Raised from Convertible Corporate Debentures that were utilised amounted to RMB5,854,582,000; Proceeds used for Aircraft Purchasing and Aviation Materials Purchasing and Maintenance Project totalled RMB1,073,992,900; that used for Intelligent Logistics Information System Construction Project totalled RMB174,330,300; that used for Express Delivery Equipment Automation Upgrade Project totalled RMB1,906,197,100; that used for Land Transport Capacity Improvement Project totalled RMB1,000,061,300; that used for Repayment of Bank Loans totalled RMB1,200,000,000; and that used for Repayment of Company Interest-bearing Liabilities totalled RMB500,000,400. The balance of proceeds amounted to RMB3,901,900, all of which has been used to permanently replenish the Company's working capital.

To improve the utilisation of idle Funds Raised from Convertible Debentures and strengthen the profitability of the Raised Funds of the Company, according to the resolution at the 3rd meeting of the 5th section of Board and the 3rd meeting of the 5th section of board of supervisors dated 23 March and the 2019 Annual General Meeting held on 15 April 2020, the Company was allowed to conduct cash management with the temporarily idle Funds Raised from Convertible Debentures on condition that the investment projects and utilisation of Funds Raised from Convertible Debentures are not affected. No more than RMB3.2 billion of idle Funds Raised shall be used for cash management, and funds within the quota may be reused. The effective period starts from the date of review and approval at the 2019 Annual General Meeting and ends at the 2021 Annual General Meeting. In 2020, within the quota as considered by the Board and the general meeting, the Company used idle Funds Raised to purchase capital-guaranteed wealth management products of commercial banks and other financial institutions. As at 31 December 2020, the Company's bank interest received and income from wealth management received were RMB81,310,200.

(2) Statement of committed investment projects of Raised Funds

√ Applicable □ Not applicable

Unit: RMB10 thousands

Committed investment projects and allocation of over-raised funds	Whether project has been (or partially) altered	Total committed investment based on net Raised Funds	Total investment after alteration (1)	Investment in the current year	Accumulative investment at the end of the period (2)	Investment progress at the end of the period (%) (3) = (2)/(1)	Date of asset ready for intended use	Benefits achieved in the current year	Whether expected benefits have been achieved	Whether feasibility of project has changed significantly
Committed investment projects										
1. Aircraft Purchasing and Aviation Materials Purchasing and Maintenance Project	Yes	152,000.00	107,399.29	64,614.43	107,399.29	100.00%	2020/12/30	Note 2	N/A	No
1.1 Aircraft Purchasing Project	No	4,000.00	4,000.00	-	4,000.00	100.00%	2019/11/30	Note 2	N/A	No
1.2 Aviation Materials Purchasing and Maintenance Project	Yes	148,000.00	103,399.29	64,614.43	103,399.29	100.00%	2020/12/30	Note 2	N/A	No
2. Intelligent Logistics Information System Construction Project	Yes	146,717.37	17,433.03	7,781.19	17,433.03	100.00%	2020/12/30	Note 3	N/A	No
2.1 Hardware Purchasing	Yes	139,217.37	17,294.05	7,781.19	17,294.05	100.00%	2020/12/30	Note 3	N/A	No
2.2 Software Purchasing	Yes	7,500.00	138.98	-	138.98	100.00%	2020/12/30	Note 3	N/A	No
3. Express Delivery Equipment Automation Upgrade Project	Yes	100,000.00	190,619.71	165,649.15	190,619.71	100.00%	2020/12/30	Note 4	N/A	No
4. Land Transport Capacity Improvement Project	Yes	59,000.00	100,006.13	78,167.18	100,006.13	100.00%	2020/12/30	Note 5	N/A	No
5. Repayment of Bank Loans	No	120,000.00	120,000.00	-	120,000.00	100.00%	N/A	Note 6	N/A	No
6. Repayment of Company Interest-bearing Liabilities	Yes	-	50,000.04	50,000.04	50,000.04	100.00%	N/A	Note 6	N/A	No
Subtotal of committed investment projects	-	577,717.37	585,458.20	366,211.99	585,458.20	-	-	-	-	-
Investment of excess proceeds										N/A
Total	-	577,717.37	585,458.20	366,211.99	585,458.20	-	-	-	-	-
Status of and reason for planned progress or estimated income not achieved										N/A
Significant changes in the feasibility of projects										N/A
Amount, usage and use progress of over-raised Funds										N/A
Change in implementation location of investment projects of Raised Funds										N/A
Adjustment to implementation method of investment projects of Raised Funds										N/A
Upfront investment and replacement of investment projects of Raised Funds										Pursuant to the resolution of the twenty-seventh meeting of the fourth Board of Directors and the twenty-fourth meeting of the fourth of board of supervisors on 25 November 2019 and the explicit consent given by the sponsor institution, the independent directors and the supervisory board, the Company was approved to replace upfront self-raised funds of RMB1,178,871,300 invested in the Aircraft Purchasing and Aviation Materials Purchasing and Maintenance Project, Intelligent Logistics Information System Construction Project, Express Delivery Equipment Automation Upgrade Project, Land Transport Capacity Improvement Project and Repayment of Bank Loans with the Raised Funds. Refer to the announcement (No. 2019-127) disclosed at the website of CNINFO (http://www.cninfo.com.cn) by the Company on 26 November 2019 for more details.
Supplementing working capital temporarily with idle Raised Funds										N/A
Balances of the Raised Funds during the project implementation and the reasons										As at 31 December 2020, the Company had completed all the investment projects of Raised Funds, and the balance of the Funds (income from wealth management, interest income, etc.) of RMB3,901,900, which was lower than RMB5 million or lower than 1% of the net amount of the Raised Funds, was used for supplementing working capital permanently without deliberation by the Board of Directors and General Meeting of Shareholders in accordance with the Guidelines of Shenzhen Stock Exchange for the Standardised Operation of Listed Companies (Revised in 2020) and the Management System of S.F. Holding Co., Ltd. for the Raised Funds. As at 31 December 2020, the Company had transferred the balance amounting to RMB3,901,900 of special accounts for Raised Funds into the Company's own accounts. Meanwhile, the Company had finished the account cancellation procedures for the special accounts for Raised Funds. See the announcement (No. 2021-002) disclosed at the website of CNINFO (http://www.cninfo.com.cn) by the Company on 4 January 2021 for more details.
Usage and allocation of the unused Raised Funds										N/A
Defects and other problems in utilisation and disclosure of the Raised Funds										N/A

(3) Statement of Altered Investment Projects of Raised Funds

√ Applicable □ Not applicable

Unit: RMB10 thousands

Project after alteration	Project before alteration	Total Raised Funds to be invested to the project after alteration (1)	Actual investment in the current year	Actual accumulative investment (2)	investment progress (3)=(2)/(1)	Date of asset ready for intended use	Benefits achieved in the current year	Whether expected benefits have been achieved	Whether feasibility of project has changed significantly
Express Delivery Equipment Automation Upgrade Project	Aircraft Purchasing and Aviation	190,619.71	165,649.15	190,619.71	100%	2020/12/30	Note 4	N/A	No
Land Transport Capacity Improvement Project	Materials Purchasing and Maintenance Project	100,006.13	78,167.18	100,006.13	100%	2020/12/30	Note 5	N/A	No
Repayment of Company Interest-bearing Liabilities	Intelligent Logistics Information System Construction Project	50,000.04	50,000.04	50,000.04	100%	N/A	Note 6	N/A	No
Total		340,625.88	293,816.37	340,625.88	—	—	—	—	—
Alteration reason, decision making progress and information disclosure (of a specific project)	<p>As at 31 December 2020, the Company's total accumulative Raised Funds with usage altered were RMB1,750,000,000, accounting for 30.29% of total Raised Funds. In addition, the Company increased investment in the original investment projects with accumulative income from wealth management and interest income of the Funds Raised from Convertible Corporate Debentures, amounting to RMB77,408,300. The details are presented below:</p> <p>Pursuant to the Proposal for Alteration of Some Investment Projects of the Raised Funds reviewed and approved at the eighth meeting of the fifth Board of Directors and at 2020 first extraordinary general meeting, the Company reduced the Raised Funds invested in "Aircraft Purchasing and Aviation Materials Purchasing and Maintenance Project" and "Intelligent Logistics Information System Construction Project". After which, RMB1,750,000,000 extracted from the Raised Funds for above projects, plus RMB61,366,700 from accumulative income from wealth management and interest income, totalling RMB1,811,366,700, were invested into the original investment projects of "Express Delivery Equipment Automation Upgrade Project" and "Land Transport Capacity Improvement Project" as well as the new project of "Repayment of Company Interest-bearing Liabilities". See the announcement (No. 2020-095) disclosed at the website of CNINFO (http://www.cninfo.com.cn) by the Company on 26 August 2020 for more details.</p> <p>Thereafter, the Company increased investments in "Aviation Materials Purchasing and Maintenance Project", "Intelligent Logistics Information System Construction Project", "Express Delivery Equipment Automation Upgrade Project" and "Repayment of Company Interest-bearing Liabilities" with accumulative income from wealth management and interest income of Raised Funds, amounting to RMB16,041,600.</p>								
Status of and reason for planned progress not achieved (of a specific project)	N/A								
Significant changes in the feasibility of projects after alteration	N/A								

Note 1: "Accumulative Raised Funds invested" include accumulative Raised Funds invested and upfront investment replaced after the receipt of Raised Funds of RMB1,178,871,300.

Note 2: The project is aimed at expanding the Company's own cargo fleet, and consolidating and improving the Company's own air transportation capacity. The benefits achieved are not directly quantifiable.

Note 3: The project is aimed at increasing the capacity and efficiency of the Company's information system, completing the layout of intelligent logistics informatization technology, and promoting the technology-driven business upgrading. The benefits achieved are not directly quantifiable.

Note 4: The project is aimed at improving the Company's transshipment operation capacity and efficiency, increasing the storage service capacity and quality, and enhancing the stability of the transshipment network and storage service network. The benefits achieved are not directly quantifiable.

Note 5: The project is aimed at improving the Company's main and branch line transportation capacity and the efficiency of the "last kilometre" network service, and enhancing the security of the transportation network. The benefits achieved are not directly quantifiable.

Note 6: The project is aimed at reducing the Company's interest expenses, improving the profitability, and lowering debt repayment risk and liquidity risk. The benefits achieved are not directly quantifiable.

VI. Sale of Significant Assets and Equity

1. Sale of significant assets

Applicable Not applicable

The Company did not sell any significant assets during the reporting period.

2. Sale of significant equity

Applicable Not applicable

Counterparty	Disposal of equity interests	Date of disposal	Transaction price (RMB0'000)	Net profit attributable to the Company by the disposed equity from the beginning of the reporting period to the date of disposal (RMB0'000)	Impact of the disposal of equity interests on the Company	Proportion of net profit attributable to the equity interests disposed to the Listed Company's total net profit	The pricing principle for disposal of the equity interests	Related party transaction	Relationship with the counterparty	Completion of the transfer of the equity interests involved	Implemented as scheduled. If not, provide the reasons and steps taken	Date of disclosure	Disclosure Index
Shenzhen Fengkai Industrial Park Management Co., Ltd.	The 100% equity interests of Wuxi Fengtai E-commerce Industrial Park Management Co., Ltd.	November 23, 2020	79,900	N/A	The Company carried out the disposal of equity interests through the operation of asset securitization, which can utilize existing assets, broaden financing channels and increase working capital.	5.53%	Evaluated based on the market value on the valuation date With reference to the valuation amount and the price negotiated with the transferee.	No	N/A	Yes	Yes	June 30, 2020, September 5, 2020	The "Announcement on Implementation of Asset Securitization and Related Party Transactions" (No. 2020-062) and the "Announcement on Progress in Implementation of Asset Securitization and Related Party Transactions" (No. 2020-099) disclosed by the Company on the Cninfo website (http://www.cninfo.com.cn).

VII. Analysis of Major Holdings and Participating Companies



Applicable Not applicable

Major subsidiaries and equity participation companies that affect the Company's net profit by more than 10%

Unit: RMB

Company name	Company Type	Primary Business	Registered Capital	Total Assets	Net Assets	Operating Income	Operating Profit	Net Profit
Shenzhen S.F. Taisen Holdings (Group) Co., Ltd.	Subsidiary	Investments in industrial businesses, investment consulting and other information consulting, supply chain management, asset management, capital management, investment management, etc.	RMB2.01 billion	49,346,003,777.05	33,388,911,594.82	4,680,309,467.59	5,454,414,588.89	5,046,629,116.60
S.F. Express Co., Ltd.	Subsidiary	International freight forwarding, domestic and international express delivery services, etc.	RMB0.15 billion	17,278,936,775.98	4,219,187,063.71	15,770,688,954.63	4,656,218,832.24	4,459,766,820.66

Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Company Name	Acquisition or Disposal of Subsidiaries During the Reporting Period	Impact on Overall Production Operations and Performance
SF Supply Chain Chongqing (Hong Kong) Limited	New establishment	No major impact
EXEL Supply Chain (Shanghai) Co., Ltd.	New establishment	No major impact
Zonghao Supply Chain Consulting (Shenzhen) Co., Ltd.	New establishment	No major impact
Hunan SF Pharmaceutical Supply Chain Co., Ltd.	New establishment	No major impact
SF Express (Middle East) DWC-LLC	New establishment	No major impact
S.F. E&L INTERNATIONAL (CAMBODIA) CO., LTD.	New establishment	No major impact
SF EXPRESS PHILIPPINES INC.	New establishment	No major impact
SF EXPRESS (PANAMA), S.A.	New establishment	No major impact
Jiangxi SF Zhida Network Technology Co., Ltd.	New establishment	No major impact
Chongqing Fonair UAS Technologies Co., Ltd.	New establishment	No major impact
SF EXPRESS (BELGIUM) BV	New establishment	No major impact
FS TECHNOLOGY MACAU CO., LTD.	New establishment	No major impact
Cheng Run Limited	New establishment	No major impact
NH Logistics Limited	New establishment	No major impact
Shanghai Bingzhi Supply Chain Management Co., Ltd.	New establishment	No major impact
EXEL Supply Chain (Nanjing) Co., Ltd.	New establishment	No major impact

Company Name	Acquisition or Disposal of Subsidiaries During the Reporting Period	Impact on Overall Production Operations and Performance
EXEL Supply Chain (Xiamen) Co., Ltd.	New establishment	No major impact
EXEL Supply Chain (Dalian) Co., Ltd.	New establishment	No major impact
Shenzhen SF Kuaicha Technology Co., Ltd.	New establishment	No major impact
Shenzhen Weifengqi Technology Co., Ltd.	New establishment	No major impact
SF Express (Germany) GmbH	New establishment	No major impact
SF Technology Solution (HongKong) Limited	New establishment	No major impact
SF Xiangyu (Shandong) Pharmaceutical Logistics Co., Ltd.	New establishment	No major impact
Luoyang Fengtai Industrial Park Management Co., Ltd.	New establishment	No major impact
Liuzhou Fengyutai Industrial Park Management Co., Ltd.	New establishment	No major impact
Shenzhen Fengwang Express Co., Ltd.	New establishment	No major impact
Hangzhou Fengwang Express Co., Ltd.	New establishment	No major impact
Henan SF Pharmaceutical Supply Chain Co., Ltd.	New establishment	No major impact
SF International Holding Company Limited	New establishment	No major impact
Moral Up Corporation Limited	New establishment	No major impact
ABUNDANT HARVEST INVESTMENTS LIMITED	New establishment	No major impact
Hefei EXEL Supply Chain Co., Ltd.	New establishment	No major impact
Beijing Zhenlanwuxian Technology Co., Ltd.	New establishment	No major impact
EXEL Supply Chain (Xi'an) Co., Ltd.	New establishment	No major impact
Shanghai Yongfang Supply Chain Technology Co., Ltd.	New establishment	No major impact
Guangdong Shuangjie Supply Chain Co., Ltd.	New establishment	No major impact
Shanghai Fengzan Technology Co., Ltd.	New establishment	No major impact
Guangzhou SF Cold Chain Co., Ltd.	New establishment	No major impact
Xiamen Fengyi Supply Chain Management Co., Ltd.	New establishment	No major impact
Changsha Fengyi Supply Chain Management Co., Ltd.	New establishment	No major impact
Tianjin SF Juyi Logistics Co., Ltd.	New establishment	No major impact
Wuhan SF Cold Chain Co., Ltd.	New establishment	No major impact
SF Express (France) SAS	New establishment	No major impact
SF EXPRESS NIGERIA LIMITED	New establishment	No major impact
Fujian Lijie Supply Chain Management Co., Ltd.	New establishment	No major impact
SZSF GLOBAL EXPRESS (KENYA) LIMITED	New establishment	No major impact

Company Name	Acquisition or Disposal of Subsidiaries During the Reporting Period	Impact on Overall Production Operations and Performance
EXEL Supply Chain Management (Shanghai) Co., Ltd.	New establishment	No major impact
SF International (Hong Kong) Management Company Limited	New establishment	No major impact
Shanghai SF Cold Chain Co., Ltd.	New establishment	No major impact
Shenzhen Fengyun Investment Co., Ltd.	New establishment	No major impact
Shunluo Supply Chain Management (Chongqing) Co., Ltd.	New establishment	No major impact
SF Supply Chain (Yunnan) Co., Ltd.	New establishment	No major impact
SF EXPRESS SOUTH AFRICA PROPRIETARY LIMITED	New establishment	No major impact
Shenzhen Kuaichi Junma Information Technology Co., Ltd.	New establishment	No major impact
Henan Xixia Letinous Edodes Integrated Service Industry Co., Ltd.	New establishment	No major impact
Hangzhou Fengyou Energy Technology Co., Ltd.	New establishment	No major impact
Guangxi Shunnong Fengnong Agricultural Technology Co., Ltd.	New establishment	No major impact
S.F. Digital Technology (Shenzhen) Service Co., Ltd.	New establishment	No major impact
Shanghai Chengming Supply Chain Technology Co., Ltd.	New establishment	No major impact
Ezhou S.F. International Airfreight Depot Co., Ltd.	New establishment	No major impact
S.F. (Ningbo) Logistics Technology Co., Ltd.	New establishment	No major impact
Jilin S.F. Smart Pharmaceutical Supply Chain Co., Ltd.	New establishment	No major impact
Jinan Fengtai Industrial Park Management Co., Ltd.	New establishment	No major impact
SF Express (Switzerland) AG	New establishment	No major impact
SF Pharm Supply Chain (Hong Kong) Limited	New establishment	No major impact
FH Supply Chain Xiaogan (Hong Kong) Limited	New establishment	No major impact
Changsha S.F. E-Commerce Co., Ltd.	New establishment	No major impact
Dongguan Fengtai Enterprise Management Co., Ltd.	New establishment	No major impact
Dunhuang Fengzhao Technology Co., Ltd.	New establishment	No major impact
Beijing Fengjietai Enterprise Management Co., Ltd.	New establishment	No major impact
Guangzhou Chengyi Information Technology Co., Ltd.	New establishment	No major impact
Meizhou Yoududu Fruit Industry Co., Ltd.	New establishment	No major impact
Dingxi Fengnong Technology Co., Ltd.	New establishment	No major impact
Zhuhai Shunbang Investment Co., Ltd.	New establishment	No major impact
Yulin Fonair UAS Technology Co., Ltd.	New establishment	No major impact
Weifang Fengtai Industrial Park Management Co., Ltd.	New establishment	No major impact

Company Name	Acquisition or Disposal of Subsidiaries During the Reporting Period	Impact on Overall Production Operations and Performance
Shunyuan Commercial Factoring (Tianjin) Co., Ltd.	New establishment	No major impact
Dalian Fengtai Industrial Park Operation and Management Co., Ltd.	New establishment	No major impact
Shanghai S.F. Pharmaceutical Supply Chain Holding Co., Ltd.	New establishment	No major impact
Jiangxi Kangfeng Information Technology Service Co., Ltd.	New establishment	No major impact
Huizhou Fengyutai Enterprise Management Co., Ltd.	New establishment	No major impact
Shanghai Taigenrun Enterprise Management Co., Ltd.	New establishment	No major impact
Shenzhen S.F. Shuntai Logistics Co., Ltd.	New establishment	No major impact
Shanghai Shuntai Express Co., Ltd.	New establishment	No major impact
Shenzhen Shunlian Technology Co., Ltd.	New establishment	No major impact
Shenzhen Shunkang Network Technology Co., Ltd.	New establishment	No major impact
Qidong Fengnong Technology Co., Ltd.	New establishment	No major impact
S.F. Pharmaceutical Supply Chain Chongqing Co., Ltd.	New establishment	No major impact
SF Fengtai Industrial Park Holdings Limited	New establishment	No major impact
Golden Bauhinia Logistics Holdings Limited	New establishment	No major impact
Foshan Industrial Park Limited	New establishment	No major impact
Wenzhou Industrial Park Limited	New establishment	No major impact
Wuhu Industrial Park Limited	New establishment	No major impact
SF International Holdings Group Limited	New establishment	No major impact
EXEL Technology (Shanghai) Co., Ltd.	New establishment	No major impact
Shenzhen S.F. Cross-border Express Co., Ltd.	New establishment	No major impact
Guofeng Wulianshuzhi Supply Chain (Guangdong) Co., Ltd.	New establishment	No major impact
Shenzhen S.F. International Industry Co., Ltd.	New establishment	No major impact
S.F. Pharmaceutical Supply Chain (Fujian) Co., Ltd.	New establishment	No major impact
SF INTERNATIONAL NETWORK LIMITED	New establishment	No major impact
Foshan Fengtai (Hong Kong) Limited	New establishment	No major impact
Wenzhou Fengtai (Hong Kong) Limited	New establishment	No major impact

Company Name	Acquisition or Disposal of Subsidiaries During the Reporting Period	Impact on Overall Production Operations and Performance
Wuhu Fengtai (Hong Kong) Limited	New establishment	No major impact
SF REIT Asset Management Limited	New establishment	No major impact
Shenzhen Shunxin Cross-border Express Co., Ltd.	New establishment	No major impact
Hangzhou E-PLUS Technology Co., Ltd.	New establishment	No major impact
Shunyang Zhanghu (Chongqing) Senior Care Co., Ltd.	New establishment	No major impact
Jiangxi S.F. Pharmaceutical Supply Chain Management Co., Ltd.	New establishment	No major impact
Wuhan E-PLUS Technology Co., Ltd.	New establishment	No major impact
Xiamen E-PLUS Technology Co., Ltd.	New establishment	No major impact
Shunlu Smart Pharmaceutical (Shanghai) Co., Ltd.	New establishment	No major impact
Changsha E-PLUS Technology Co., Ltd.	New establishment	No major impact
Xi'an E-PLUS Technology Co., Ltd.	New establishment	No major impact
Shenzhen S.F. International Supply Chain Management Co., Ltd.	New establishment	No major impact
Sichuan Guda Technology Co., Ltd.	New establishment	No major impact
Fengmeng Technology Co., Ltd.	New establishment	No major impact
Zhijiang Fengnong Technology Co., Ltd.	New establishment	No major impact
Beijing S.F. International Network Co., Ltd.	New establishment	No major impact
Shenzhen S.F. International Network Co., Ltd.	New establishment	No major impact
SF INTERNATIONAL DEVELOPMENT PTE. LTD.	New establishment	No major impact
SF Logistics Holdings Limited	New establishment	No major impact
SF EXPRESS (NL) B.V.	New establishment	No major impact
Nanjing E-PLUS Information Technology Co., Ltd.	New establishment	No major impact
Shenzhen Bingzhi Supply Chain Management Co., Ltd.	New establishment	No major impact
Chongqing Xuefeng Refrigerates Logistics Co., Ltd.	Acquisition	No major impact
Changsha Xueyuan Cold Chain Logistics Co., Ltd.	Acquisition	No major impact
Shenzhen Xuefeng Cold Chain Logistics Co., Ltd.	Acquisition	No major impact
UNITED WIN ASIA LIMITED	Acquisition	No major impact
HIGH SPRING GLOBAL LIMITED	Acquisition	No major impact
JADE AFFLUENT LIMITED	Acquisition	No major impact

Company Name	Acquisition or Disposal of Subsidiaries During the Reporting Period	Impact on Overall Production Operations and Performance
HE CHANG TRADE LIMITED	Acquisition	No major impact
Shenzhen Fengyikai Technology Co., Ltd.	Acquired by equity replacement	No major impact
Shenzhen Runhuitai Technology Co., Ltd.	Acquired by equity replacement	No major impact
Shenzhen Yujietai Technology Co., Ltd.	Acquired by equity replacement	No major impact
Shenzhen Xingyaotai Technology Co., Ltd.	Acquired by equity replacement	No major impact
Shenzhen Shenghetai Technology Co., Ltd.	Acquired by equity replacement	No major impact
Shenzhen Fengrui Industrial Park Management Co., Ltd.	Acquired by equity replacement	No major impact
Shenzhen Run'an Industrial Park Management Co., Ltd.	Acquired by equity replacement	No major impact
Shenzhen Yujia Industrial Park Management Co., Ltd.	Acquired by equity replacement	No major impact
Shenzhen Xingyi Industrial Park Management Co., Ltd.	Acquired by equity replacement	No major impact
Shenzhen Shengheng Industrial Park Management Co., Ltd.	Acquired by equity replacement	No major impact
Wuxi Fengtai E-commerce Industrial Park Management Co., Ltd.	Disposed by equity replacement	For details, please refer to Note 5(1) of Chapter 12 Financial Report.
Quanzhou Fengyutai Enterprise Management Co., Ltd.	Disposed by equity replacement	For details, please refer to Note 5(1) of Chapter 12 Financial Report.
Jiaxing Fengtai E-commerce Industrial Park Management Co., Ltd.	Disposed by equity replacement	For details, please refer to Note 5(1) of Chapter 12 Financial Report.
Yancheng Fengtai E-commerce Industrial Park Management Co., Ltd.	Disposed by equity replacement	For details, please refer to Note 5(1) of Chapter 12 Financial Report.
Ningbo Fengtai E-commerce Industrial Park Management Co., Ltd.	Disposed by equity replacement	For details, please refer to Note 5(1) of Chapter 12 Financial Report.
Shenzhen Nianfeng DDJ Technology Co., Ltd.	Sale	No major impact
Shenzhen Nianfeng DDJ Commerce Co., Ltd.	Sale	No major impact
Shenzhen Youli Technology Co., Ltd.	Sale	No major impact
NF DADANGJIA TECHNOLOGY (HONG KONG) CO., LIMITED	Sale	No major impact
GLOBAL FORTITUDE INTERNATIONAL LIMITED	Sale	No major impact
Shenzhen Fengsu Technology Co., Ltd.	Sale	No major impact
Hangzhou Fengsu Technology Co., Ltd.	Sale	No major impact
Shenzhen Lv'er Technology Co., Ltd.	Sale	No major impact
Shenzhen Yike Technology Co., Ltd.	Sale	No major impact
Chengdu Yifeng Daojia Technology Service Co., Ltd.	Cancellation	No major impact

Company Name	Acquisition or Disposal of Subsidiaries During the Reporting Period	Impact on Overall Production Operations and Performance
Hengyang Hongyue Network Co., Ltd.	Cancellation	No major impact
Hengyang Wanwei Information Co., Ltd.	Cancellation	No major impact
Guangdong Zhifan Technology Co., Ltd.	Cancellation	No major impact
Changsha DHL Warehousing Logistics Co., Ltd.	Cancellation	No major impact
Hangzhou Shunyifeng Import And Export Trading CO., LTD	Cancellation	No major impact
Hangzhou S.F. E-Commerce Co., Ltd.	Cancellation	No major impact

Descriptions for major holdings and participating companies

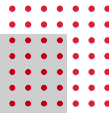
Shenzhen S.F. Taisen Holdings (Group) Co., Ltd. realized a net profit of RMB5.047 billion for the year, which was mainly due to investment income from dividends distribution by subsidiaries controlled by the company and the profit generated from the company's principal operations.

S.F. Express Co., Ltd. realized a net profit of RMB4.460 billion for the year, which was mainly due to investment income from dividends distribution by subsidiaries controlled by the company and the profit generated from the company's principal operations.

VIII. Structured Entities Controlled by the Company

Applicable Not applicable

IX. Prospects of the Company



(I) Future development trend of the industry

1. The express delivery industry will continue to maintain a relatively high speed of development, and industry concentration will remain high, with leading players strengthening their barriers

Impacted by the dual influence of China's energetic promotion of its dual circulation policy and the high-speed development of the e-commerce industry, the industry is upgrading in line with the upgrading and transformation of China's consumption structure and needs, brands' marketing efforts moving down to lower tier markets, and new e-commerce platforms, larger e-commerce packaging and fresh food e-commerce will gradually become the engine driving industry growth, bringing new growth momentum to the industry. The State Post Bureau predicts that the express delivery industry will complete 95.5 billion deliveries in 2021, achieving year-on-year growth of approximately 15%; business income will reach RMB980 billion, or year-on-year growth of approximately 12%.

According to the latest data published by the State Post Bureau, courier and parcel services had a CR8 brand concentration index of 82.2 in 2020, and this concentration is expected to remain at high levels. At the same time, leading courier companies will continue to strengthen barriers through the scaling of their business, comprehensive networks and industry-leading technology strength, while traffic, human resources, technology and capital, inter alia, will further concentrate in leading companies.

2. Establishing diversified capabilities and building one-stop supply chain solution capacity will become the direction of industry transformation and upgrading

China's manufacturing industries are in the midst of a period of transformation and upgrading. The "14th Five-Year Plan" proposes the need to "adhere to independent, controllable, safe and efficient supply chain strategic design and precise policy implementation by industry, and promote the optimisation and upgrading of the entire industry chain". China's manufacturing industries will penetrate from low value-added assembly manufacturing into the upstream and downstream areas of the value chain, and the design and development of products/middleware, brand building and multi-channel sales will become future trends and foci. From raw material procurement upstream of the supply chain to middleware production, storage of finished products and regional circulation, companies will pay increasing attention to the independence, controllability and efficiency improvements in the supply chain. The express delivery industry acts as infrastructure for the supply chain, running through the primary, secondary and tertiary industries, and comprises a significant area linking production and consumption. As such, it will maintain continued, stable and rapid growth. At present, China's domestic large logistics market is huge, and with

the exception of the relatively highly concentrated courier and other sub-sectors, the other upstream and downstream subsectors of the industry (such as express delivery, the supply chain market, etc.) remain highly fragmented. For this reason, faced with an increasingly competitive market environment, courier companies must expand beyond the boundaries of their original business and penetrate other subsectors of the logistics industry, such as express delivery, intra-city, etc., and build diversified services capabilities. While remaining customer-oriented, they must extend upstream and downstream along the industry chain, and provide one-stop industry chain-wide solutions. Companies which lead the way in fully deploy their comprehensive logistics business will achieve a certain advantage as first-movers, and provide momentum for the long-term sustainable growth of their business.

3. Technology and intelligence will become the foundations of core competitiveness

Labour costs in the logistics industry are increasing annually, and the country's ageing trend is accelerating. Technology and intelligence are significant means for reducing costs and increasing efficiency across the industry, making technological capability a significant strategic capability. First of all, the courier and logistics industry can achieve the digitalisation of all of the links, from ordering, collection and delivery, through to distribution and transportation through automation/unmanned equipment, wearable devices, information systems and the Internet of Things, inter alia. On this basis, data transmission, immersion and application are achieved by means of 5G, big data, artificial intelligence and other technologies, combined with an in-depth understanding of the industry chain, to establish a supply chain model, precise forecasting, shortening supply cycles and increasing supply chain efficiency, enabling feedback from the data to real entities, and encouraging the upgrading of the industry chain through efficient, stable, smart supply chain services, and enhancing the competitiveness of the industry chain on the international market. In addition, unmanned devices, artificial intelligence, big data, courier and logistics software applications, intelligent hardware and other associated logistics technologies are also gradually accelerating the process of external commercialisation. The ability of courier and logistics companies to empower their industry supply chain with technology will become one of their key competitive advantages.

4. Build a three-dimensional network of dual cycle services development layout at home and abroad, and increase overseas services capabilities

Against the background of the "dual cycle" development layout, the construction of major channels at home and abroad will also continue to accelerate, and significantly increase in quality and efficiency terms. In order to be able to more effectively provide high-quality supply chain services to multiple industries, express and logistics companies must build a three-dimensional network of services at home and abroad. Building the foundations for an independent and controllable express logistics and supply chain will be key to assisting the globalisation of China's industry chain. Accelerating the promotion of the international supply chain business marks a huge opportunity for development for China's express and logistics companies. Express and logistics companies will use diversified models to continue to strengthen their overseas networks, enhance their local service capabilities overseas, and increase the service quality and efficiency of their overseas supply chains.

5. Achieving social value will become a new focus for the development of the express delivery industry

The express delivery industry has developed rapidly, and currently employs in excess of 3 million people, making it a significant pillar supporting employment stability in society. Sustainable development and employee protection have increasingly become the focus of social attention, and protecting the rights and interests of employees are a significant pillar enabling courier companies to achieve social value.

As part of the rapid growth of the express delivery industry, green environmental protection and sustainable development have become a consensus within the industry. During the United Nations General Assembly, President Xi Jinping made a clear statement that "China would scale up its nationally determined contributions and adopt more vigorous policies and measures. We aim to peak carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060." On 23 October 2020, the China Post express delivery industry Ecological and Environmental Protection Seminar revealed that the State Post Bureau will formulate a national postal industry green development action plan (2021-2025), for the planning of green products, technologies and models for the postal express delivery industry. The green and sustainable development of the express delivery industry have been raised to new heights, and the industry is paying attention. By 2022, a unified, standardised and binding system of standards for green courier packaging will be comprehensively established.

(II) Directions of Strategic Development of the Company

1. Technology guides logistics services and product-focused output, creating technology services companies

SF Holding is China's largest comprehensive logistics service provider. By relying on its powerful logistics network management and control model, SF Holding is able to exercise direct management and control as well as comprehensive coverage of the operating nodes along the entire collection, shipping, transfer and delivery chain and end-to-end business scenarios, thus accumulating massive quantities of business data, and is continuing to use big data to improve data-driven decision-making capabilities, lowering operating costs and increasing efficiency. The company will continue to penetrate technology products into the end-to-end links of the customer supply chain, integrating deeply into the customer value chain, optimising the customer experience, and will continue to productise the best practices of industry-leading logistics technologies and applications, in order to empower the logistics industry. The company will continue to increase investment in big data, automation, AIoT, blockchain and other new technologies, maintain the company's cutting edge in the informatisation technology field, continuously improve the efficiency and intelligence of its logistics, helping SF Holding to transform into a logistics technology group and lead the development of logistics technologies in China, and empower the transformation and upgrading of industry company supply chains.

2. Promote the transformation and upgrading of sub-industry supply chains through supply chain services

The promotion of the Internet has continuously accelerated the iteration and upgrading of products and services, and increasingly onerous agility requirements are being placed on corporate supply chains. In the future, companies will discover that agile and intelligent supply chain management collaboration solutions in increasingly complex supply chains are the key to success. SF Holding is committed to becoming a data and technology-driven company providing independent third party solutions, and will actively respond to the country's "14th Five-Year Plan" requirement to build a new dual-cycle pattern, in line with the development trend of large logistics, and actively promote the transformation and upgrading of sub-industry supply chains. Based on its self-operated logistics services system and the industry leadership and reliable services advantages that it holds in each logistics link, SF Holding will continuously expand its understanding of customer characteristics in each sub-industry, targeting the differentiated needs scenarios of sub-industry customers in the R&D, production and sales value chains, and using the integration of logistics services, technology services and financial services to provide customers with tailor-made end-to-end, integrated supply chain solutions including market access, transportation, despatch and delivery, warehousing and systems, assisting corporate customers to reduce costs and increase efficiency, increase supply chain operating efficiency, and achieve the transformation upgrading of their supply chains.

3. Building three-dimensional networks at home and abroad in order to assist the development of a new dual-cycle pattern

The complex and changing global situation, exacerbated by the severity of the global COVID-19, has impacted globalised supply chain systems, and key links in the supply chain networks linking countless manufacturing and service companies around the world have suffered temporary suspensions or stoppages, causing a massive impact on affected economies. In order to ensure efficient access to key markets and the timely availability of resources, companies have continuously increased their supply chain stability and resilience requirements, and independent, controllable three dimensional networks at home and abroad have become the cornerstones of efficient, high quality and stable supply chains. The company is actively planning a three-dimensional logistics network to serve the dual cycle. In terms of building networks at home, we have continued to strengthen network foundation capacity building, predictive allocation of key resources, locking in scarce resources, and erecting barriers to competition. By increasing the proportion of multimodal transport, and ensuring the rational allocation of air, rail and road transport resources, we have improved our diversified logistics hubs and achieved improved operating efficiency. In terms of building our international services network, we have improved our local service capabilities overseas through diversified cooperation initiatives such as self-operation, joint ventures, distributors and investments and mergers, inter alia. We have deployed warehousing capacity overseas in core traffic areas in order to increase our overseas delivery response efficiency. We are continuously optimising our operational management,

developing Visual Basic, digital intelligence operating systems in order to provide companies with high-quality cross-border supply chain solutions, and assist in the development of the new dual-cycle pattern.

4. Increase the construction of green logistics, focus on caring for our employees, and strive to fulfil our social responsibilities

(1) Systematic promotion of green logistics construction:

The company has actively responded to national and industry green environmental protection policy requirements, and gives systematic consideration to green development initiatives based on the company's own development. We have established a system enabling the company to measure its own pollutant emissions, to guide business development. We are participating in the development of national and industry standards systems, and have introduced a company voluntary carbon reduction project research and implementation plan. We also actively promote greening, waste reduction and recyclability in courier and logistics companies. **1) Green packaging:** We are committed to the R&D and application of sustainable packaging products, and have established a packaging R&D and testing centre as well as parametric design systems which have an impact across the industry. We have also set up a packaging reduction project and a sustainable packaging cycle system; **2) Green transportation:** We are actively promoting new energy road vehicles, and provide our customers with green supply chain solutions, while at the same time also increasing energy efficiency and reducing energy consumption during transportation through optimised operating models; **3) Green transshipment:** Measures such as the active construction of green industry parks, increasing the proportion of renewable energy utilisation, and the rational planning of warehouse layouts, inter alia, all promote increased delivery efficiency and energy savings.

(2) Continued improvements to employee care and welfare: SF Holding is committed to providing its employees with a full range of training and development opportunities, and alleviating employees' worries about the future, which in turn gives our customers a warm sense of service. The company is continuously improving and developing the training curriculum at SF University, and makes full use of internal and external expertise and resources, providing targeted training for different positions, and giving employees an effective and sustainable learning and communication platform to help employees grow their careers. In terms of promoting employee work-life balance, the company promotes employees' sense of belonging, cultivates their sense of cooperation and stimulate their vitality by organising a wide range of activities. The company has also established a special organisation which cooperates with the government on a variety of levels in order to resolve couriers' basic necessities of life in urban areas. SF Holding will uphold its long-term commitment to, and care for, its employees by developing robust, powerful organisational confusion.

(3) Proactive response to social emergencies: During the lockdown in Wuhan during the 2020 COVID-19, we actively undertook the transportation of emergency epidemic prevention supplies at home and abroad, and SF Aviation has flown a total of 290 flights carrying a cumulative total of 6,874 tonnes of goods, transporting medical, epidemic prevention and daily life supplies for domestic epidemic prevention and control. In future, SF Holding will as always take the initiative when it comes to social responsibility, actively responding to national and social emergencies, deploying a wide range of social resources as part of our full cooperation with national emergency response.

(III) Key Business Plans for 2021

In the first year of the new dual-cycle development pattern, as we respond to the country's requirement to restructure the supply chain system and actively support the transformation and upgrading of China's industry chains, SF Holding will remain unwaveringly driven by technology, focused on our customers, and continuously improve our sub-industry supply chain integrated service capabilities, improve and expand our service operations network, ensuring service standards and stability, using technology to leverage synergies, achieve ever closer integration and mutual development with our customers, and help our customers to transform and upgrade.

In 2021, the company will launch a non-public stock offering, with the aim of raising up to RMB22 billion in funds. This will be invested in equipment automation and upgrades, the construction of the Ezhou airport transshipment centre project in Hubei, the construction of digital intelligent supply chain system solutions, land transportation capacity improvements, and aviation material purchase and maintenance projects inter alia. These will focus on enabling the company to further enhance its supply chain service capabilities, provide a development strategy for comprehensive logistics solutions, and achieve the empowerment of logistics services by technology through the use of automation and intelligent upgrades. This will consolidate the company's core advantages in industry-leading service timeliness and quality, and comprehensively enhance the company's one-stop comprehensive solution capabilities.

1. Strengthen technology capacity building and technology guidance of logistics in order to build technology solution capabilities

In 2021, SF Holding will continue to strengthen its technology R&D, focusing on increasing its big data, artificial intelligence, AIOT and Cloud technology capabilities, promoting the application of technology techniques and enabling digital, intelligent, fine-tuned operations. This will also strengthen our technology product and supply chain solution capabilities, and empower industry technology. These initiatives mainly include:

(1) Continue to strengthen technology R&D, focusing on increasing big data, AIOT and Cloud technology capabilities

We will continue to strengthen our technology R&D, using the building of reusable AI and business capabilities to build up AIOT-based full-chain perception capabilities, process-wide visualisation capabilities and a comprehensive Cloud-upgraded technology foundation, focusing on cutting-edge technology R&D, to boost business smart growth.

(2) Implementation of SF Holding smart brain construction to achieve data-led management and smart decision-making

We will continue to promote the layout of process-wide technology applications, using algorithms to drive decision-making, using system management and control employees to achieve end-to-end intelligent management of entire networks. Supported by advanced technologies such as machine learning and the operational optimisation, inter alia, and with the assistance of end-to-end digital closed-loop and algorithmic model guidance, we will deepen the linkages between multiple business systems,

achieve the logistics process-wide application of technology and the construction and upgrading of informatisation, and enhance the transformation of smart decision-making and intelligent management.

(3) Continue to strengthen technology product and solution capabilities

On the basis of its superior data services and supply chain construction experience, SF Holding will continue to strengthen its technology product and solution provision capabilities, establish a digital ecosystem, and enhance technology driven industry solution service capabilities, in order to provide industry customers with one-stop, digital intelligence industry solutions and smart supply chain services integrating logistics technology software and hardware, and technology solutions, allowing technology to empower industry companies to transform and upgrade their supply chains.

2. Consolidation of foundation and network integration, fully unleashing economies of scale, achieving further reductions in costs and increased efficiency

In 2021, SF Holding will continue to improve courier product service standards, increase investment in digital and intelligent system tools, consolidate its operating infrastructure and resource structure optimisation, as well as measures such as the four-network resource integration, inter alia. We will continue to increase operating efficiency, fully unleashing economies of scale, and achieving further cost reductions and increases in efficiency.

(1) Optimisation of product service standards: We will continue to optimise customer service standards and increase operating efficiency through the reengineering and shift online of operating standards and processes, while also mobilising the precise investment of resources.

(2) Investment in digitisation/automation tools: In terms of digital systems, we will continue to promote the systematisation, digitisation and visualisation of management across each operating link, including collection and delivery, terminal outlets, transportation, warehousing and distribution allocation, inter alia, continuously reducing damage and abnormalities while increasing operating efficiency. In terms of investment in automation equipment, we will continue to expand the transformation of and investment in distribution automation equipment, further increasing the company's warehousing and distribution distribution automated processing capabilities.

(3) Consolidation of our operating infrastructure, distribution of key resources: In terms of land transportation capacity, we will continue to optimise the capacity structure by increasing investment in self-operated capacity and increasing the proportion of large vehicles, in order to further improve the usability and controllability of land transportation capacity. In terms of air transport resources, we will continue to expand our own cargo aircraft fleet, while at the same time promoting cooperation between our own company and other airlines, increasing our share of advantageous bulk

aviation resources, and further increasing our air transportation capabilities. In terms of high-speed rail resources, we will continue to promote the acquisition of high-speed rail station resources, and accelerate the promotion of the company's high-speed rail express delivery capabilities. In terms of service network layout, we will deploy transit fields based on our business planning, and continue to expand the coverage of our terminal service network by extending the reach of the terminal services network.

(4) Network operating resource integration and structural optimisation: We will steadily upgrade the integration of our traditional network with business networks through a combination of developments and changes to business structures and scales, promote the comprehensive integration and high-efficiency synergies of our express network, freight network, warehousing network and franchise network collection and delivery, site and route resources, inter alia, while at the same time continuing to optimise our own employee, vehicle and social resource structures and increase the efficiency of network resources, ensuring the stability and controllability of the services network.

3. Consolidation of core barriers, expansion of market share, ensure the stable growth of the traditional business

In 2021, SF Holding will continue to focus on the needs of the market and its industry customers, based on industry, customer group and scenario differentiation, through the use of technological means. We will continue to promote the allocation of internal resources on a needs basis, optimise current product/service portfolios and operating models, continue to innovate and optimise the iteration of sub-industry products, and provide customers with high-quality differentiated products, services and solutions, while also promoting the continued stable growth of our traditional business. Of these, targeting time-definite express, we will on the one hand continue to optimise product systems, increase product differentiation, upgrade product and service models and multi-combination solutions by combining sub-scenarios and differentiated industry requirements, in order to improve user experience and increase user loyalty. On the other hand, we will continue to steadily increase our timeliness and service advantages through a two-pronged "resource allocation"+ "model change" approach, and expand our barriers to competition. In terms of economy product, we will continue to give full play to the operational capabilities of our two brands, and increase the competitiveness of our economy express delivery product based on the target markets for different customer groups. In terms of the medium-to high-end e-commerce market, the main focus will be on "speed + warmth", using SF Holding's self-operation advantages to comprehensively increase the timeliness and competitiveness of e-commerce shipments and improve the customer experience. In terms of the mid-and low-end e-commerce market, we will use the franchise network operating model to provide highly cost-effective products and services, and gradually expand our market share in lower tier markets, promoting a rapid increase in production capacity, and reducing costs and increasing efficiency.

4. We will continue to explore new business segments, optimise resources investment, and increase service capabilities

Freight business: 2021 SF Freight will further expand its leadership advantages in market competition through comprehensive upgrades to its products and services. The directly operated network will further expand to reach fourth-and fifth-tier cities, and the scope of services will also expand. We will reduce costs through network integration, and speed up delivery while reducing costs across the board. At the same time, we will continue to consolidate our professional services capabilities to industry, in the professional warehousing and distribution, delivery and installation and other sub-sectors of the furnishings, home appliance and other industries, further consolidating our depth of service. The franchise network product range will widen and deepen, the outlet network allocation model will be optimised, star rating management will increase, and we will create a platform for the positive development of our outlet network. We will enable an all-round increase in timeliness and service quality in the mid-end through resource integration and predictive investment in key operating facilities, further expanding our network scale. At the same time, SF Freight will expand its cooperation with high-quality social logistics resources, fine-tune load allocations, dedicated vehicle transportation and metropolitan freight segmentation scenario as well as comprehensive industry services. We will strengthen station resource capacity building, increase our investment in our technology infrastructure and big data applications, boost chain-wide automation in customer services and goods delivery, as well as our digitisation and intelligence levels, create reproducible digital management and service technologies, optimise the user experience, achieve flat management and lean operations, and reduce costs while increasing efficiency.

Cold chain business: In 2021, SF Cold Chain will focus on its target markets, and in particular the production area market and the food professional market distributed across the country, relying on our nationwide temperature control network and operating model innovation to meet the needs of customers in various market for 2B and 2C cross-regional cold chain logistics. At the same time, we will continue to consolidate our refrigerated transport network infrastructure capabilities, including our scientifically laid-out and highly efficient RDC+DC cold storage network, and invest in trunk route resources in order to increase overall network coverage and timely delivery capabilities, and improve terminal network coverage in order to build high-efficiency, high-quality urban distribution capabilities. In addition, we will strengthen our investment in technology, continue to increase our operating and management efficiency, help our customers to develop their business, and further increase end-to-end digitised cold chain solution capabilities.

Pharmaceuticals business: In 2021, SF Pharmaceutical will continue to improve its operating system and technology capabilities, strengthen investment in resources such as cold chain and pharmaceutical warehousing networks, cultivate the pharmaceuticals and health sub-sectors, develop benchmarks, and enrich industry technology solutions. We will work with upstream and downstream partners in the pharmaceuticals industry to build a fully traceable process-wide logistics system, to achieve digitisation, online transformation and the visualisation of logistics management, as well as strengthen our domestic warehousing and distribution network while expanding our international pharmaceutical logistics capabilities, and we will continue to increase our market competitiveness and market share.

SF Intra-city business: In 2021, SF Intra-city will continue to focus on “all-product, full-scenario, any time” customer requirements, embodying a “professional and friendly” concept. We are committed to become a builder of core local life infrastructure which effectively connects merchants and consumers. On the one hand, we are using our in-depth exploration of customer requirements to help small and medium-sized businesses to transform new retail, further improve industry solutions, and continuously optimise and upgrade the service experience. On the other hand, our active search for new business scenarios, and the integration of courier ‘last mile’, intra-city supply chain and other innovation models are expanding the boundaries of our instant logistics business.

International business: Our international business will be founded on serving China foreign trade, responding to the national “One Belt, One Road” initiative, helping China companies to expand overseas, while also providing global customers with a range of products and services including courier, cross-border e-commerce logistics and freight forwarding, inter alia. In terms of new business, the company will focus on 3C high technology, pharmaceutical vaccines, the auto parts and fast moving consumer industries, inter alia, opening up back-and front-end logistics links to vigorously create cross-border supply chain solutions through the construction of an overseas presence and bonded warehouse capabilities. We will integrate its own air transport, maritime transport, international land transport, international rail transport and other resources to provide customers with a comprehensive range of competitive, end-to-end international logistics services, and will continue to leveraged its professionalism, innovation and sincere approach to service and technology capabilities to help an increasing number of customers to expand into the international market.

Supply chain business: The company will continue to focus on its customers, helping them to achieve new growth in their direct-to-consumer (D2C) business. We will also continue to iterate and optimise our smart supply chain, big data decision-making and omni-channel marketing digital product systems, and enhance the depth of cooperation with existing customers. We will expand and co-create commercial model innovation with industry leaders, provide bespoke innovative on-demand technologies + supply chain solutions, and expand and develop industry big data & technology solutions and product solution think tanks. At the same time, we will promote rapidly replication to our growing customer base, providing them with standardised solutions and product systems, helping them to achieve the transformation and rapid growth of their corporate data, and expand their market coverage. We will also provide our on-demand, standardised micro-service product portfolio to large numbers of SME customers, in order to achieve the technology-driven ecologicalisation of data.

At the same time, we will continue to enhance the synergies between each of our business modules and SF DHL and New Havi, leveraging our business network and platform advantages to integrate internal and external resources, optimise our resource distribution, and provide customers with omni-supply chain optimisation and upgrading services, so as to enhance the flexibility and resilience of customer supply chains in the face of increasing uncertainty in the global supply chain.

(IV) Company risks and countermeasures

1. Market risk

Risk of macro-economic fluctuations: The logistics industry plays an important fundamental role in the development of the national economy but it is also significantly affected by macroeconomic conditions. In recent years, China's macroeconomy has experienced slowing growth as it underwent a period of economic structure transition, and the future development will remain rather complicated. Future fluctuation of the macroeconomy will have a certain impact on the overall development of China's logistics industry and the performance of SF Holding.

Market competition risks: Competition in China's express logistics industry has become increasingly fierce. On the one hand, industry-leading express logistics enterprises continue to strive to expand their businesses and networks. On the other hand, E-commerce platform enterprises, social capitals and other external forces are creeping into the express logistics industry, further exacerbating market competition. If the Company cannot adjust its operating strategies and take effective countermeasures in a timely manner in response to market changes, it may face the risk of slowing business growth and declining market share.

Currently, economies of scale are gradually emerging in the operations of China's mainstream courier companies, providing objective leeway for a decline in courier service prices. At the same time, the degree of product and service homogeneity in the courier and logistics industry is relatively high, and market competition is relatively fierce. In addition, low-price strategies have become the main means by which new industry entrants rapidly seize market share, impacting the existing competitive situation of e-commerce express delivery industry, and price wars are also increasing in ferocity. The Company has been building mid-to-high end market barriers, forging differentiated competitive advantage and price moat through timeliness and service quality. In order to meet the diversified needs of customers, the Company has actively marched into the mid-to-low end e-commerce market in recent years so as to build a complete product mix. Under the impact of competition in the e-commerce express market, the Company faces the risk of a drop in price in future.

Risks arising from change in new business patterns: In recent years, with the rapid development of information technology, the impact of the Internet economy on all aspects of life has become increasingly obvious. In the express delivery industry, information platform-type enterprises have emerged. Through fast matching and effective management of information between supply and demand, such enterprises can quickly gather and utilize social capitals to deliver appropriate services for customers, which will have a certain impact on the traditional business model of the express delivery industry.

Risk response: In the face of complex and volatile potential market risks, the company has established a comprehensive risk management and control system, and is continuously improving and iterating in response to market changes. The Company pays close attention to and studies macro-economic trends and industry development trends, analyses the market competition patterns, and adopts active, effective strategies to achieve forward-looking planning and business resource distribution. We track the macro-economy, focusing on the analysis of its impact on our

main business, and adjust our operation strategies in a timely manner to minimise the impact of changes in the external market environment on the company's business and future development. Meanwhile, the Company attaches great importance to science and technology investment, as it could enable product innovation, improve service quality, consolidate core competition barriers, and thereby supporting the long-term sustainable development of the Company's business.

2. Policy risk

Risks arising from changes in industry regulations and industrial policies: The operation of express delivery requires business licensing and is subject to regulation by laws, administrative rules and industry standards such as the Postal Law of the People's Republic of China (《邮政法》), the Administrative Measures for Express Delivery Business Licensing (《快递业务经营许可管理办法》), the Administrative Measures for Express Delivery Market (《快递市场管理办法》), the Industry Standard for Express Delivery Services (《快递服务》行业标准) and the Rules for Guiding the Operation of Express Business (《快递业务操作指导规范》). In order to support the development of the express delivery industry, competent departments at various levels have successively introduced a number of industrial support and encouragement policies. However, should major changes in or adjustments to relevant laws, regulations or industrial policies occur in the future, they may have an impact on the development trend and market competition landscape of the express delivery industry, which may in turn affect the future business growth and performance of the Company.

Risks from relevant state policies on environmental protection, energy conservation and emission reduction: Various types and models of motor vehicles are important components of transportation vehicles of express delivery companies. Intensifying state policies on environmental protection, energy conservation and emission reduction may lead to increased expenses in relevant aspects such as environmental protection, energy conservation and emission reduction incurred by express delivery companies, which may affect the future performance of the Company.

Risk response: The Company has established research teams for state and local policies in all business units to conduct in-depth analysis on relevant policies introduced and scientific predictions of future policy directions and trends in the light of overall changes in the external environment. Forward-looking plans are implemented and adjusted by fully capitalizing on favorable policies while avoiding policy risks, hence promoting business growth.

3. Business risks

Risks of possible rising costs: The traditional express delivery industry is a labor-intensive industry. There are relatively large demands for labor along various stages of operation such as collection, sorting, transportation and delivery. With decreasing rate of population growth in China, there are certain pressures on rising labor costs while investments in logistics infrastructures and other aspects are also increasing. If the Company cannot secure enough business volume or effectively control costs in the future, it will probably face challenges in its future performance growth.

Risk response: SF Holding has continued to increase investment in areas such as logistics framework optimisation and system component innovation, including in areas such as bringing the entire logistics process online by applying smart technologies to reduce manpower and offline operations, while upgrading service points and route planning and using scientific and technological means to enhance efficiency and reduce labor costs, hence leading the transformation of the express delivery industry from a labor-intensive to a technology intensive industry.

Risks from fuel price fluctuation: Transportation cost is one of the major costs of the express delivery industry, and fuel cost is a component of transportation cost. Fluctuations in fuel prices will have a certain impact on the profitability of express delivery companies. If the fuel price rises significantly in the future, the Company will experience pressure from increased costs. Generally speaking, however, fuel costs accounted for only 1.07% of revenue in 2020, a ratio which is not high. Therefore, the impact of fuel price fluctuation on operating costs is relatively limited. It is estimated that if fuel price fluctuates by +/- 5%, cost of revenue may increase or decrease by RMB83 million, for the current year, which will either increase or decrease net profit attributable to the parent company by a maximum of RMB57 million.

Risk response: The Company will further optimise layout of service outlets, enhance scientific route planning and loading rate of operating routes, and increase resource use efficiency to reduce the risk of fuel price fluctuations. Further, the Company will strengthen promotion for use of new energy vehicles to reduce the risk of fuel price fluctuations to a certain extent. Meanwhile, the Company has matured operation and cost monitoring mechanisms. When costs fluctuate significantly, operation plans and fuel cost control measures will be dynamically adjusted to reduce the negative impact of fuel cost fluctuation on the Company.

4. Exchange rate fluctuation risks

SF Holding is committed to providing accessible, reliable and integrated international express delivery, logistics and supply chain solutions for domestic and foreign manufacturing companies, trading companies, cross-border e-commerce businesses and consumers. Thus far, the Company has rolled out international logistics services in countries including Singapore, South Korea, Malaysia, Japan and Thailand, and B2C and e-commerce delivery services in a number of countries and regions. Going forward, as its overseas operations expand, businesses denominated in foreign currencies are set to account for an increasing share of our total business volume. Given the uncertainties in the international financial environment and fluctuations in RMB's exchange rates, the Company's foreign-currency assets, foreign-currency liabilities and future foreign-currency transactions will all be subject to exchange rate risks, which will in turn affect the Company's business performance or financial statements.

Risk response: The Company's foreign exchange transactions are mainly conducted based on the actual needs of its cross-border foreign-currency businesses. To avoid and guard against risks associated with fluctuations in exchange rates and interest rates, better manage its foreign currency positions and become more competitive, the Company has established the Management System for Hedging Business (《套期保值业务管理制度》), and conducts centralized management of foreign currency positions, under which it decides expenditure based on revenue, implements maturity matching and performs natural hedging wherever possible. It also uses financial derivatives and hedging products with low default risks and controllable risks to lock in the costs of exchange rate and interest rate and avoid the relevant risks. All the Company's hedging transactions are conducted in strict compliance with the relevant hedging principles, and are based on our normal production and business activities and justified with actual business operations. All the transactions are carried out for the purpose of locking in costs and avoiding risks. The Company does not trade for speculative purposes, and operates within its authority to ensure effective execution and reduce the impact of exchange rate fluctuations on its operation and earnings. In terms of counterparty selection, the Company conducts foreign exchange hedging transactions only

with large and established commercial banks home and abroad, and all such transactions conform to the principles of legality, prudence, safety and effectiveness. In addition, we will step up efforts to study and analyze exchange rates and interest rates, closely monitor changes in the global markets, issue early warnings in time, and take countermeasures accordingly.

5. Information system risk

Information system risk: To cope with our diversified development of the Company's business and the complex and diverse needs of customers, the Company has built and applied various information systems and technologies. Rapid development of the industry and changing market also pose challenge of rapid change in technology and services to the construction of core business systems of the Company. With the wide variety and rapid replacement of professional technologies in the Company along with emerging new technologies, changes in information technology and future business requirements may cause certain information system risks. Meanwhile, despite the series of information security control mechanisms established for the large amount of data accumulated for years by the Company, there still exists certain human or system caused information security risks.

Risk Responses: The Company has formulated comprehensive response measures for information system risks. On the one hand, the Company continues to carry out operation and optimization of the ISO27001 information security management system and the ISO27701 privacy information management system. The Company implements information security control and protection in all aspects according to established policies and strategies for information security, and continuously updates all procedures and systems for information security. It continuously strengthens risk awareness of staff and trainings for staff operation standards, develops internal information circulation guidelines, implements rules of strong control over sensitive information, avoids unintentional violations, and constructs monitoring and pre-warning and response systems for abnormal behaviors, so as to eliminate information system security risks in their infancy. Meanwhile, according to requirements of regulatory authorities, the Company has carried out evaluation for security classification protection of information system. Based on high standards of technology protection requirements, it conducts continuous and stable security intervention in the business system construction phase to improve the ability of the clients' service products and business systems themselves against anti-security attacks. During the process of information system operation, it has established the security capability baseline (measurable cyberspace security capability evaluation), safe operation capability (situational awareness of privacy data risks, MTTD and MTTR indicators based on offensive and defensive confrontations), DevOps security capability (DevSecOps process and tool chain), and security ecology capability (external perception and linked stop sell) to enhance the capability of the IT infrastructures to discover and defend against cyber security attacks during operation of the information system. On the other hand, the Company has established a more comprehensive system for prevention and control of information risks, formulated standard processes such as the Major Event Management Process System for IT System (《IT 系统重大事件管理流程制度》) and the Management Guidelines for Emergency Plan Formulation and Implementation of IT System (《IT 系统应急预案制定与执行管理指引》) to implement closed-loop risk prevention and control in terms of pre-warning, in-process control and post-recording. Additionally, the Company has actively cooperated with the National Development and Reform Commission, the State General Administration of Posts and all levels of public security departments to combat behaviors such as black production and speculation; has actively participated in the formulation and review of various information security standards of the National Information Security Standards Committee, pilot work for implementation of policies; has regularly held security summits and security salons to facilitate information sharing with industry leaders and industry elites; and has established alliance partnership and cooperation with information security teams of well-known Internet and e-commerce companies for the joint construction of a safe and orderly cyberspace.

X. Reception of Research, Communication, Interviews and Other Activities

1. Registration form for reception of research, communication, interviews and other during the reporting period

√ Applicable □ Not applicable

Reception Date	Reception Site	Reception Mode	Reception Object	Reception Object	Information Discussed and Materials Provided	Disclosure index
March 24, 2020	4/F, Block B, TK Chuangzhi Tiandi Building, Keji South 1st Road, Nanshan District, Shenzhen	Telephone communication	Organization	A total of 336 investors, including many institutional investors such as Fullgoal Fund, Genharmony, Cephei Capital, Wanjia Asset, BOSCA Asset, CitiBank, Changjiang Securities, Industrial Securities, and CITIC Securities.	Analysis of the Company's 2019 results, its business development status, and the impact of the COVID-19 outbreak.	"March 24, 2020 Investor Relations Activities Record" disclosed on http://www.cninfo.com.cn on March 24, 2020 (Announcement No. 2020-001)
March 27, 2020	Online & No. 1111, Terminal Fourth Road, Shenzhen Bao'an International Airport	Telephone communication, field research	Other	Shenzhen Stock Exchange Investor Education Center, p5w.net.	1. The moderator talked with Ms. Gan Ling, Secretary of the Board of the Company, regarding efforts made by the Company to combat the outbreak and restart business operations. 2. Paid a site visit to SF Airlines and interviewed Mr. Li Sheng, President of SF Airlines.	"March 27, 2020 Investor Relations Activities Record" disclosed on http://www.cninfo.com.cn on March 27, 2020 (Announcement No. 2020-002)
August 26, 2020	20/F, Block B, TK Chuangzhi Tiandi Building, Keji South 1st Road, Nanshan District, Shenzhen	Telephone communication	Organization	A total of 624 investors, including many institutional investors such as Fullgoal Fund, Bosera Capital, Genharmony, Cephei Capital, Bank of Communications Schroder Fund Management, Changjiang Securities, CitiBank, Industrial Securities, and CITIC Securities.	Analysis of the Company's 2020 interim results and its business development status.	"August 26, 2020 Investor Relations Activities Record" disclosed on http://www.cninfo.com.cn on August 26, 2020 (Announcement No. 2020-003)
October 27, 2020	20/F, Block B, TK Chuangzhi Tiandi Building, Keji South 1st Road, Nanshan District, Shenzhen	Telephone communication	Organization	A total of 499 investors, including many institutional investors such as Fullgoal Fund, Bosera Capital, E Fund Management, Cephei Capital, Bank of Communications Schroder Fund Management, CICC, Huachuang Securities, Changjiang Securities, CitiBank, Essence Securities, and Orient Securities.	Analysis of the Company's 2020 Q3 results.	"October 27, 2020 Investor Relations Activities Record" disclosed on http://www.cninfo.com.cn on October 27, 2020 (Announcement No. 2020-004)



05

Significant Events

I. Profit Distribution to Common Shareholders & Increase of Share Capital due to Conversion of Equity Reserves

Status of formulation, execution, or adjustments made to profit distribution policy for common shareholders, especially the cash dividend policy, during the reporting period.

Applicable Not applicable

On April 15, 2020, the Company held the 2019 Annual Shareholders' General Meeting and reviewed and approved the 2019 profit distribution plan. Based on the share capital of 4,403,300,190 (calculated by deducting the 11,010,729 shares in the Company's repurchase special accounts from the total share capital 4,414,310,919 as of March 23, 2020), the Company distributed a cash dividend of RMB2.70 (including tax) for every 10 shares to all shareholders. The remaining undistributed profits were carried forward to the following year. The equity reserves were not transferred to share capital and no equity dividends were distributed during the year. The execution of the profit distribution plan was completed on April 24, 2020.

Special Explanation of Cash Dividend Policy

Does it comply with the requirements of the Company's regulations or the resolutions of the shareholders' meeting?	Yes
Are the dividend standards and proportions specific and clear?	Yes
Are relevant decision-making procedures and mechanisms complete?	Yes
Do independent directors perform their duties and play their due role?	Yes
Do minority shareholders have the opportunity to fully express their opinions and appeals, and are their legitimate rights and interests fully protected?	Yes
Are the conditions and procedures compliant and transparent when the cash dividend policy was adjusted or changed?	N/A

The Company's plan for profit distribution to common shareholders (preplan) & plan for increase of share capital due to conversion of capital reserves (preplan) for the recent three years (including this reporting period):

1. The Company's board of directors reviewed and approved the "2020 Annual Profit Distribution Plan" on March 17, 2021: based on the share capital of 4,545,429,726 (calculated by deducting the 11,010,729 shares in the Company's repurchase special accounts from the total share capital 4,556,440,455 as of March 17, 2021), a cash dividend of RMB3.30 (including tax) per 10 shares will be distributed to all shareholders for a total of RMB1,499,991,809.58. The remaining undistributed profits will be carried forward to the following year. The equity reserves will not be transferred to share capital, and no equity dividends will be distributed during the year. This proposal is subject to review and approval at the Company's 2020 Annual Shareholders' General Meeting.
2. The Company's 2019 profit distribution plan was as follows: Based on the share capital of 4,403,300,190 (calculated by deducting the 11,010,729 shares in the Company's repurchase special accounts from the total share capital 4,414,310,919 as of March 23, 2020), the Company distributed a cash dividend of RMB2.70 (including tax) for every 10 shares to all shareholders for a total of RMB1,188,891,051.30. The remaining undistributed profits were carried forward to the following year. The equity reserves were not transferred to share capital and no equity dividends were distributed during the year. The distribution plan has been implemented.
3. The Company's 2018 profit distribution plan was as follows: Based on the share capital of 4,407,315,943 (calculated by deducting the 11,010,729 shares in the Company's repurchase special accounts from the total share capital of 4,418,326,672 on the record date for the implementation of the 2018 profit distribution plan), the Company distributed a cash dividend of RMB2.10 (including tax) for every 10 shares to all shareholders for a total of RMB925,536,348.03. The remaining undistributed profits were carried forward to the following year. The equity reserves were not transferred to share capital and no equity dividends were distributed during the year. The distribution plan has been implemented.

Table of cash dividends on the ordinary shares of the Company for the past three years (including the reporting period)

Unit: RMB

Year	Cash dividend (including tax)	Net profit attributable to common shareholders of the Company in consolidated statements	Cash dividend in proportion to net profit attributable to shareholders of the Company in consolidated statements (%)	Cash dividend in (such as share repurchase) other forms	Other forms of cash dividend in proportion to net profit attributable to shareholders of the Company in consolidated statements (%)	Total of Cash dividend (including other forms)	Total of cash dividend (including other forms) in proportion to net profit attributable to shareholders of the Company in consolidated statements (%)
2020	1,499,991,809.58	7,326,078,775.95	20.47%	-	-	1,499,991,809.58	20.47%
2019	1,188,891,051.30	5,796,505,532.20	20.51%	394,996,314.03	6.81%	1,583,887,365.33	27.32%
2018	925,536,348.03	4,556,048,279.54	20.31%	-	-	925,536,348.03	20.31%

The Company made a profit in the reporting period and the profit distributable to the common shareholders of the Company was positive, but it did not put forward a preliminary plan for cash dividend distribution:

Applicable Not applicable

II. Proposal for Profit Distribution and Conversion of Capital Reserves into Share Capital for the Reporting Period

√ Applicable Not applicable

Numbers of equity dividend per 10 shares (share(s))	-
Dividend distribution per 10 shares (RMB) (including tax)	3.30
Conversion of equity reserves into share capital per 10 shares (share(s))	-
Share base of the distribution proposal (share(s))	4,545,429,726
Cash dividend amount (RMB) (including tax)	1,499,991,809.58
Cash dividend amount (RMB) in other ways (such as repurchasing shares)	-
Total cash dividends (including other ways) (RMB)	1,499,991,809.58
Distributable profits (RMB)	1,560,724,342.22
Cash dividends as a percentage of total of distributed profits (%)	100%

Cash dividend policy

For profit distribution of companies with unclear stage of development but significant capital expenditure arrangement, the percentage of cash dividend shall represent at least 20% of the profits distribution for the current year.

Particulars of profit distribution and conversion of capital reserves into share capital

As per the results audited by PricewaterhouseCoopers Zhong Tian LLP, the parent company achieved a net profit of RMB1,438,021,109.09 in 2020. The Company appropriated 10% of its net profit, amounting to RMB143,802,110.91 for the year 2020 to the statutory surplus reserve. After incorporating retained earnings of RMB1,454,807,195.40 at the beginning of the year and deducting the actual cash dividend of RMB1,188,301,851.36 in 2020, profit of the parent company available for distribution to the shareholders was RMB1,560,724,342.22 as of December 31, 2020.

The Company's proposed profit distribution plan for 2020 was as follows: Based on the share capital of 4,545,429,726 (calculated by deducting the 11,010,729 shares in the Company's repurchase special accounts from the total share capital 4,556,440,455 as of March 17, 2021), a cash dividend of RMB3.30 (including tax) per 10 shares will be distributed to all shareholders, and the total amount of the payout is RMB1,499,991,809.58. The remaining undistributed profits will be carried forward to the following year. The equity reserves will not be transferred to share capital, and no equity dividends will be distributed during the year.

III. Fulfillment of Commitments

1. Commitments made by the Company's actual controllers, shareholders, related parties, purchasers, and others that were fulfilled during the reporting period and those not fulfilled as of the end of the reporting period

√ Applicable □ Not applicable

Commitment	Committed By	Commitment Type	Commitment Details	Committed Time	Commitment Period	Fulfillment Status
Commitments made during asset restructuring	Mingde Holding	Restricted sale of shares	<p>1. The shares of Dingtai New Materials subscribed by the company in this restructuring shall not be transferred in any way within 36 months from the date of registration of such shares in the name of the company, nor shall a third party be entrusted to manage such shares.</p> <p>2. When the aforementioned lock-up period expires, if the underlying company fails to meet the committed net profits as stipulated in the "Profit Forecasting Compensation Agreement," which requires the company to perform the share compensation obligation to Dingtai New Materials, and the share compensation obligation has not been fulfilled, the aforementioned lock-up period shall be extended to the date of completion of the company's share-based compensation obligations under the "Profit Forecasting Compensation Agreement."</p> <p>3. Within six months after completion of the restructuring, if the closing price of Dingtai New Materials stock is lower than the issuance price for consecutive 20 trading days, or the closing price of the stock at the end of 6 months after the restructuring is completed is lower than the issuance price, the lock-up period of such stock held by the company is automatically extended for at least 6 months. (If dividend distribution, gifted shares, transfer of capital stock, or allotment to Dingtai New Materials occurred during the above period, the aforementioned issuance price is calculated based on the price adjusted by factors such as ex-dividend and ex-rights.)</p> <p>4. After the completion of the transaction, the shares derived from Dingtai New Materials shares subscribed to by the company in this restructuring due to the distribution of stock dividends of Dingtai New Materials and the capitalization of the capital reserve to share capital shall also comply with the above-mentioned arrangement of restricted sale of shares.</p>	January 23, 2017	3 years	Fulfilled

Commitment	Committed By	Commitment Type	Commitment Details	Committed Time	Commitment Period	Fulfillment Status
Commitments made during asset restructuring	Wang Wei, Mingde Holding, Jiaqiang Shunfeng, Zhaoguang Investment, Oriza Shunfeng, Guyu Qiuchuang, Shunda Fengrun, Shunxin Fenghe	Regulating and reducing of related-party transactions	<p>1. The company/the enterprise/I and the company/this enterprise/company, enterprise, or economic organization (excluding the companies controlled by the listed companies) that are actually controlled by me, hereinafter collectively referred to as "the company/the enterprise/my affiliate" will strictly execute the rights of shareholders in accordance with the provisions of laws, regulations, and other normative documents, perform the obligations of shareholders, and maintain the independence of listed companies in terms of assets, finances, personnel, operations, and institutions.</p> <p>2. The company/the enterprise/I or the company/my affiliated company will not use the status of the shareholders to promote the shareholders' meeting or the Board of Directors of the listed Company to make resolutions that infringe on the legal rights of minority shareholders.</p> <p>3. The company/the enterprise/I or the company/my affiliated company will not appropriate the funds of the listed Company by means of borrowing, repaying debt or other payment on behalf of the company/the enterprise/I or the company/my affiliated company, or any other way.</p> <p>4. The company/the enterprise/I or the company/my affiliated company will try to avoid related-party transactions with the listed Company. For unavoidable related-party transactions with the listed Company, the company/the enterprise/I or the company/my affiliated company will promote the controlled entity to conduct the transactions in accordance with fair, reasonable, and normal commercial transaction conditions, and will not require or accept conditions given by the listed Company that are more favorable than any fair market transaction, and will sign various related-party transaction agreements with the listed Company in a well intentioned and strict manner.</p> <p>5. The company/the enterprise/I or the company/my affiliated company will strictly perform the related-party transaction decision-making procedures and the corresponding information disclosure obligations in accordance with the listed Company's Articles of Corporation and relevant laws and regulations.</p> <p>6. The company/the enterprise/I or the company/my affiliated company will ensure that the entity itself and the controlling entity will not seek special interests beyond the above-mentioned requirements through related-party transactions with the listed Company and will not carry out related-party transactions that impair the interests of the listed Company and their small and medium shareholders. If the above commitments are violated, the company/the enterprise/I will jointly and severally assume corresponding legal liabilities, including but not limited to, individual and joint legal liabilities for the total losses caused to the listed Company and its small and medium shareholders.</p>	January 23, 2017	Long-term	Normal

Commitment	Committed By	Commitment Type	Commitment Details	Committed Time	Commitment Period	Fulfillment Status
Commitments made during asset restructuring	Wang Wei, Mingde Holding	Avoiding horizontal competition	<p>1. After the completion of this restructuring, in the case that the company/I has/have direct or indirect control over, or significant influence on, the listed Company, other companies/enterprises (hereinafter referred to as "the company/company controlled by me") except for the listed Company and its subsidiaries directly or indirectly controlled by the company/me and the Company/I will not engage in any business that constitutes substantial competition with the listed Company's current or future business.</p> <p>2. After the completion of this restructuring, if the controlled companies may form substantial competition with the listed Company in the future or have a conflict of interest with the listed Company, the companies controlled by the Company/me and the Company/I will abandon any business opportunities that may constitute peer competition, or inject all businesses of the companies controlled by the Company/me and the Company/I that constitute peer competition into the listed Company at a fair and equitable market price at the appropriate time.</p> <p>3. The company/I will not use any information known or learned from the listed Company to assist any third party to engage in or participate in any business activities that have substantial competition or potential competition with the listed Company.</p> <p>4. If the company/I and the company/company controlled by me violates the above commitments and causes the rights and interests of the listed Company to be damaged, the company/I will bear the corresponding liability for compensation according to laws.</p>	January 23, 2017	Long-term	Normal
Commitments made during asset restructuring	Mingde Holding	Social insurance, housing fund, and other related issues	<p>1. If an employee has recourse to Taisen Holding and its subsidiaries for social insurance or housing provident funds, resulting in litigation or arbitration, or if Taisen Holding and its subsidiaries are subject to administrative penalties from the relevant administrative authorities, the company will assume the corresponding compensation liabilities: If the social insurance and housing provident fund authorities request Taisen Holding and its subsidiaries to repay previous years' employee social insurance and housing provident fund, the company will use the amount approved by the competent authority to make up the contributions on behalf of Taisen Holding and its subsidiaries; if Taisen Holding and its subsidiaries bring any other expenses and economic losses due to failing to pay social insurance and housing provident funds in accordance with the regulations, the company will make up the contributions for Taisen Holding and its subsidiaries for free.</p> <p>2. As regards Taisen Holding and its subsidiaries' own properties, it is committed that the company will bear the corresponding liability for compensation if Taisen Holding and its subsidiaries are punished by the relevant administrative authority because Taisen Holding and its subsidiaries fail to handle the land use rights certificate and/or the building ownership certificate. If Taisen Holding cannot continue to use the relevant land/house, the company will bear all expenses and economic losses resulting from this for free.</p> <p>3. If Taisen Holding and its subsidiaries and branch companies fail to use venues and/or houses due non-standard application and the relevant enterprises need to re-locate, the company will bear any losses and expenses suffered by Taisen Holding and its subsidiaries and branch companies.</p>	January 23, 2017	Long-term	Normal

Commitment	Committed By	Commitment Type	Commitment Details	Committed Time	Commitment Period	Fulfillment Status
Commitments made during asset restructuring	Wang Wei, Mingde Holding	Maintaining the independence of the listed Company	<p>I. Independence of the personnel of the listed Company</p> <p>1. The senior management personnel of the listed Company (General Manager, Deputy General Manager, Secretary of the Board of Directors, Head of Finance, etc.) work full-time for the listed Company and receive remuneration from the listed Company. They do not hold any positions other than Director in the company and do not retain duties other than Directors and Supervisors in enterprises (hereinafter referred to as "the company/other enterprise controlled by me") other than Dingtai New Materials and its subsidiaries controlled by me and the company.</p> <p>2. Financial officers of the listed Company do not work part-time in other enterprises controlled by the company/me and the company/other enterprise controlled by me.</p> <p>3. The listed Company's personnel relations and labor relations are independent of the company/me and the company/other enterprise controlled by me.</p> <p>4. The company/I will only exercise shareholder rights indirectly through shareholders' meetings and recommend candidates for directors, supervisors, and senior management personnel of the listed Companies in accordance with the laws and regulations or the provisions of the listed Company's Articles of Corporation and other rules and regulations. The company/I will not intervene in the personnel appointments and dismissals of the listed Company beyond the shareholders' meetings or Board of Directors.</p> <p>II. Independence of the assets of the listed Company</p> <p>1. The listed Company has independent and complete assets. The assets of the listed Company are all under the control of the listed Company and are owned and operated independently by the listed Company.</p> <p>2. The company/I and the company/other enterprise controlled by me will not illegally occupy the capital and assets of the listed Company in any way.</p> <p>3. The company/I will not provide guarantees for the debt of the company/mine and the company/other enterprise controlled by me using assets of the listed Company.</p>	January 23, 2017	Long-term	Normal

Commitment	Committed By	Commitment Type	Commitment Details	Committed Time	Commitment Period	Fulfillment Status
			<p>III. Financial independence of the listed Company</p> <p>1. The listed Company and its holding subsidiaries establish independent financial accounting departments and establish independent financial accounting systems and financial management systems.</p> <p>2. The listed Company and its holding subsidiaries can independently make financial decisions. The company/I will not intervene in the use of funds by the listed Company beyond the shareholders' meetings or Board of Directors.</p> <p>3. The listed Company and its holding subsidiaries can independently open bank accounts. The company/other enterprise controlled by the company/me will not share bank accounts with the listed Company and its holding subsidiaries.</p> <p>4. The listed Company and its holding subsidiaries shall pay taxes independently.</p> <p>IV. Independence of the organizations of the listed Company</p> <p>1. The listed Company shall establish and improve corporate governance structures in accordance with the laws, establish independent and complete organizational structures, and separate them completely from those of the company/my organizations. The listed Company will not use office organizations or business premises together with this company/me and this company/other enterprise controlled by me.</p> <p>2. The listed Company operates independently and autonomously. The company/I will not intervene in the management of the listed Company beyond the Shareholders' General Meeting and the Board of Directors.</p> <p>V. Independence of the business of the listed Company</p> <p>1. The listed Company independently owns the assets, personnel, and qualifications to carry out business activities after the completion of the restructuring and has the ability to operate independently for the market.</p> <p>2. The company/I and the company/other enterprise controlled by me will avoid engaging in businesses competing with the listed Company and its holding subsidiaries in the same industry.</p>			

Commitment	Committed By	Commitment Type	Commitment Details	Committed Time	Commitment Period	Fulfillment Status
			<p>3. The company/I will not illegally occupy funds or assets of the listed Company. The company/I will strictly abide by the listed Company's related-party transaction management system, regulate, and minimize the occurrence of related-party transactions with the listed Company. For unavoidable related-party transactions with the listed Company, the company/I will prompt the company/other enterprises controlled by me to conduct the transactions in accordance with fair, reasonable, and normal commercial transaction conditions, and will not require or accept conditions given by the listed Company that are more favorable than any fair market transaction, and will sign various related-party transaction agreements with the listed Company in a well-intentioned and strict manner. The company/I will strictly perform the related-party transaction decision-making procedures and the corresponding information disclosure obligations in accordance with the listed Company's Articles of Corporation and relevant laws and regulations. The company/I will strictly abide by the relevant provisions of the China Securities Regulatory Commission on the independence of listed companies, will not use the controlling shareholder/actual controller's status to violate the listed Company's standardized operating procedures, will not overpower the listed Company's and its subsidiaries' operations and management activities, will not invade the interests of the listed Company and its holding subsidiaries, and will not harm the legitimate rights and interests of the listed Company and other shareholders.</p>			
Commitments undertaken by the Company at the time of the public issuance of convertible bonds	Mingde Holding	Commitments relating to defects of land and property titles	<p>1. Regarding the issuer and its subsidiary's own real estate, Mingde Holding undertook to assume any liabilities to compensate SF Holding and its subsidiaries for any loss arising from any administrative penalties which is or may be imposed by the relevant administrative authorities presently and in the future arising from the latter's failure to obtain a land use right certificate and/or a real estate ownership certificate for any land or property in use. Mingde Holding will also, without charge, assume any other expenses and economic losses caused to SF Holding in case that SF Holding is unable to continue to use the relevant land/property as a result;</p> <p>2. If SF Holding and its subsidiaries and branches are affected by any non-compliance associated with a leased premise and/or property which leads to suspension of the use of the same and relocation, Mingde Holding will assume any losses and expenses suffered by SF Holding and its subsidiaries and branches as a result.</p>	May 09, 2019	Long-term	Normal
	Mingde Holding	Commitments related to equity interest pledges	As the controlling shareholder of the Company, Mingde Holding undertook that in respect of the pledge of some of SF Holding's shares it held to obtain finance, it will take all effective measures to ensure that Mingde Holding and related subsidiaries duly repay financing proceeds secured by the share pledge in time and in full amount to ensure the stability of its controlling interest in SF Holding.	July 07, 2019	2019/7/7-2020/8/12	Fulfilled

Commitment	Committed By	Commitment Type	Commitment Details	Committed Time	Commitment Period	Fulfillment Status
	Wang Wei, Lin Zheyang, Zhang Yichen, Deng Weidong, Liu Chengwei, Lo Sai Lai, Ng Wai Ting, Zhou Zhonghui, Jin Li, Dicky Peter Yip, Chow Wing Kin Anthony, Li Sheng, Xu Zhijun, Gan Ling, all being directors or senior management members of SF Holding	Commitment of the Company for the due performance of measures to compensate for the dilution of current period returns	<p>1. not to transfer interests to other institutions or individuals without compensation or unfair conditions, or cause damage to the interests of the Company in other ways;</p> <p>2. to constrain the consumption if it is business related;</p> <p>3. not to invest with or spend the Company's assets outside the performance of their duties;</p> <p>4. that the remuneration system developed by the Board or the remuneration committee is linked to progress in the implementation of the mitigation and remediation measures;</p> <p>5. that the exercise condition of the stock option incentive of the Company (if any) is linked to the implementation status of the mitigation and remediation measures;</p> <p>6. to undertake any supplemental commitments in accordance with the requirements of CSRC if the above commitments fail to meet any specific requirements of CSRC issued in respect of the mitigation and remediation measures and related commitments after the issue date of these commitments and before the implementation of this public offering of A-share convertible corporate bonds;</p> <p>7. I undertake to strictly implement aforementioned commitments, and ensure that the mitigation and remediation measures shall be effectively implemented. In case of violation of these commitments or refuse to fulfill them, I undertake to perform the corresponding obligations such as making an explanation or apology in accordance with the relevant requirements of the Guidelines on the Impacts on Dilution of Current Returns of the Initial Offering and Refinancing and Major Asset Reorganization, and agree to accept any regulatory actions taken by CSRC, Shenzhen Stock Exchange and other regulatory agencies in accordance with the law. And to indemnify the Company or shareholders in respect of any losses incurred in accordance with the law.</p>	April 23, 2019	2019/4/23-2020/8/12	Fulfilled

Commitment	Committed By	Commitment Type	Commitment Details	Committed Time	Commitment Period	Fulfillment Status
	Mingde Holding, Wang Wei	Commitments to ensure that the Company effectively implements Measures of Compensation for Dilution of Return for Current Period	As the controlling shareholder/actual controller of the Company, our unit/I shall not overstep our/my authority to intervene in the management activities of the Company or encroach on the Company's interests. As one of the main responsible entities for the remedial measures for the return, in the event that the above-mentioned commitments are breached or refused to be fulfilled, the unit/I give consent that the relevant penalties or relevant administrative measures shall be taken by securities regulatory agencies including CSRC and Shenzhen Stock Exchange in accordance with the relevant regulations and rules formulated or issued by them.	April 23, 2019	2019/4/23-2020/8/12	Fulfilled
	The Company	Financial input-related commitments	The Company undertakes not to invest more funds (including various forms of capital injection such as capital increase, loans and guarantees) in quasi-financial businesses until the proceeds raised are used up or within the 36 months after the receipt of the proceeds.	August 6, 2019	Until the proceeds raised are used up or within the 36 months after the receipt of the proceeds	Fulfilled
Are the Commitments fulfilled on time?						Yes
If any commitment is overdue, the specific reasons for the incomplete performance and detailed plan of next steps.						N/A

2. Where there had been Profit Forecast for an asset or project and the reporting period was still within the forecast period, explain reasons for failing to reach forecast performance.

Applicable Not applicable

IV. Status of Capital of the Listed Company Used for Non-operating Purposes by the Controlling Shareholder or Its Related Parties

Applicable Not applicable

In the reporting period, no controlling shareholder or its related party used capital of the listed Company for non-operating purposes.

V. Explanations Provided by the Board of Directors, the Supervisory Committee, and the Independent Directors (If Any) Regarding the “Non-standard Audit Report” Issued by the Auditor for the Reporting Period

Applicable Not applicable

VI. Changes in Accounting Policy, Estimation, and Methods When Compared to the Previous Financial Year

Applicable Not applicable

The Ministry of Finance revised “Accounting Standards for Business Enterprises No. 14 – Revenue” (Cai Kuai [2017] No. 22) in 2017. Meanwhile, it is required that the above amendment for enterprises listed both in domestic and overseas, as well as enterprises listed overseas and adopting international financial reporting standards or accounting standards for business enterprises to prepare financial statements, shall come into force as of January 1, 2018; as for other enterprises listed domestically, shall come into force as of January 1, 2020. According to the revision of the above accounting standards and the requirements of the implementation period, the Company adjusts the relevant contents of the accounting policies, which will be implemented from January 1, 2020.

The revised revenue standard integrates the current revenue and construction contract into a unified revenue recognition model; the transfer of control rights replaces the transfer of risk rewards as the judging standard for the timing of revenue recognition; it provides clearer guidelines for the accounting treatment of contracts involving multiple transaction arrangements; it also set forth clear regulations for the revenue recognition and measurement of certain specific transactions (or events).

The Company has implemented the new revenue standard since January 1, 2020. According to the relevant requirements of the convergence provisions in the new revenue standard, the Company does not make retrospective adjustments to the comparative financial statements, and adjusted the retained earnings or other comprehensive income at the beginning of the adjustment due to the cumulative effect of the conversion between the new and old standards.

For details about the aforementioned changes in accounting policy, please refer to the announcement (announcement number: 2020-023) made by the Company at <http://www.cninfo.com.cn> on March 24, 2020.

VII. Retrospective Restatement due to Correction of Material Accounting Errors in the Reporting Period

Applicable Not applicable

No such cases in the reporting period.

VIII. Changes in Consolidation Scope When Compared to the Previous Financial Year

Applicable Not applicable

For details of the changes in the Company's scope of consolidation in 2020, refer to "V. Changes in the Scope Consolidation" of "Chapter 12 Financial Report".

IX. Details Regarding Engagement and Disengagement of Auditor

Auditor engaged at present

Name of domestic auditor	PricewaterhouseCoopers Zhong Tian LLP
Fee for domestic auditor (RMB million)	24.2378
Consecutive years of audit services provided by the domestic auditor	5 years
Names of the certified public accountants from auditor	Chen Anqiang, Liu Jingping
Consecutive years of audit services provided by the Certified Public Accountants of domestic auditor	3 years

Has the auditor changed during the reporting period?

Yes No

Status of auditor of internal controls, financial adviser, or sponsor engaged:

Applicable Not applicable

The Company engaged PricewaterhouseCoopers Zhong Tian LLP as the Company's internal control auditor for 2020. The remuneration for internal control audit during the reporting period was included in the remuneration specified in the above table. During the reporting period, due to the public issuance of convertible corporate bonds, the Company appointed Huatai United Securities Co., Ltd. as a sponsor institution, and paid a total of RMB1.06 million as a sponsorship fee for the period of continuous supervision (from December 9, 2019 to December 31, 2020).

X. Possibility of Delisting after Disclosure of This Annual Report

Applicable Not applicable

XI. Bankruptcy and Reorganization

Applicable Not applicable

There was no such situation for the Company during the reporting period.

XII. Significant Lawsuit or Arbitration

Applicable Not applicable

As of December 31, 2020, legal proceedings of the listed Company and its subsidiaries were as follows:

1. The total amount involved in legal cases resolved during the reporting period was RMB238.15 million.
2. Cases not yet resolved during the reporting period include: Cases involving the Company and its subsidiaries as defendants amounted to RMB241.03 million, accounting for 0.43% of audited net assets attributable to shareholders of the parent Company at the end of 2020. The above-mentioned litigation matters include a number of independent traffic accident cases and transportation claims with small amounts involved. The Company and its subsidiaries have already purchased commercial insurance for operating vehicles, transportation and other business activities. Based on the historical experience, the insurance purchased can basically cover the losses caused by the case. Cases involving the Company and its subsidiaries as plaintiffs amounted to RMB465.42 million, accounting for 0.82% of audited net assets attributable to shareholders of the parent Company at the end of 2020. The described legal proceedings will not have a material adverse effect on the Company's financial status and ability to continue operations.

XIII. Punishment and Rectification

Applicable Not applicable

There was no such situation during the reporting period.

XIV. Integrity of the Company, Its Controlling Shareholders, and Actual Controller

Applicable Not applicable

XV. Execution of Stock Incentive Plan, ESOP, or Other Employee Incentives

√ Applicable Not applicable

1. At the 28th meeting of the 4th session of the Board and the 2019 third extraordinary general meeting convened by the Company on December 5, 2019 and December 27, 2019 respectively, the "Resolution regarding the Repurchase and Cancellation of Certain Restricted Shares" was reviewed and approved. Accordingly, the Company was authorised to repurchase and cancel a total of 274,346 restricted shares held by 124 incentive participants who ceased to be eligible for the incentive due to their resignation, at the repurchase price of RMB24.633 per share. As of March 17, 2020, the Company has completed the repurchase and cancellation of the aforesaid restricted shares.

2. At the 3rd meeting of the 5th session of the Board and the 2019 annual general meeting convened by the Company on March 23, 2020 and April 15, 2020 respectively, the "Resolution regarding the Repurchase and Cancellation of Certain Restricted Shares" was reviewed and approved. Accordingly, the Company was authorised to repurchase and cancel a total of 2,182,222 restricted shares held by 944 incentive participants who failed to fulfil the unlocking conditions due to failure of the Company to meet the performance assessment requirement for the second lock-up period of its 2018 restricted stock incentive plan, at the repurchase price of RMB24.741 per share.

3. At the 3rd meeting of the 5th session of the Board convened by the Company on March 23, 2020, the "Resolution on the Cancellation of Certain Share Appreciation Rights" was reviewed and approved. Accordingly, the Company was authorised to cancel a total of 57,825 share appreciation rights held by 24 incentive participants who ceased to have exercise qualification due to failure of the Company to meet the performance assessment requirement for the second exercise period under the 2018 Share Appreciation Rights Incentive Plan.

4. As the Company has implemented the 2019 dividend distribution plan prior to implementing the repurchase and cancellation of restricted shares, according to the authorization of the Board, the management of the Company adjusted the repurchase prices of the aforesaid repurchases based on relevant provisions. The repurchase price was adjusted from RMB24.741 per share to RMB24.464 per share. As of June 19, 2020, the Company has completed the repurchase and cancellation of the aforesaid restricted shares.

Details of the Company's stock incentive plans during the reporting period have been disclosed on <http://www.cninfo.com.cn> by the Company. A disclosure index is as follows:

Announcement	Disclosure Date	Disclosure Website
Announcement on Completion of Repurchase and Cancellation of Certain Restricted Shares (2020-016)	March 17, 2020	http://www.cninfo.com.cn
Announcement on Repurchase and Cancellation of Certain Restricted Shares (2020-028)	March 24, 2020	http://www.cninfo.com.cn
Announcement on Cancellation of Certain Share Appreciation Rights (2020-029)	March 24, 2020	http://www.cninfo.com.cn
Announcement on Capital Reduction due to Repurchase and Cancellation of Certain Restricted Shares (2020-035)	April 16, 2020	http://www.cninfo.com.cn
Announcement on Adjustment to Repurchase Price for the Repurchase and Cancellation of Restricted Shares by the Company due to Dividend Distribution (2020-040)	April 17, 2020	http://www.cninfo.com.cn
Announcement on Completion of Repurchase and Cancellation of Certain Restricted Shares (2020-058)	June 19, 2020	http://www.cninfo.com.cn

XVI. Significant Related-party Transactions

1. Related-party transactions relevant to routine operations

√ Applicable □ Not applicable

Related Party	Relationship	Type of related-party transaction	Details of related-party transaction	Pricing principle of the related-party transaction	Transaction price	Transaction amount (10 thousands RMB)	Proportion of same category of transactions	Approved transaction quota (10 Thousands RMB)	Was the approved quota exceeded?	Related-party transaction settlement method	Similar Market price	Disclosure date	Disclosure index
Mingde Holding and its subsidiaries	Controlling shareholder of the Company	Provide services to related parties	Courier service, communication service, technology development service, etc.	Fair pricing based on market prices in accordance with the principle of independent transactions	Contract price	14,940.24	0.10%	37,000.00	No	Settlement based on the settlement period and terms in the contract	N/A	December 7, 2019	Announcement on the "Proposal on Estimated Daily Related-party Transaction Amount in 2020" disclosed at CNINFO (Announcement No. 2019-138) (http://www.cninfo.com.cn)
M China Management Limited and its subsidiaries and its franchisees	A director of The Company serves as a director of the parent company of M China Management Limited	Provide services to related parties	Supply chain service and distribution service	Fair pricing based on market prices in accordance with the principle of independent transactions	Contract price	129,157.33	0.84%	130,000.00	No	Settlement based on the settlement period and terms in the contract	N/A	December 7, 2019	Announcement on the "Proposal on Estimated Daily Related-party Transaction Amount in 2020" disclosed at CNINFO (Announcement No. 2019-138) (http://www.cninfo.com.cn)
CR-SF International Express Co., Ltd.	A senior manager of the Company serves as a director of CR-SF International Express Co., Ltd.	Provide services to related parties	Transportation services	Fair pricing based on market prices in accordance with the principle of independent transactions	Contract price	13,803.85	0.09%	10,000.00	Yes	Settlement based on the settlement period and terms in the contract	N/A	December 7, 2019	Announcement on the "Proposal on Estimated Daily Related-party Transaction Amount in 2020" disclosed at CNINFO (Announcement No. 2019-138) (http://www.cninfo.com.cn)
Mingde Holding and its subsidiaries	Controlling shareholder of the Company	Receive services from related parties	Agent service fees, etc.	Fair pricing based on market prices in accordance with the principle of independent transactions	Contract price	22,600.20	0.18%	18,000.00	Yes	Settlement based on the settlement period and terms in the contract	N/A	December 7, 2019	Announcement on the "Proposal on Estimated Daily Related-party Transaction Amount in 2020" disclosed at CNINFO (Announcement No. 2019-138) (http://www.cninfo.com.cn)
CR-SF International Express Co., Ltd.	A senior manager of the Company serves as a director of CR-SF International Express Co., Ltd.	Receive services from related parties	Transportation services	Fair pricing based on market prices in accordance with the principle of independent transactions	Contract price	48,803.85	0.38%	50,000.00	No	Settlement based on the settlement period and terms in the contract	N/A	December 7, 2019	Announcement on the "Proposal on Estimated Daily Related-party Transaction Amount in 2020" disclosed at CNINFO (Announcement No. 2019-138) (http://www.cninfo.com.cn)
Mingde Holding and its subsidiaries	Controlling shareholder of the Company	Purchase of materials from related parties	Purchase of materials	Fair pricing based on market prices in accordance with the principle of independent transactions	Contract price	27,851.68	0.22%	33,000.00	No	Settlement based on the settlement period and terms in the contract	N/A	December 7, 2019	Announcement on the "Proposal on Estimated Daily Related-party Transaction Amount in 2020" disclosed at CNINFO (Announcement No. 2019-138) (http://www.cninfo.com.cn)

Related Party	Relationship	Type of related-party transaction	Details of related-party transaction	Pricing principle of the related-party transaction	Transaction price	Transaction amount (10 thousands RMB)	Proportion of same category of transactions	Approved transaction quota (10 Thousands RMB)	Was the approved quota exceeded?	Related-party transaction settlement method	Similar Market price	Disclosure date	Disclosure index
Zhejiang Galaxy Technology Company Limited	A director of the Company served as a director of Zhejiang Galaxy Technology Company Limited in the past 12 months	Purchase of assets from related parties	Purchase of assets	Fair pricing based on market prices in accordance with the principle of independent transactions	Contract price	10.96	0.00%	10,000.00	No	Settlement based on the settlement period and terms in the contract	NA	December 7, 2019	Announcement on the "Proposal on Estimated Daily Related-party Transaction Amount in 2020" disclosed at CNINFO (Announcement No. 2019-138) (http://www.cninfo.com.cn)
Mingde Holding and its subsidiaries	Controlling shareholder of the Company	Lease of premises from related parties	Lease of premises	Fair pricing based on market prices in accordance with the principle of independent transactions	Contract price	6,985.56	0.05%	7,000.00	No	Settlement based on the settlement period and terms in the contract	NA	December 7, 2019	Announcement on the "Proposal on Estimated Daily Related-party Transaction Amount in 2020" disclosed at CNINFO (Announcement No. 2019-138) (http://www.cninfo.com.cn)
Total				-	-	264,153.67	-	295,000.00	-	-	-	-	-
Details of large amount of sales returns													NA
Actual performance in the reporting period versus predicted total amount of daily related-party transactions, by types (if any)	The Company's twenty-eighth meeting of the fourth Board of Directors on December 5, 2019 and the Third Extraordinary General Meeting of Shareholders of 2019 on December 27, 2019 reviewed and approved the "Proposal on Estimated Daily Related-party Transaction Amount in 2020." The amount of the aforementioned related-party transactions exceed the approved amount by 84.0405 million, which is below the minimum threshold set by the Board.												
Reason for significant difference between the transaction price and the market price	NA												

2. Related-party transactions relevant to purchases and sales of assets

Applicable Not applicable

The relevant issues were disclosed in the interim report. For details, see the disclosed announcement indexes of other major related-party transactions in "5. Other significant related-party transactions".

3. Related-party transactions with joint investments

Applicable Not applicable

4. Credits and liabilities with related parties

Applicable Not applicable

Were there non-operating credits and liabilities with related parties?

Yes No

No such cases in the reporting period.

5. Other significant related-party transactions

√ Applicable Not applicable

(1) Issuance of convertible bonds by S.F. Express to related parties

In order to maintain the continuous development of the Company's freight business and enhance its brand and core competitiveness, SF Express Co., Ltd. ("S.F. Express"), a subsidiary of the Company, introduced new investors during the reporting period. On February 28, 2020, SF Express signed an Investment Agreement with relevant investors under which the parties unanimously agreed that the investors will provide SF Express with a total amount of US\$300 million or its equivalent in renminbi in the form of convertible bonds. The term of the convertible bonds is one year and that no interest is calculated. Under the premise that the agreed conditions are met, the convertible bonds will be converted into 150 million ordinary shares newly issued by S.F. Express at a price of US\$2 per share or its equivalent in renminbi. Within six months from the date of completion of conversion from the bonds into stock, SF Holding Limited, an overseas wholly-owned subsidiary of the Company, will subscribe for 200 million shares newly issued by S.F. Express.

CCP Freight Investment Limited ("CCP"), an investor in this transaction, is a wholly-owned subsidiary of a fund initiated and established by an indirectly controlled subsidiary of CITIC Capital Holdings Limited ("CITIC Capital") as a general partner. Zhang Yichen, Chairman and CEO of CITIC Capital, concurrently serves as director of the listed company. In addition, Zhang Yichen has been appointed as a representative for the executive partner of Beijing Xinrunheng Equity Investment Partnership (Limited Partnership) ("Beijing Xinrunheng"), an investor in this transaction. According to the Stock Listing Rules of Shenzhen Stock Exchange and other related regulations, Beijing Xinrunheng and CCP are related parties of the Company, and this transaction constitutes a related party transaction. The above transaction was reviewed and approved at the 2nd meeting of the 5th session of the Board.

On November 23, 2020, S.F. Express and all its shareholders entered into the Shareholder Agreement with the aforementioned investors. All the parties agreed that the USD300 million provided by the investors to S.F. Express in the form of convertible bonds be converted into 150 million ordinary shares newly issued by S.F. Express.

The contents of which are detailed in the Company's announcement (2020-013,2020-114) disclosed on Cninfo.

(2) Joint establishment of a logistics real estate fund by the Company's subsidiary with related parties

In order to promote the healthy development of the Company's logistics real estate industry, integrate advantageous resources, promote the Company to achieve a benign interaction between industrial operation and capital management, and enhance the Company's core competitiveness, on April 23, 2020, Prosperity Sino Limited ("Prosperity Sino"), a subsidiary of the Company, signed a cooperation agreement with a subsidiary of CITIC Capital and other parties. The Company's subsidiary plans to jointly establish a logistics real estate fund with a subsidiary of CITIC Capital to invest in logistics properties or project companies holding logistics properties in China's first-tier and central cities. The target size of the fund is approximately US\$350 million. The general partnership of the fund is jointly invested by Prosperity Sino and a subsidiary of CITIC Capital, each of which holds 50% of the shares. Meanwhile, the Company's subsidiary, being a limited partner and a carried interest partner of the Fund, will subscribe to the fund with a total investment of not exceeding 30% of the fund size and not exceeding US\$105 million. The subsidiary of CITIC Capital and other affiliates, being limited partners and carried interest partners of the Fund, will subscribe to the fund with a total investment of not exceeding 10% of the fund size and not exceeding US\$35 million.

The counterparty of this transaction is a subsidiary of CITIC Capital. Zhang Yichen, director of the listed company, serves as the chair-man and CEO of CITIC Capital. According to the Stock Listing Rules of Shenzhen Stock Exchange and other related regulations, this transaction constitutes a related party transaction. The above transaction was reviewed and approved at the 4th meeting of the 5th session of the Board.

On September 24, 2020, within the authorization granted by the Board of Directors, Shunhua Limited entered into the Fund Partnership Agreement, and Patriot Success Limited and Abundant Harvest Investments Limited, both of which are affiliated to the Company, entered into the Fund Subscription Agreement. Under the Partnership Agreement and the Subscription Agreement, the logistics real estate fund has a target size of USD amount equivalent to RMB2.1 billion. Patriot Success Limited and Abundant Harvest Investments Limited will subscribe to the shares of the fund as limited partner and performance revenue partner with their own funds of USD amount equivalent to RMB525 million, accounting for 25% of the fund's target size. Infinite Benefits Real Estate Investments Limited, a subsidiary of CITIC Capital, and its other affiliates will subscribe to the fund units with their own funds of USD amount equivalent to RMB105 million, accounting for 5% of the fund's target size. Reco Aquamarine Private Limited plans to subscribe to the fund units as a limited partner with its own funds of USD amount equivalent to RMB1.47 billion, accounting for 70% of the fund's target size.

The contents of which are detailed in the Company's announcements (2020-006, 2020-045, 2020-104) disclosed on Cninfo.

(3) Waiver of preemptive rights on the capital increase of an investee company

In order to expand and strengthen the smart express lockers business, integrate high-quality industry resources, quickly seize an advantageous position in the last-mile express logistics market, and provide better services to couriers and consumers, during the reporting period, Hive Box Holdings Limited ("Hive Box"), an investee company of the Company, made an important layout in the smart express lockers market, and completed the merger and acquisition of China Post Zhidi Technology Co., Ltd. ("China Post Zhidi") through a package deal agreement. After this transaction has been completed, the original shareholder of China Post Zhidi will reduce their capital and withdraw from China Post Zhidi. China Post Zhidi will become a domestic wholly-owned subsidiary of Hive Box. The original shareholder of China Post Zhidi (including subsidiaries designated by the original shareholder) will have the right to subscribe for shares newly issued by Hive Box and become a shareholder of Hive Box. The Company is not the original shareholder of China Post Zhidi and will not participate in the subscription for this new shares issuance of Hive Box. After the original shareholder of China Post Zhidi (including subsidiaries designated by the original shareholder) has exercised the warrants, the Company's shareholdings in Hive Box will be diluted from 13.67% to 9.75%.

In view of the fact that this package deal involves the original shareholders of Hive Box waiving their preemptive rights to increase capital, and that the Company's controlling shareholder Mingde Holdings, being the original shareholder of China Post Zhidi, has the right to subscribe for part of the shares of Hive Box, and Hive Box is an overseas subsidiary of Mingde Holdings, the controlling shareholder of the Company, according to the Stock Listing Rules of Shenzhen Stock Exchange and other related regulations, Mingde Holdings and Hive Box are related parties of the Company and therefore the Company's waiver of preemptive rights on the capital increase of its investee company Hive Box constitutes a related party transaction. The Company's waiver of preemptive rights on the capital increase of its investee company Hive Box was reviewed and approved at the 5th meeting of the 5th session of the Board, the contents of which are detailed in the Company's announcement (2020-048) disclosed on Cninfo.

Major related-party transactions were disclosed on the following websites:

Announcement	Disclosure Date	Disclosure Website
Announcement on Signing of a Memorandum of Co-operation by an Wholly-owned Subsidiary with Related Parties (2020-006)	February 15, 2020	http://www.cninfo.com.cn
Announcement on Signing of an Investment Agreement by the Company's Subsidiary with Related Parties (2020-013)	February 29, 2020	http://www.cninfo.com.cn
Announcement on Establishment of a Logistics Real Estate Fund by the Company's Subsidiary with Related Parties (2020-045)	April 24, 2020	http://www.cninfo.com.cn
Announcement on Waiver of Preemptive Rights on Capital Increase of an Investee Company and Related Party Transaction (2020-048)	May 6, 2020	http://www.cninfo.com.cn
Announcement on Progress in Establishment of a Logistics Real Estate Fund by the Company's Subsidiary with Related Parties (2020-104)	September 26, 2020	http://www.cninfo.com.cn
Announcement on Progress in Signing of an Investment Agreement by the Company's Subsidiary with Related Parties (2020-114)	November 25, 2020	http://www.cninfo.com.cn

XVII. Significant Contracts and Their Execution

1. Trusteeships, Contracts, and Leases

(1) Trusteeships

Applicable Not applicable

No significant trusteeships in the reporting period.

(2) Contracts

Applicable Not applicable

No significant contracts in the reporting period.

(3) Leases

Applicable Not applicable

No significant leases in the reporting period.

2. Significant guarantees

√ Applicable □ Not applicable

(1) Guarantees provided by the Company

Unit: RMB10 thousands

The listed Company and its subsidiaries' guarantees to external parties (Guarantees to subsidiaries are not included)								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
DHL Weiheng (Zhuhai) Supply Chain Management Co., Ltd.	2020/3/24	14,700.00	2020/12/31	12,642.00	Joint liability guarantee	2020/12/31-2033/12/23	No	No
Total guarantee quota approved for external parties during the reporting period (A1)			375,520.00	Total actual amount of guarantees for external parties during the reporting period (A2)				12,642.00
Total guarantee quota approved for external parties at the end of the reporting period (A3)			375,520.00	Total actual guarantee balance for external parties at the end of the reporting period (A4)				12,642.00

The listed Company's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
SF Holding Investment Limited	2017/12/28	326,165.00	2018/7/26	326,165.00	Joint liability guarantee	2018/7/26-2023/7/26	No	No
SF Holding Limited	2019/3/16	1,013,659.00	2019/6/21	342,510.19	Joint liability guarantee	2019/6/21-2020/2/28	Yes	No
SF Holding Limited	2019/3/16	1,013,659.00	2019/7/12	54,693.93	Joint liability guarantee	2019/7/12-2020/2/28	Yes	No
SF Holding Limited	2019/3/16	1,013,659.00	2019/7/19	23,518.39	Joint liability guarantee	2019/7/19-2020/2/28	Yes	No
SF Holding Investment Limited	2019/1/4	600,000.00	2020/2/20	456,631.00	Joint liability guarantee	2020/2/20-2030/2/20	No	No
Total guarantee quota approved for subsidiaries during the reporting period (B1)			-	Total actual amount of guarantees for subsidiaries during the reporting period (B2)				456,631.00
Total guarantee quota approved for the subsidiaries at the end of the reporting period (B3)			782,796.00	Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)				782,796.00

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Quanzhou Fengyutai Enterprise Management Co., Ltd.			2015/9/24	7,680.00	Joint liability guarantee	2016/1/21-2020/6/5	Yes	No
Ningbo Fengtai E-commerce Industrial Park Management Co., Ltd.			2016/8/11	2,092.50	Joint liability guarantee	2016/8/11-2020/6/15	Yes	No
Tianjin SF Fengtai E-commerce Industrial Park Co., Ltd.	2018/3/14	28,000.00	2018/10/19	2,000.00	Joint liability guarantee	2018/10/19-2020/10/20	Yes	No
Tianjin SF Fengtai E-commerce Industrial Park Co., Ltd.	2018/3/14	28,000.00	2018/10/19	4,877.00	Joint liability guarantee	2018/10/19-2033/10/19	No	No
Tianjin SF Fengtai E-commerce Industrial Park Co., Ltd.	2018/3/14	28,000.00	2018/10/19	2,200.00	Joint liability guarantee	2018/11/9-2033/10/19	No	No
Tianjin SF Fengtai E-commerce Industrial Park Co., Ltd.	2018/3/14	28,000.00	2018/10/19	1,100.00	Joint liability guarantee	2018/12/19-2033/10/19	No	No
Tianjin SF Fengtai E-commerce Industrial Park Co., Ltd.	2018/3/14	28,000.00	2018/10/19	2,150.00	Joint liability guarantee	2019/1/28-2033/10/19	No	No
Wuhu Fengtai E-commerce Industrial Park Management Co., Ltd.	2018/3/14	18,000.00	2019/1/18	160.50	Joint liability guarantee	2019/1/18-2020/4/20	Yes	No
Wuhu Fengtai E-commerce Industrial Park Management Co., Ltd.	2018/3/14	18,000.00	2019/1/18	7,277.50	Joint liability guarantee	2019/1/18-2020/10/12	Yes	No
Shunyuan Financial Lease (Tianjin) Co., Ltd.	2019/3/16	70,000.00	2019/4/22	2,000.00	Joint liability guarantee	2019/5/10-2020/4/20	Yes	No
Shunyuan Financial Lease (Tianjin) Co., Ltd.	2019/3/16	70,000.00	2019/4/22	2,000.00	Joint liability guarantee	2019/5/10-2020/10/20	Yes	No
Shunyuan Financial Lease (Tianjin) Co., Ltd.	2019/3/16	70,000.00	2019/4/22	14,000.00	Joint liability guarantee	2019/5/10-2024/1/24	No	No
HAVI Logistics (Dongguan) Co., Ltd.	2019/3/16	6,400.00	2019/5/10	750.00	Joint liability guarantee	2019/5/10-2020/10/16	Yes	No
HAVI Logistics (Dongguan) Co., Ltd.	2019/3/16	6,400.00	2019/5/10	4,500.00	Joint liability guarantee	2019/5/10-2021/4/18	No	No
S.F. EXPRESS (CHINA) LIMITED			2013/8/26	6,972.63	Joint liability guarantee	2015/5/18-2020/5/26	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
SF Holding Limited			2016/7/25	3,029.20	Joint liability guarantee	2016/7/25-2020/4/27	Yes	No
SF Holding Limited	2016/12/30	509,400.00	2018/1/16	12,621.68	Joint liability guarantee	2018/1/16-2020/2/28	Yes	No
SF Holding Limited	2020/3/24	824,760.00	2020/5/25	8,414.45	Joint liability guarantee	2020/5/25-2021/5/25	No	No
SF Holding Limited	2018/3/14	522,300.00	2019/1/8	29,450.58	Joint liability guarantee	2019/1/8-2020/1/8	Yes	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2019/3/16	1,000.00	2020/4/14	1,000.00	Joint liability guarantee	2020/4/23-2021/4/23	No	No
Shenzhen Shunlu Air Freight Forwarding Co., Ltd.	2019/3/16	1,000.00	2020/4/14	1,000.00	Joint liability guarantee	2020/4/22-2021/4/22	No	No
SF Holding Limited	2020/3/24	570,760.00	2020/11/6	16,828.90	Joint liability guarantee	2020/11/6-2021/11/6	No	No
SF Holding Limited	2020/3/24	570,760.00	2020/11/27	16,828.90	Joint liability guarantee	2020/11/27-2021/11/27	No	No
SF Holding Limited	2016/12/30	509,400.00	2017/6/22	13.73	Joint liability guarantee	2017/6/22-2020/7/16	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2018/3/14	1,500.00	2018/9/13	16.17	Joint liability guarantee	2018/9/13-2020/7/14	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2018/3/14	1,500.00	2018/9/14	44.80	Joint liability guarantee	2018/9/14-2020/9/30	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2018/3/14	1,500.00	2018/10/10	28.04	Joint liability guarantee	2018/10/10-2021/7/30	No	No
SF Express ChongQing CO. LTD	2018/3/14	1,700.00	2018/11/2	20.81	Joint liability guarantee	2018/11/2-2020/2/28	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2018/3/14	1,500.00	2018/11/26	12.05	Joint liability guarantee	2018/11/26-2020/8/12	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2018/3/14	1,500.00	2018/11/2	9.80	Joint liability guarantee	2018/11/2-2020/10/4	Yes	No
Shanghai Fengtaiyuanxing Property Management Service Co., Ltd.	2018/3/14	10,000.00	2018/9/1	4,578.29	Joint liability guarantee	2018/9/1-2021/8/31	No	No
SF Airlines Company Limited	2018/3/14	58,000.00	2018/12/25	2,500.00	Joint liability guarantee	2019/2/7-2021/2/7	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Anhui S.F. Express Co., Ltd.	2018/3/14	900.00	2019/1/25	5.00	Joint liability guarantee	2019/1/25-2020/1/21	Yes	No
S.F. EXPRESS (CHINA) LIMITED	2018/3/14	1,500.00	2019/1/18	8.41	Joint liability guarantee	2019/1/18-2020/1/4	Yes	No
Guangxi ShunFeng Express Co., Ltd.	2018/3/14	1,000.00	2019/1/21	100.00	Joint liability guarantee	2019/1/21-2020/1/31	Yes	No
Hubei S.F. Express Co., Ltd.	2018/3/14	1,800.00	2019/1/25	42.79	Joint liability guarantee	2019/1/25-2020/1/15	Yes	No
NINGBO SHUNFENG EXPRESS CO., LTD.	2018/3/14	3,300.00	2019/1/7	500.00	Joint liability guarantee	2019/1/7-2020/12/31	Yes	No
Shenzhen S.F. Supply Chain Co., Ltd.	2018/3/14	26,100.00	2019/1/28	36.77	Joint liability guarantee	2019/1/28-2020/1/20	Yes	No
Shenzhen Shunlu Air Freight Forwarding Co., Ltd.	2018/3/14	3,000.00	2019/1/31	50.00	Joint liability guarantee	2019/1/31-2020/1/1	Yes	No
Shenzhen Shunlu Logistics Co., Ltd.	2018/3/14	1,000.00	2019/1/10	123.91	Joint liability guarantee	2019/1/10-2020/1/31	Yes	No
SF Airlines Company Limited	2018/3/14	58,000.00	2019/1/10	18.19	Joint liability guarantee	2019/1/10-2020/5/31	Yes	No
S.F. Express (Shenyang) Co., Ltd	2018/3/14	2,300.00	2019/1/21	10.00	Joint liability guarantee	2019/1/21-2020/4/30	Yes	No
S.F. Express (Shenyang) Co., Ltd	2018/3/14	2,300.00	2019/1/21	10.00	Joint liability guarantee	2019/1/21-2020/4/30	Yes	No
S.F.EXPRESS (TIANJIN) CO., LTD.	2018/3/14	1,000.00	2019/1/23	61.35	Joint liability guarantee	2019/1/23-2020/1/20	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2018/3/14	1,500.00	2019/1/2	3.04	Joint liability guarantee	2019/1/2-2020/11/22	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2018/3/14	1,500.00	2019/1/3	11.76	Joint liability guarantee	2019/1/3-2020/9/30	Yes	No
Sichuan S.F. Express Co., Ltd.	2018/3/14	1,800.00	2019/1/29	5.00	Joint liability guarantee	2019/1/29-2020/1/31	Yes	No
TIANJIN S.F. EXPRESS CO., LTD.	2018/3/14	1,400.00	2019/1/10	80.90	Joint liability guarantee	2019/1/10-2020/1/31	Yes	No
S.F. EXPRESS (CHINA) LIMITED	2018/3/14	1,500.00	2019/1/31	50.49	Joint liability guarantee	2019/1/31-2020/1/14	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Chongqing Huiyifeng Logistics Co., Ltd.	2018/3/14	3,000.00	2019/1/31	1,500.00	Joint liability guarantee	2019/1/31-2020/1/24	Yes	No
Wenzhou Shunheng Express Co., Ltd.	2018/3/14	500.00	2019/2/20	2.00	Joint liability guarantee	2019/2/20-2020/1/6	Yes	No
Jiangxi Shunlu Logistics Co., Ltd.	2018/3/14	100.00	2019/3/4	50.00	Joint liability guarantee	2019/3/4-2020/2/29	Yes	No
Shenzhen S.F. Supply Chain Co., Ltd.	2018/3/14	26,100.00	2019/3/5	1,300.00	Joint liability guarantee	2019/3/5-2020/3/28	Yes	No
S.F. Express Co., Ltd.	2018/3/14	30,000.00	2019/3/5	300.00	Joint liability guarantee	2019/3/5-2020/3/1	Yes	No
Zhanjiang S.F. Express Co., Ltd.	2018/3/14	700.00	2019/3/5	25.00	Joint liability guarantee	2019/3/5-2020/1/23	Yes	No
Xi'an Shunlu Logistics Co., Ltd.	2018/3/14	1,000.00	2019/3/13	222.02	Joint liability guarantee	2019/3/13-2020/3/9	Yes	No
Xinjiang SF Express Co., LTD.	2018/3/14	600.00	2019/3/13	2.00	Joint liability guarantee	2019/3/13-2020/3/7	Yes	No
SF Airlines Company Limited	2018/3/14	58,000.00	2019/3/18	10.00	Joint liability guarantee	2019/3/18-2020/3/31	Yes	No
Shenzhen Shunlu Logistics Co., Ltd.	2018/3/14	1,000.00	2019/3/19	80.00	Joint liability guarantee	2019/3/19-2020/6/30	Yes	No
Shenzhen SF Fix Technology Co., Ltd.	2018/3/14	23,000.00	2019/3/26	400.00	Joint liability guarantee	2019/3/26-2020/1/31	Yes	No
Yantai S.F. Express Co., Ltd.	2018/3/14	500.00	2019/3/26	65.00	Joint liability guarantee	2019/3/26-2020/1/31	Yes	No
SF Airlines Company Limited	2018/3/14	58,000.00	2019/3/26	21.84	Joint liability guarantee	2019/3/26-2020/3/7	Yes	No
Jiangsu S.F. Express Co., Ltd.	2018/3/14	500.00	2019/3/27	28.15	Joint liability guarantee	2019/3/27-2020/3/19	Yes	No
Tibet S.F. Express Co., Ltd.	2018/3/14	100.00	2019/3/27	5.00	Joint liability guarantee	2019/3/27-2020/2/29	Yes	No
S.F. Express (Huizhou) Co., Ltd.	2018/3/14	2,500.00	2019/3/28	19.57	Joint liability guarantee	2019/3/28-2020/3/24	Yes	No
Shenzhen S.F. Supply Chain Co., Ltd.	2018/3/14	26,100.00	2019/3/28	600.00	Joint liability guarantee	2019/3/28-2020/2/29	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
S.F. Express Co., Ltd.	2018/3/14	30,000.00	2019/3/28	200.00	Joint liability guarantee	2019/3/28-2020/3/1	Yes	No
S.F. Express Co., Ltd.	2018/3/14	30,000.00	2019/3/29	3,000.00	Joint liability guarantee	2019/3/29-2020/3/14	Yes	No
Jiangxi S.F. Express Co., Ltd.	2018/3/14	1,300.00	2019/3/29	223.43	Joint liability guarantee	2019/3/29-2020/3/15	Yes	No
ZHONGSHAN S.F. EXPRESS CO. LTD	2018/3/14	1,000.00	2019/3/27	141.98	Joint liability guarantee	2019/3/27-2020/3/26	Yes	No
Zhejiang Shun Feng Express Co., Ltd.	2019/3/16	2,000.00	2019/4/29	50.00	Joint liability guarantee	2019/4/29-2020/4/28	Yes	No
Beijing S.F. Express Co., LTD.	2018/3/14	5,000.00	2019/4/3	100.00	Joint liability guarantee	2019/4/3-2020/4/20	Yes	No
NINGBO SHUNFENG EX-PRESS CO.,LTD.	2019/3/16	2,500.00	2019/4/10	550.00	Joint liability guarantee	2019/4/10-2020/5/7	Yes	No
Shenzhen Shunlu Logistics Co., Ltd.	2019/3/16	2,100.00	2019/4/19	380.61	Joint liability guarantee	2019/4/19-2020/1/31	Yes	No
SF Airlines Company Limited	2019/3/16	26,000.00	2019/4/19	2,000.00	Joint liability guarantee	2019/4/19-2020/5/26	Yes	No
S.F.Express (Dong Guan) Limited	2019/3/16	1,800.00	2019/4/10	15.03	Joint liability guarantee	2019/4/10-2020/4/2	Yes	No
S.F. Express Group (Shanghai) Co., Ltd.	2019/3/16	800.00	2019/4/24	100.00	Joint liability guarantee	2019/4/24-2020/5/4	Yes	No
SF Express ChongQing CO.LTD	2019/3/16	800.00	2019/4/10	264.85	Joint liability guarantee	2019/4/10-2020/4/30	Yes	No
SF Transportation (Nanjing) Co., Ltd.	2019/3/16	300.00	2019/4/19	100.00	Joint liability guarantee	2019/4/19-2020/4/8	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2019/3/16	8,200.00	2019/4/26	12.74	Joint liability guarantee	2019/4/26-2021/5/15	No	No
Sichuan S.F. Express Co., Ltd.	2019/3/16	500.00	2019/4/10	20.00	Joint liability guarantee	2019/4/10-2020/5/14	Yes	No
Xinjiang SF Express Co.,LTD.	2018/3/14	600.00	2019/4/3	6.00	Joint liability guarantee	2019/4/3-2020/2/29	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2019/3/16	8,200.00	2019/5/23	84.14	Joint liability guarantee	2019/5/23-2022/5/31	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
S.F. EXPRESS (HONG KONG) LIMITED	2019/3/16	8,200.00	2019/5/23	141.87	Joint liability guarantee	2019/5/23-2022/5/31	No	No
S.F. EXPRESS (CHINA) LIMITED	2019/3/16	1,000.00	2019/5/29	42.07	Joint liability guarantee	2019/5/29-2020/7/6	Yes	No
Anhui S.F. Express Co., Ltd.	2019/3/16	500.00	2019/5/31	180.00	Joint liability guarantee	2019/5/31-2020/5/31	Yes	No
Chengdu Taishun Logistics Co., Ltd.	2019/3/16	1,500.00	2019/5/22	900.00	Joint liability guarantee	2019/5/22-2020/4/30	Yes	No
Hebei S.F. Express Co., Ltd.	2019/3/16	300.00	2019/4/30	90.00	Joint liability guarantee	2019/4/30-2020/5/11	Yes	No
Henan Huihai Logistics Co., Ltd.	2018/3/14	300.00	2019/4/8	151.72	Joint liability guarantee	2019/4/8-2020/1/31	Yes	No
Hubei S.F. Transportation Co., Ltd.	2018/3/14	500.00	2019/4/8	323.29	Joint liability guarantee	2019/4/8-2020/3/20	Yes	No
Liaoning Shunlu Logistics Co., Ltd.	2019/3/16	700.00	2019/5/6	191.30	Joint liability guarantee	2019/5/6-2020/4/23	Yes	No
Inner Mongolia S.F. Express CO. Ltd.	2019/3/16	100.00	2019/5/28	10.00	Joint liability guarantee	2019/5/28-2020/3/31	Yes	No
Shenzhen S.F. Supply Chain Co., Ltd.	2019/3/16	10,900.00	2019/4/30	3,000.00	Joint liability guarantee	2019/4/30-2020/3/31	Yes	No
SF-Express (Ningxia) Co., Ltd.	2018/3/14	200.00	2019/4/8	100.00	Joint liability guarantee	2019/4/8-2020/1/31	Yes	No
S.F. Express Co., Ltd.	2019/3/16	25,000.00	2019/5/6	100.00	Joint liability guarantee	2019/5/6-2020/4/30	Yes	No
Wuxi S.F. Express Co., Ltd.	2019/3/16	500.00	2019/5/23	20.00	Joint liability guarantee	2019/5/23-2020/5/24	Yes	No
S.F. Express Co., Ltd.	2019/3/16	25,000.00	2019/6/11	200.00	Joint liability guarantee	2019/6/11-2020/4/16	Yes	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2019/3/16	1,000.00	2019/6/19	23.00	Joint liability guarantee	2019/6/19-2020/5/31	Yes	No
S.F. Express Co., Ltd.	2019/3/16	25,000.00	2019/6/19	4.00	Joint liability guarantee	2019/6/19-2020/4/16	Yes	No
Shanghai Shuncheng Logistics Co., Ltd.	2019/3/16	2,000.00	2019/6/21	400.00	Joint liability guarantee	2019/6/21-2020/6/22	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
FS ELECTRONIC TECHNOLOGY CO., LIMITED	2019/3/16	4,000.00	2019/6/20	25.24	Joint liability guarantee	2019/6/20-2020/3/31	Yes	No
Shenzhen SF Fix Technology Co., Ltd.	2019/3/16	20,800.00	2019/6/5	1,600.00	Joint liability guarantee	2019/6/5-2020/6/30	Yes	No
Shandong S.F. Express Co., Ltd.	2019/3/16	1,000.00	2019/6/10	60.00	Joint liability guarantee	2019/6/10-2020/5/31	Yes	No
XI'AN S.F EXPRESS CO.,LTD	2019/3/16	300.00	2019/6/21	53.84	Joint liability guarantee	2019/6/21-2020/6/17	Yes	No
Tibet S.F. Express Co., Ltd.	2019/3/16	200.00	2019/5/29	2.00	Joint liability guarantee	2019/5/29-2020/4/30	Yes	No
S.F. EXPRESS (CHINA) LIMITED	2019/3/16	1,000.00	2019/6/11	42.07	Joint liability guarantee	2019/6/11-2020/5/31	Yes	No
Shandong S.F. Express Co., Ltd.	2019/3/16	1,000.00	2019/6/10	14.00	Joint liability guarantee	2019/6/10-2020/1/31	Yes	No
Shandong S.F. Express Co., Ltd.	2019/3/16	1,000.00	2019/6/21	255.00	Joint liability guarantee	2019/6/21-2020/6/30	Yes	No
Xi'an Shunlu Logistics Co., Ltd.	2019/3/16	400.00	2019/6/24	80.00	Joint liability guarantee	2019/6/24-2020/5/31	Yes	No
S.F. Express Co., Ltd.	2019/3/16	25,000.00	2019/6/26	300.00	Joint liability guarantee	2019/6/26-2020/5/31	Yes	No
Wuxi S.F. Express Co., Ltd.	2019/3/16	500.00	2019/6/27	73.08	Joint liability guarantee	2019/6/27-2020/6/27	Yes	No
DHL Logistics (Beijing) Co., Ltd.	2019/3/16	3,100.00	2019/5/10	237.86	Joint liability guarantee	2019/5/10-2020/7/15	Yes	No
DHL Logistics (Beijing) Co., Ltd.	2019/3/16	3,100.00	2019/5/13	58.86	Joint liability guarantee	2019/5/13-2020/7/15	Yes	No
DHL Logistics (Beijing) Co., Ltd.	2019/3/16	3,100.00	2019/6/13	24.85	Joint liability guarantee	2019/6/13-2020/7/31	Yes	No
EXEL LOGISTICS CHINA CO.,LTD.	2019/3/16	1,100.00	2019/6/13	63.61	Joint liability guarantee	2019/6/13-2020/1/31	Yes	No
DHL Logistics (Beijing) Co., Ltd.	2019/3/16	3,100.00	2019/4/17	50.00	Joint liability guarantee	2019/4/17-2020/3/21	Yes	No
Yunnan S.F. Express Co., Ltd.	2019/3/16	800.00	2019/6/24	221.86	Joint liability guarantee	2019/6/24-2020/5/31	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Chongqing Huiyifeng Logistics Co., Ltd.	2019/3/16	3,000.00	2019/6/24	500.00	Joint liability guarantee	2019/6/24-2020/6/20	Yes	No
SF Airlines Company Limited	2019/3/16	26,000.00	2019/6/24	2.00	Joint liability guarantee	2019/6/24-2020/4/30	Yes	No
SF Airlines Company Limited	2018/3/14	58,000.00	2019/3/26	49.76	Joint liability guarantee	2019/3/26-2020/3/7	Yes	No
SF Airlines Company Limited	2019/3/16	26,000.00	2019/7/1	97.85	Joint liability guarantee	2019/7/1-2020/6/21	Yes	No
Jinhua S.F. Express Co., Ltd.	2019/3/16	200.00	2019/7/4	5.00	Joint liability guarantee	2019/7/4-2020/4/30	Yes	No
Jiangsu S.F. Express Co., Ltd.	2019/3/16	300.00	2019/7/10	18.02	Joint liability guarantee	2019/7/10-2020/4/30	Yes	No
Jinhua S.F. Express Co., Ltd.	2019/3/16	200.00	2019/7/18	83.68	Joint liability guarantee	2019/7/18-2020/8/9	Yes	No
Jiangsu S.F. Express Co., Ltd.	2019/3/16	300.00	2019/7/18	5.00	Joint liability guarantee	2019/7/18-2020/12/14	Yes	No
Lanzhou S.F. Express Co., Ltd.	2019/3/16	200.00	2019/7/18	15.00	Joint liability guarantee	2019/7/18-2020/6/30	Yes	No
Shandong S.F. Express Co., Ltd.	2019/3/16	1,000.00	2019/7/8	45.00	Joint liability guarantee	2019/7/8-2020/6/24	Yes	No
Shanghai Shuncheng Logistics Co., Ltd.	2019/3/16	2,000.00	2019/7/4	380.00	Joint liability guarantee	2019/7/4-2020/5/31	Yes	No
Shanghai Shunheng Logistics Co., Ltd.	2019/3/16	400.00	2019/7/4	100.00	Joint liability guarantee	2019/7/4-2020/9/30	Yes	No
Shenzhen S.F. Supply Chain Co., Ltd.	2019/3/16	11,900.00	2019/7/16	110.54	Joint liability guarantee	2019/7/16-2020/10/15	Yes	No
SF Airlines Company Limited	2019/3/16	26,000.00	2019/7/2	200.00	Joint liability guarantee	2019/7/2-2020/6/30	Yes	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2019/3/16	1,900.00	2019/7/18	300.00	Joint liability guarantee	2019/7/18-2020/8/30	Yes	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2019/3/16	1,900.00	2019/7/19	178.84	Joint liability guarantee	2019/7/19-2020/6/30	Yes	No
Changchun Fengtai E-commerce Industrial Park Management Co., Ltd.	2019/3/16	600.00	2019/7/16	209.00	Joint liability guarantee	2019/7/16-2021/7/23	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
S.F. EXPRESS (HONG KONG) LIMITED	2019/3/16	13,200.00	2019/7/4	24.85	Joint liability guarantee	2019/7/4-2021/2/19	No	No
S.F. EXPRESS (HONG KONG) LIMITED	2019/3/16	13,200.00	2019/7/3	65.23	Joint liability guarantee	2019/7/3-2020/3/31	Yes	No
Hunan, S.F. Express (Group) Co.,Ltd.	2019/3/16	2,000.00	2019/7/4	12.00	Joint liability guarantee	2019/7/4-2020/11/30	Yes	No
SF Airlines Company Limited	2019/3/16	26,000.00	2019/7/11	3.26	Joint liability guarantee	2019/7/11-2020/6/28	Yes	No
SF Airlines Company Limited	2019/3/16	26,000.00	2019/7/11	13.05	Joint liability guarantee	2019/7/11-2020/6/28	Yes	No
Hunan,S.F.Express (Group) Co.,Ltd.	2019/3/16	2,000.00	2019/8/19	12.00	Joint liability guarantee	2019/8/19-2020/11/30	Yes	No
Beijing Shuncheng Logistics Co., Ltd.	2019/3/16	8,500.00	2019/7/4	1,300.00	Joint liability guarantee	2019/7/4-2020/6/29	Yes	No
Beijing Shuncheng Logistics Co., Ltd.	2019/3/16	8,500.00	2019/7/4	500.00	Joint liability guarantee	2019/7/4-2020/6/27	Yes	No
Shenzhen S.F. Supply Chain Co., Ltd.	2019/3/16	11,900.00	2019/8/5	104.17	Joint liability guarantee	2019/8/5-2020/10/15	Yes	No
Guang Zhou S.F. Express Co., Ltd.	2019/3/16	4,000.00	2019/8/20	200.00	Joint liability guarantee	2019/8/20-2020/8/8	Yes	No
Guang Zhou S.F. Express Co., Ltd.	2019/3/16	4,000.00	2019/8/8	1,500.00	Joint liability guarantee	2019/8/8-2020/8/8	Yes	No
Beijing S.F. Express Co., LTD.	2019/3/16	1,500.00	2019/8/6	10.00	Joint liability guarantee	2019/8/6-2020/5/31	Yes	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2019/3/16	1,000.00	2019/7/16	20.45	Joint liability guarantee	2019/7/16-2020/6/30	Yes	No
S.F. Express (Dong Guan) Limited	2019/3/16	3,500.00	2019/8/15	11.74	Joint liability guarantee	2019/8/15-2020/6/4	Yes	No
Shenzhen Shunlu Logistics Co., Ltd.	2019/3/16	2,100.00	2019/7/31	140.00	Joint liability guarantee	2019/7/31-2020/9/30	Yes	No
S.F.Express (Dong Guan) Limited	2019/3/16	3,500.00	2019/8/15	508.77	Joint liability guarantee	2019/8/15-2020/7/14	Yes	No
Quanzhou Shunlu Logistics Co., Ltd.	2019/3/16	800.00	2019/8/16	15.00	Joint liability guarantee	2019/8/16-2020/6/30	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
SF Express ChongQing CO. LTD	2019/3/16	1,400.00	2019/7/31	253.77	Joint liability guarantee	2019/7/31-2020/9/30	Yes	No
TIANJIN S.F. EXPRESS CO., LTD.	2019/3/16	800.00	2019/7/4	130.00	Joint liability guarantee	2019/7/4-2020/7/29	Yes	No
HaiNan S.F. Express LTD.	2019/3/16	700.00	2019/8/16	177.28	Joint liability guarantee	2019/8/16-2020/8/31	Yes	No
SF Airlines Company Limited	2019/3/16	26,000.00	2019/8/23	5,000.00	Joint liability guarantee	2019/8/23-2021/8/15	No	No
SF Airlines Company Limited	2019/3/16	26,000.00	2019/8/22	3,000.00	Joint liability guarantee	2019/8/22-2021/8/15	No	No
EXEL LOGISTICS CHINA CO., LTD.	2019/3/16	1,700.00	2019/7/24	156.01	Joint liability guarantee	2019/7/24-2020/7/31	Yes	No
EXEL LOGISTICS CHINA CO., LTD.	2019/3/16	1,700.00	2019/7/10	50.01	Joint liability guarantee	2019/7/10-2020/7/31	Yes	No
DHL LOGISTICS (CHINA) CO.,LTD.	2019/3/16	5,900.00	2019/7/19	1,086.87	Joint liability guarantee	2019/7/19-2020/7/31	Yes	No
S.F. EXPRESS (SINGAPORE) PRIVATE LIMITED	2019/3/16	3,500.00	2019/8/31	157.47	Joint liability guarantee	2019/8/31-2020/8/31	Yes	No
Wuxi S.F. Express Co., Ltd.	2019/3/16	600.00	2019/7/3	174.68	Joint liability guarantee	2019/7/3-2020/7/31	Yes	No
Hubei S.F. Express Co., Ltd.	2019/3/16	1,000.00	2019/8/21	29.00	Joint liability guarantee	2019/8/21-2020/7/31	Yes	No
SF-Express (Ningxia) Co.,Ltd	2019/3/16	200.00	2019/8/29	12.00	Joint liability guarantee	2019/8/29-2020/8/31	Yes	No
S.F. Express Co., Ltd.	2019/3/16	25,000.00	2019/8/21	10.00	Joint liability guarantee	2019/8/21-2020/7/31	Yes	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2019/3/16	1,900.00	2019/8/22	205.17	Joint liability guarantee	2019/8/22-2020/9/23	Yes	No
Shenzhen SF Fix Technology Co., Ltd.	2019/3/16	20,800.00	2019/8/28	40.00	Joint liability guarantee	2019/8/28-2020/5/30	Yes	No
SF Technology Co., Ltd.	2019/3/16	100.00	2019/8/29	5.00	Joint liability guarantee	2019/8/29-2020/1/8	Yes	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2019/3/16	2,500.00	2019/9/3	30.00	Joint liability guarantee	2019/9/3-2021/1/31	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Dongguan DHL Supply Chain Co., Ltd.	2019/3/16	510.00	2019/9/2	148.63	Joint liability guarantee	2019/9/2-2020/9/30	Yes	No
DHL Logistics (Beijing) Co., Ltd.	2019/3/16	5,100.00	2019/9/27	53.30	Joint liability guarantee	2019/9/27-2020/9/30	Yes	No
Shanghai Shunheng Logistics Co., Ltd.	2019/3/16	400.00	2019/9/5	10.00	Joint liability guarantee	2019/9/5-2020/6/30	Yes	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2019/3/16	1,000.00	2019/9/20	25.04	Joint liability guarantee	2019/9/20-2020/8/31	Yes	No
S.F. Express (Shenyang) Co., Ltd.	2019/3/16	600.00	2019/9/18	100.00	Joint liability guarantee	2019/9/18-2020/9/7	Yes	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2019/3/16	1,900.00	2019/9/17	3.00	Joint liability guarantee	2019/9/17-2020/7/31	Yes	No
TIANJIN S.F. EXPRESS CO., LTD.	2019/3/16	800.00	2019/9/6	106.05	Joint liability guarantee	2019/9/6-2020/11/6	Yes	No
XI'AN S.F. EXPRESS CO.,LTD	2019/3/16	600.00	2019/9/6	125.74	Joint liability guarantee	2019/9/6-2020/8/31	Yes	No
Jiangxi S.F. Express Co., Ltd.	2019/3/16	300.00	2019/9/3	17.27	Joint liability guarantee	2019/9/3-2020/10/31	Yes	No
XI'AN S.F. EXPRESS CO.,LTD	2019/3/16	600.00	2019/9/10	50.47	Joint liability guarantee	2019/9/10-2020/7/31	Yes	No
Henan Huihai Logistics Co., Ltd.	2019/3/16	300.00	2019/9/17	3.00	Joint liability guarantee	2019/9/17-2020/12/31	Yes	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2019/3/16	1,900.00	2019/9/27	5.00	Joint liability guarantee	2019/9/27-2020/8/15	Yes	No
Shantou S.F. Express Co., Ltd.	2019/3/16	200.00	2019/9/27	4.00	Joint liability guarantee	2019/9/27-2020/7/12	Yes	No
Jiangxi S.F. Express Co., Ltd.	2019/3/16	300.00	2019/9/27	15.00	Joint liability guarantee	2019/9/27-2020/9/14	Yes	No
Hu-nan, S.F. Express (Group) Co.,Ltd.	2019/3/16	2,000.00	2019/9/27	143.10	Joint liability guarantee	2019/9/27-2020/10/31	Yes	No
Hubei S.F. Express Co., Ltd.	2019/3/16	1,000.00	2019/9/27	100.00	Joint liability guarantee	2019/9/27-2020/7/31	Yes	No
Zhejiang Shun Feng Express Co., Ltd.	2019/3/16	2,800.00	2019/9/26	1,000.00	Joint liability guarantee	2019/9/26-2020/6/30	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
S.F. Express Co., Ltd.	2019/3/16	25,000.00	2019/9/26	75.88	Joint liability guarantee	2019/9/26-2020/7/31	Yes	No
Anhui S.F. Express Co., Ltd.	2019/3/16	1,000.00	2019/9/27	40.00	Joint liability guarantee	2019/9/27-2020/7/31	Yes	No
Jiangsu S.F. Express Co., Ltd.	2019/3/16	300.00	2019/9/18	47.26	Joint liability guarantee	2019/9/18-2020/7/14	Yes	No
Beijing Shuncheng Logistics Co., Ltd.	2019/3/16	8,500.00	2019/9/10	300.00	Joint liability guarantee	2019/9/10-2020/5/31	Yes	No
Beijing Shuncheng Logistics Co., Ltd.	2019/3/16	8,500.00	2019/9/10	100.00	Joint liability guarantee	2019/9/10-2020/5/31	Yes	No
Anhui S.F. Express Co., Ltd.	2019/3/16	1,000.00	2019/9/18	115.10	Joint liability guarantee	2019/9/18-2020/8/14	Yes	No
Zhejiang Shun Feng Express Co., Ltd.	2019/3/16	2,800.00	2019/9/20	56.01	Joint liability guarantee	2019/9/20-2020/7/31	Yes	No
Zhejiang Shunlu Logistics Co., Ltd.	2019/3/16	5,000.00	2019/9/29	1,500.00	Joint liability guarantee	2019/9/29-2020/8/31	Yes	No
Xi'an Shunlu Logistics Co., Ltd.	2019/3/16	1,300.00	2019/9/29	9.42	Joint liability guarantee	2019/9/29-2020/8/31	Yes	No
EXEL LOGISTICS CHINA CO., LTD.	2019/3/16	1,700.00	2019/10/12	145.63	Joint liability guarantee	2019/10/12-2020/7/30	Yes	No
DHL Logistics (Beijing) Co., Ltd.	2019/3/16	5,100.00	2019/10/30	300.00	Joint liability guarantee	2019/10/30-2020/9/30	Yes	No
S.F. EXPRESS CORPORATION	2019/3/16	1,000.00	2019/10/29	6.52	Joint liability guarantee	2019/10/29-2020/12/31	Yes	No
S.F. EXPRESS (CHINA) LIMITED	2019/3/16	4,000.00	2019/10/25	25.24	Joint liability guarantee	2019/10/25-2020/9/30	Yes	No
S.F. EXPRESS (CHINA) LIMITED	2019/3/16	4,000.00	2019/10/21	168.29	Joint liability guarantee	2019/10/21-2020/6/30	Yes	No
Jiangxi S.F. Express Co., Ltd.	2019/3/16	300.00	2019/10/23	50.00	Joint liability guarantee	2019/10/23-2020/5/31	Yes	No
Sichuan S.F. Express Co., Ltd.	2019/3/16	500.00	2019/10/24	5.19	Joint liability guarantee	2019/10/24-2020/11/30	Yes	No
S.F. Express (Huzhou) Co., Ltd.	2019/3/16	100.00	2019/10/28	10.00	Joint liability guarantee	2019/10/28-2020/7/31	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
S.F. Express (Shenyang) Co., Ltd	2019/3/16	600.00	2019/10/30	46.41	Joint liability guarantee	2019/10/30-2020/10/30	Yes	No
S.F.EXPRESS (TIANJIN) CO., LTD.	2019/3/16	300.00	2019/10/25	76.58	Joint liability guarantee	2019/10/25-2020/10/31	Yes	No
S.F. Express Group (Shanghai) Co., Ltd.	2019/3/16	800.00	2019/10/29	200.00	Joint liability guarantee	2019/10/29-2020/10/31	Yes	No
S.F. Express Co., Ltd.	2019/3/16	25,000.00	2019/10/23	30.00	Joint liability guarantee	2019/10/23-2020/10/15	Yes	No
Shandong S.F. Express Co., Ltd.	2019/3/16	1,000.00	2019/10/30	50.18	Joint liability guarantee	2019/10/30-2020/9/30	Yes	No
Sichuan S.F. Express Co., Ltd.	2019/3/16	500.00	2019/10/30	21.35	Joint liability guarantee	2019/10/30-2020/12/31	Yes	No
Zhejiang Shun Feng Express Co., Ltd.	2019/3/16	2,800.00	2019/10/30	300.00	Joint liability guarantee	2019/10/30-2020/12/7	Yes	No
Zhejiang Shunlu Logistics Co., Ltd.	2019/3/16	5,000.00	2019/10/23	30.00	Joint liability guarantee	2019/10/23-2020/9/15	Yes	No
Zhenjiang S.F. Express Co., Ltd.	2019/3/16	100.00	2019/10/25	14.77	Joint liability guarantee	2019/10/25-2020/6/30	Yes	No
Beijing Shuncheng Logistics Co., Ltd.	2019/3/16	8,500.00	2019/10/16	527.59	Joint liability guarantee	2019/10/16-2020/9/30	Yes	No
Jiangsu S.F. Express Co., Ltd.	2019/3/16	300.00	2019/10/9	10.00	Joint liability guarantee	2019/10/9-2020/6/30	Yes	No
Shenzhen SF Fix Technology Co., Ltd.	2019/3/16	20,800.00	2019/10/9	250.00	Joint liability guarantee	2019/10/9-2020/12/31	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2019/3/16	13,200.00	2019/10/2	20.19	Joint liability guarantee	2019/10/2-2022/7/14	No	No
S.F. EXPRESS (HONG KONG) LIMITED	2019/3/16	13,200.00	2019/10/2	10.59	Joint liability guarantee	2019/10/2-2021/8/25	No	No
Beijing Shuncheng Logistics Co., Ltd.	2019/3/16	8,500.00	2019/11/1	600.00	Joint liability guarantee	2019/11/1-2020/10/19	Yes	No
Beijing Shuncheng Logistics Co., Ltd.	2019/3/16	8,500.00	2019/11/11	563.53	Joint liability guarantee	2019/11/11-2020/10/26	Yes	No
Liaoning Shunlu Logistics Co., Ltd.	2019/3/16	1,600.00	2019/11/11	420.00	Joint liability guarantee	2019/11/11-2020/10/31	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Shanghai Shunheng Logistics Co., Ltd.	2019/3/16	400.00	2019/11/29	49.56	Joint liability guarantee	2019/11/29-2020/10/31	Yes	No
Hunan,S.F.Express (Group) Co.,Ltd.	2019/3/16	2,000.00	2019/11/7	400.00	Joint liability guarantee	2019/11/7-2020/7/31	Yes	No
Hunan,S.F.Express (Group) Co.,Ltd.	2019/3/16	2,000.00	2019/11/7	200.00	Joint liability guarantee	2019/11/7-2020/7/31	Yes	No
Beijing S.F. Express Co., LTD.	2019/3/16	1,500.00	2019/11/7	464.88	Joint liability guarantee	2019/11/7-2020/9/22	Yes	No
SF Data Service (Wuhan) Co., Ltd.	2019/3/16	200.00	2019/11/7	77.76	Joint liability guarantee	2019/11/7-2020/10/31	Yes	No
Beijing Shuncheng Logistics Co., Ltd.	2019/3/16	8,500.00	2019/11/22	57.88	Joint liability guarantee	2019/11/22-2020/2/6	Yes	No
Shenzhen S.F. Supply Chain Co., Ltd.	2019/3/16	11,900.00	2019/11/22	1,000.00	Joint liability guarantee	2019/11/22-2020/10/30	Yes	No
GZ SF Pharmaceutical Supply Chain Co., Ltd.	2019/3/16	500.00	2019/11/29	10.00	Joint liability guarantee	2019/11/29-2020/1/24	Yes	No
Anhui S.F. Express Co., Ltd.	2019/3/16	1,000.00	2019/11/22	73.64	Joint liability guarantee	2019/11/22-2020/6/30	Yes	No
Xi'an Shunlu Logistics Co., Ltd.	2019/3/16	1,300.00	2019/11/13	547.78	Joint liability guarantee	2019/11/13-2020/10/31	Yes	No
Weihai S.F. Express Co., Ltd.	2019/3/16	100.00	2019/11/15	1.00	Joint liability guarantee	2019/11/15-2021/1/31	No	No
Weihai S.F. Express Co., Ltd.	2019/3/16	100.00	2019/11/15	1.00	Joint liability guarantee	2019/11/15-2021/1/31	No	No
SF Airlines Company Limited	2019/3/16	26,000.00	2019/11/15	300.00	Joint liability guarantee	2019/11/15-2020/5/13	Yes	No
Nantong S.F. Express Co., Ltd.	2019/3/16	100.00	2019/11/1	13.47	Joint liability guarantee	2019/11/1-2020/2/29	Yes	No
SF Airlines Company Limited	2019/3/16	26,000.00	2019/11/20	6.52	Joint liability guarantee	2019/11/20-2020/9/1	Yes	No
S.F. EXPRESS (CHINA) LIMITED	2019/3/16	4,000.00	2019/11/29	16.83	Joint liability guarantee	2019/11/29-2020/11/30	Yes	No
DHL LOGISTICS (CHINA) CO., LTD.	2019/3/16	5,900.00	2019/11/21	135.00	Joint liability guarantee	2019/11/21-2020/2/28	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
DHL LOGISTICS (CHINA) CO., LTD.	2019/3/16	5,900.00	2019/11/21	6.00	Joint liability guarantee	2019/11/21-2020/2/28	Yes	No
FS ELECTRONIC TECHNOLOGY CO., LIMITED	2019/3/16	4,000.00	2019/11/12	29.45	Joint liability guarantee	2019/11/12-2020/9/22	Yes	No
ZHONGSHAN S.F. EXPRESS CO. LTD	2019/3/16	200.00	2019/11/21	17.16	Joint liability guarantee	2019/11/21-2020/9/14	Yes	No
Shenzhen SF Fix Technology Co., Ltd.	2019/3/16	20,800.00	2019/12/3	20.00	Joint liability guarantee	2019/12/3-2020/7/31	Yes	No
S.F. Express (Shenyang) Co., Ltd	2019/3/16	600.00	2019/12/3	107.75	Joint liability guarantee	2019/12/3-2020/11/30	Yes	No
Shanghai Shunxiaofeng Transportation Co., Ltd.	2019/3/16	200.00	2019/12/12	20.00	Joint liability guarantee	2019/12/12-2020/11/24	Yes	No
Hebei S.F. Express Co., Ltd.	2019/3/16	300.00	2019/12/18	1.00	Joint liability guarantee	2019/12/18-2020/11/14	Yes	No
Shenzhen S.F. Supply Chain Co., Ltd.	2019/3/16	11,900.00	2019/12/12	1,500.00	Joint liability guarantee	2019/12/12-2020/3/31	Yes	No
GZ SF Pharmaceutical Supply Chain Co., Ltd.	2019/3/16	500.00	2019/12/20	10.00	Joint liability guarantee	2019/12/20-2020/10/31	Yes	No
SF Airlines Company Limited	2019/3/16	26,000.00	2019/12/18	150.00	Joint liability guarantee	2019/12/18-2020/5/13	Yes	No
HaiNan S.F.Express LTD.	2019/3/16	700.00	2019/12/30	100.00	Joint liability guarantee	2019/12/30-2020/11/30	Yes	No
Hubei S.F. Express Co., Ltd.	2019/3/16	1,000.00	2019/12/13	16.07	Joint liability guarantee	2019/12/13-2020/11/30	Yes	No
Jiangxi S.F. Express Co., Ltd.	2019/3/16	300.00	2019/12/18	36.85	Joint liability guarantee	2019/12/18-2020/2/29	Yes	No
S.F.Express (Dong Guan) Limited	2019/3/16	3,500.00	2019/12/30	993.23	Joint liability guarantee	2019/12/30-2020/12/20	Yes	No
XIAMEN SHUNFENG EXPRESS CO.,LTD.	2019/3/16	300.00	2019/12/30	40.00	Joint liability guarantee	2019/12/30-2020/12/31	Yes	No
SF Express ChongQing CO.LTD	2019/3/16	1,400.00	2019/12/24	21.65	Joint liability guarantee	2019/12/24-2020/11/30	Yes	No
Zhejiang Shunlu Logistics Co.,Ltd.	2019/3/16	5,000.00	2019/12/30	108.78	Joint liability guarantee	2019/12/30-2020/12/25	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
S.F. Express Group (Shanghai) Co., Ltd.	2019/3/16	800.00	2019/12/24	11.76	Joint liability guarantee	2019/12/24-2020/11/30	Yes	No
Shenzhen Shunlu Air Freight Forwarding Co., Ltd.	2019/3/16	6,500.00	2019/12/30	2,238.00	Joint liability guarantee	2019/12/30-2020/12/31	Yes	No
DHL Logistics (Beijing) Co., Ltd.	2019/3/16	5,100.00	2019/12/3	32.43	Joint liability guarantee	2019/12/3-2020/11/30	Yes	No
EXEL LOGISTICS CHINA CO.,LTD.	2019/3/16	1,700.00	2019/12/3	86.22	Joint liability guarantee	2019/12/3-2020/9/30	Yes	No
DHL Logistics (Beijing) Co., Ltd.	2019/3/16	5,100.00	2019/12/2	53.21	Joint liability guarantee	2019/12/2-2021/2/28	No	No
DHL Logistics (Beijing) Co., Ltd.	2019/3/16	5,100.00	2019/12/27	0.31	Joint liability guarantee	2019/12/27-2021/2/28	No	No
SF Airlines Company Limited	2019/3/16	26,000.00	2019/12/13	1,304.66	Joint liability guarantee	2019/12/13-2020/11/30	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2019/3/16	13,200.00	2019/12/23	5,877.09	Joint liability guarantee	2019/12/23-2020/6/19	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2019/3/16	13,200.00	2019/12/23	3,011.74	Joint liability guarantee	2019/12/23-2020/6/19	Yes	No
S.F. EXPRESS (CHINA) LIMITED	2019/3/16	4,000.00	2019/12/10	1,172.13	Joint liability guarantee	2019/12/10-2020/12/14	Yes	No
S.F. EXPRESS (CHINA) LIMITED	2019/3/16	4,000.00	2019/12/30	8.41	Joint liability guarantee	2019/12/30-2021/1/4	No	No
S.F. EXPRESS (CHINA) LIMITED	2019/3/16	4,000.00	2019/12/30	12.62	Joint liability guarantee	2019/12/30-2020/12/31	Yes	No
DHL Logistics (Beijing) Co., Ltd.	2019/3/16	5,100.00	2019/7/31	1,139.00	Joint liability guarantee	2019/7/31-2020/12/31	Yes	No
Shenzhen Fengtai E-commerce Industrial Park Property Service Co., Ltd.	2019/3/16	3,700.00	2019/8/1	3,342.61	Joint liability guarantee	2019/8/1-2022/7/31	No	No
Yiwu Fengyutai Enterprise Management Co., Ltd.	2019/3/16	1,400.00	2019/8/1	1,239.44	Joint liability guarantee	2019/8/1-2022/7/31	No	No
Huai'an Fengtai Enterprise Management Co., Ltd.	2019/3/16	400.00	2019/8/1	315.54	Joint liability guarantee	2019/8/1-2022/7/31	No	No
Shenzhen S.F. Supply Chain Co., Ltd.	2019/3/16	11,900.00	2020/1/17	36.77	Joint liability guarantee	2020/1/17-2021/1/20	No	No
S.F. EXPRESS CORPORATION	2019/3/16	1,000.00	2020/1/9	52.19	Joint liability guarantee	2020/1/9-2020/12/31	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
S.F. EXPRESS (CHINA) LIMITED	2019/3/16	4,000.00	2020/1/8	84.14	Joint liability guarantee	2020/1/8-2021/1/14	No	No
Anhui S.F. Express Co., Ltd.	2019/3/16	1,000.00	2020/1/3	59.72	Joint liability guarantee	2020/1/3-2020/5/31	Yes	No
Beijing S.F. Express Co., LTD.	2019/3/16	1,500.00	2020/1/17	30.00	Joint liability guarantee	2020/1/17-2020/12/20	Yes	No
Beijing S.F. Express Co., LTD.	2019/3/16	1,500.00	2020/1/16	73.09	Joint liability guarantee	2020/1/16-2020/12/31	Yes	No
NINGBO SHUNFENG EXPRESS CO., LTD.	2019/3/16	2,500.00	2020/1/16	9.55	Joint liability guarantee	2020/1/16-2020/11/20	Yes	No
Yunnan S.F. Express Co., Ltd.	2019/3/16	600.00	2020/1/19	24.00	Joint liability guarantee	2020/1/19-2020/12/31	Yes	No
Jiangxi Shunlu Logistics Co., Ltd.	2019/3/16	200.00	2020/1/3	88.00	Joint liability guarantee	2020/1/3-2020/8/31	Yes	No
NINGBO SHUNFENG EX-PRESS CO., LTD.	2019/3/16	2,500.00	2020/1/7	41.92	Joint liability guarantee	2020/1/7-2020/12/31	Yes	No
Hubei S.F. Express Co., Ltd.	2019/3/16	1,000.00	2020/1/19	55.33	Joint liability guarantee	2020/1/19-2020/5/31	Yes	No
Liaoning Shunlu Logistics Co., Ltd.	2019/3/16	1,600.00	2020/1/19	18.95	Joint liability guarantee	2020/1/19-2020/2/29	Yes	No
Shanghai Shunheng Logistics Co., Ltd.	2019/3/16	400.00	2020/1/19	58.44	Joint liability guarantee	2020/1/19-2021/1/10	No	No
SF Express ChongQing CO. LTD	2019/3/16	1,400.00	2020/1/19	110.00	Joint liability guarantee	2020/1/19-2020/12/31	Yes	No
XI'AN S.F. EXPRESS CO., LTD	2019/3/16	600.00	2020/1/19	1.33	Joint liability guarantee	2020/1/19-2020/11/30	Yes	No
Xinjiang SF Express Co., LTD.	2019/3/16	100.00	2020/1/19	2.00	Joint liability guarantee	2020/1/19-2021/1/17	No	No
Ezhou Shunlu Logistics Co., Ltd.	2019/3/16	154,000.00	2020/1/20	10.00	Joint liability guarantee	2020/1/20-2020/12/31	Yes	No
Jiangsu S.F. Express Co., Ltd.	2019/3/16	300.00	2020/1/20	67.36	Joint liability guarantee	2020/1/20-2021/1/10	No	No
QINGDAO S.F.EXPRESS CO., LTD.	2019/3/16	800.00	2020/1/10	50.00	Joint liability guarantee	2020/1/10-2020/12/31	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Quanzhou Shunlu Logistics Co., Ltd.	2019/3/16	800.00	2020/1/17	300.00	Joint liability guarantee	2020/1/17-2020/12/31	Yes	No
Quanzhou Shunlu Logistics Co., Ltd.	2019/3/16	800.00	2020/1/17	300.00	Joint liability guarantee	2020/1/17-2020/12/31	Yes	No
Shandong S.F. Express Co., Ltd.	2019/3/16	1,000.00	2020/1/15	101.91	Joint liability guarantee	2020/1/15-2020/11/30	Yes	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2019/3/16	2,000.00	2020/1/17	5.23	Joint liability guarantee	2020/1/17-2021/2/28	No	No
Shenzhen S.F. Supply Chain Co., Ltd.	2019/3/16	11,900.00	2020/1/10	120.13	Joint liability guarantee	2020/1/10-2021/2/28	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2019/3/16	2,500.00	2020/1/3	1,870.00	Joint liability guarantee	2020/1/3-2020/12/31	Yes	No
Shenzhen Shunlu Air Freight Forwarding Co., Ltd.	2019/3/16	7,500.00	2020/1/10	1,850.00	Joint liability guarantee	2020/1/10-2020/12/31	Yes	No
S.F. Express Co., Ltd.	2019/3/16	25,000.00	2020/1/13	140.46	Joint liability guarantee	2020/1/13-2020/12/31	Yes	No
S.F. Express Co., Ltd.	2019/3/16	25,000.00	2020/1/13	233.15	Joint liability guarantee	2020/1/13-2020/12/31	Yes	No
TIANJIN S.F. EXPRESS CO., LTD.	2019/3/16	800.00	2020/1/17	80.90	Joint liability guarantee	2020/1/17-2021/12/31	No	No
Wenzhou Shunheng Express Co., Ltd.	2019/3/16	200.00	2020/1/17	110.00	Joint liability guarantee	2020/1/17-2021/1/10	No	No
SF Airlines Company Limited	2019/3/16	26,000.00	2020/1/23	23.48	Joint liability guarantee	2020/1/23-2020/6/29	Yes	No
Guangxi ShunFeng Express Co.,Ltd.	2019/3/16	200.00	2020/2/19	10.00	Joint liability guarantee	2020/2/19-2020/12/31	Yes	No
Guangxi ShunFeng Express Co.,Ltd.	2019/3/16	200.00	2020/2/19	100.00	Joint liability guarantee	2020/2/19-2021/1/31	No	No
Guizhou S.F. Express Co., Ltd.	2019/3/16	200.00	2020/2/19	12.74	Joint liability guarantee	2020/2/19-2021/2/28	No	No
Jiangxi Shunlu Logistics Co.,Ltd.	2019/3/16	200.00	2020/2/19	88.00	Joint liability guarantee	2020/2/19-2020/8/31	Yes	No
Shandong S.F. Express Co., Ltd.	2019/3/16	1,000.00	2020/2/24	5.00	Joint liability guarantee	2020/2/24-2020/11/30	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
SF Airlines Company Limited	2019/3/16	26,000.00	2020/2/24	2.00	Joint liability guarantee	2020/2/24-2021/2/21	No	No
SF Airlines Company Limited	2019/3/16	26,000.00	2020/2/24	22.03	Joint liability guarantee	2020/2/24-2021/3/6	No	No
S.F. Express (Shenyang) Co., Ltd	2019/3/16	600.00	2020/2/26	6.00	Joint liability guarantee	2020/2/26-2020/5/31	Yes	No
S.F.EXPRESS (TIANJIN) CO., LTD.	2019/3/16	300.00	2020/2/24	61.35	Joint liability guarantee	2020/2/24-2020/11/30	Yes	No
Yantai S.F. Express Co., Ltd.	2019/3/16	200.00	2020/2/24	65.00	Joint liability guarantee	2020/2/24-2021/1/31	No	No
Zhanjiang S.F. Express Co., Ltd.	2019/3/16	50.00	2020/2/19	25.00	Joint liability guarantee	2020/2/19-2021/8/5	No	No
Chongqing Huiyifeng Logistics Co., Ltd.	2019/3/16	2,800.00	2020/2/14	1,500.00	Joint liability guarantee	2020/2/14-2021/1/21	No	No
DHL Supply Chain (Hong Kong) Limited	2019/3/16	11,000.00	2020/2/26	80.90	Joint liability guarantee	2020/2/26-2020/12/31	Yes	No
Guang Zhou S.F. Express Co., Ltd.	2019/3/16	4,000.00	2020/3/4	1,000.00	Joint liability guarantee	2020/3/4-2020/8/8	Yes	No
SF Airlines Company Limited	2019/3/16	26,000.00	2020/3/3	16.64	Joint liability guarantee	2020/3/3-2021/2/24	No	No
Shenzhen S.F. Supply Chain Co., Ltd.	2019/3/16	11,900.00	2020/3/5	600.00	Joint liability guarantee	2020/3/5-2021/2/28	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2019/3/16	2,500.00	2020/3/5	100.00	Joint liability guarantee	2020/3/5-2021/1/31	No	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2019/3/16	1,900.00	2020/3/5	50.00	Joint liability guarantee	2020/3/5-2021/2/28	No	No
Shanxi S.F. Express Co., Ltd.	2019/3/16	200.00	2020/3/12	6.00	Joint liability guarantee	2020/3/12-2020/12/31	Yes	No
Shanxi S.F. Express Co., Ltd.	2019/3/16	200.00	2020/3/12	35.00	Joint liability guarantee	2020/3/12-2020/12/31	Yes	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2019/3/16	2,500.00	2020/3/16	250.00	Joint liability guarantee	2020/3/16-2020/12/31	Yes	No
Foshan S.F. Express Co., Ltd.	2019/3/16	500.00	2020/3/16	76.99	Joint liability guarantee	2020/3/16-2020/10/15	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Jiangsu S.F. Express Co., Ltd.	2019/3/16	300.00	2020/3/16	10.30	Joint liability guarantee	2020/3/16-2020/3/7	Yes	No
Shenzhen Shunlu Logistics Co., Ltd.	2019/3/16	2,100.00	2020/3/16	100.00	Joint liability guarantee	2020/3/16-2021/4/15	No	No
Shenzhen Shunlu Logistics Co., Ltd.	2019/3/16	2,100.00	2020/3/16	80.00	Joint liability guarantee	2020/3/16-2021/6/30	No	No
S.F. Express (Shenyang) Co., Ltd	2019/3/16	600.00	2020/3/16	45.37	Joint liability guarantee	2020/3/16-2021/3/9	No	No
Beijing S.F. Express Co., LTD.	2019/3/16	1,500.00	2020/3/16	100.00	Joint liability guarantee	2020/3/16-2021/4/20	No	No
DHL LOGISTICS (CHINA) CO., LTD.	2019/3/16	5,900.00	2020/3/19	20.00	Joint liability guarantee	2020/3/19-2021/3/31	No	No
S.F. Express Co., Ltd.	2019/3/16	25,000.00	2020/3/3	500.00	Joint liability guarantee	2020/3/3-2021/3/1	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2019/3/16	2,500.00	2020/3/16	150.00	Joint liability guarantee	2020/3/16-2020/8/31	Yes	No
S.F. EXPRESS (CHINA) LIMITED	2019/3/16	4,000.00	2020/3/18	25.24	Joint liability guarantee	2020/3/18-2020/11/30	Yes	No
E COMMERCE FULFILLMENT COMPANY LIMITED	2019/3/16	7,060.00	2020/3/5	21.59	Joint liability guarantee	2020/3/5-2020/11/11	Yes	No
S.F. EXPRESS (CHINA) LIMITED	2019/3/16	4,000.00	2020/3/19	50.49	Joint liability guarantee	2020/3/19-2021/3/31	No	No
Chengdu Shunlifeng Pharmaceutical Co., Ltd.	2019/3/16	100.00	2020/3/20	43.63	Joint liability guarantee	2020/3/20-2021/3/12	No	No
ZHONGSHAN S.F. EXPRESS CO. LTD	2019/3/16	200.00	2020/3/26	141.98	Joint liability guarantee	2020/3/26-2020/12/15	Yes	No
Zhejiang Shunlu Logistics Co., Ltd.	2019/3/16	5,000.00	2020/3/30	350.00	Joint liability guarantee	2020/3/30-2021/3/12	No	No
Xi'an Shunlu Logistics Co., Ltd.	2019/3/16	1,300.00	2020/3/30	230.90	Joint liability guarantee	2020/3/30-2021/3/27	No	No
Sichuan S.F. Express Co., Ltd.	2019/3/16	500.00	2020/3/26	5.00	Joint liability guarantee	2020/3/26-2021/1/31	No	No
S.F. Express Co., Ltd.	2019/3/16	25,000.00	2020/3/23	3,000.00	Joint liability guarantee	2020/3/23-2021/3/11	No	No
S.F. Express (Huizhou) Co., Ltd.	2019/3/16	450.00	2020/3/23	19.57	Joint liability guarantee	2020/3/23-2021/6/30	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
SF Airlines Company Limited	2019/3/16	26,000.00	2020/3/20	97.85	Joint liability guarantee	2020/3/20-2020/12/31	Yes	No
SF Airlines Company Limited	2019/3/16	26,000.00	2020/3/23	57.77	Joint liability guarantee	2020/3/23-2021/3/12	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2019/3/16	2,000.00	2020/3/23	22.84	Joint liability guarantee	2020/3/23-2021/2/28	No	No
S.F. EXPRESS (HONG KONG) LIMITED	2019/3/16	13,200.00	2020/3/25	65.23	Joint liability guarantee	2020/3/25-2021/5/26	No	No
Jiangsu S.F. Express Co., Ltd.	2019/3/16	300.00	2020/3/23	5.00	Joint liability guarantee	2020/3/23-2020/4/30	Yes	No
SF-Express (Ningxia) Co.,Ltd	2019/3/16	200.00	2020/3/31	100.00	Joint liability guarantee	2020/3/31-2021/1/31	No	No
EXEL LOGISTICS CHINA CO., LTD.	2019/3/16	2,700.00	2020/4/3	173.39	Joint liability guarantee	2020/4/3-2022/7/31	No	No
EXEL LOGISTICS CHINA CO., LTD.	2019/3/16	2,700.00	2020/4/3	328.86	Joint liability guarantee	2020/4/3-2022/7/31	No	No
EXEL LOGISTICS CHINA CO., LTD.	2019/3/16	2,700.00	2020/4/3	500.00	Joint liability guarantee	2020/4/3-2023/4/3	No	No
DHL Logistics (Beijing) Co., Ltd.	2019/3/16	5,100.00	2020/4/3	50.00	Joint liability guarantee	2020/4/3-2020/12/31	Yes	No
XI'AN S.F. EXPRESS CO., LTD	2019/3/16	600.00	2020/4/10	56.87	Joint liability guarantee	2020/4/10-2021/3/19	No	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2019/3/16	1,900.00	2020/4/15	28.39	Joint liability guarantee	2020/4/15-2021/6/30	No	No
DHL Logistics (Beijing) Co., Ltd.	2020/3/24	2,000.00	2020/4/28	70.35	Joint liability guarantee	2020/4/28-2022/9/30	No	No
S.F. EXPRESS (AUSTRALIA) PTY LTD	2020/3/24	1,500.00	2020/4/21	18.75	Joint liability guarantee	2020/4/21-2021/3/31	No	No
Anhui S.F. Express Co., Ltd.	2020/3/24	1,200.00	2020/4/29	10.00	Joint liability guarantee	2020/4/29-2021/4/21	No	No
Chengdu Shunyifeng Pharmaceutical Co., Ltd.	2020/3/24	100.00	2020/4/23	20.00	Joint liability guarantee	2020/4/23-2020/12/31	Yes	No
Chengdu Taishun Logistics Co., Ltd.	2020/3/24	2,000.00	2020/4/28	100.00	Joint liability guarantee	2020/4/28-2021/11/31	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
FS ELECTRONIC TECHNOLOGY CO., LIMITED	2020/3/24	1,000.00	2020/4/16	291.23	Joint liability guarantee	2020/4/16-2021/7/31	No	No
Guangxi ShunFeng Express Co., Ltd.	2020/3/24	300.00	2020/4/16	70.00	Joint liability guarantee	2020/4/16-2020/12/31	Yes	No
Guizhou S.F. Express Co., Ltd.	2020/3/24	300.00	2020/4/29	64.96	Joint liability guarantee	2020/4/29-2021/4/21	No	No
Hebei S.F. Express Co., Ltd.	2020/3/24	400.00	2020/4/16	12.68	Joint liability guarantee	2020/4/16-2021/4/10	No	No
Hubei S.F. Transportation Co., Ltd.	2020/3/24	700.00	2020/4/28	323.29	Joint liability guarantee	2020/4/28-2021/4/15	No	No
Jiangxi S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/4/16	223.43	Joint liability guarantee	2020/4/16-2021/4/10	No	No
NINGBO SHUNFENG EXPRESS CO., LTD.	2020/3/24	3,000.00	2020/4/16	550.00	Joint liability guarantee	2020/4/16-2021/5/7	No	No
QINGDAO S.F.EXPRESS CO.,LTD.	2020/3/24	800.00	2020/4/16	260.00	Joint liability guarantee	2020/4/16-2020/11/30	Yes	No
Shandong S.F. Express Co., Ltd.	2020/3/24	1,500.00	2020/4/16	30.00	Joint liability guarantee	2020/4/16-2021/1/31	No	No
Shandong S.F. Express Co., Ltd.	2020/3/24	1,500.00	2020/4/29	309.71	Joint liability guarantee	2020/4/29-2021/4/21	No	No
Shanghai Shunheng Logistics Co., Ltd.	2020/3/24	3,000.00	2020/4/26	107.41	Joint liability guarantee	2020/4/26-2021/4/15	No	No
Shenzhen SF Fix Technology Co., Ltd.	2020/3/24	10,000.00	2020/4/23	400.00	Joint liability guarantee	2020/4/23-2021/1/31	No	No
Shenzhen Fengyi Technology Co., Ltd.	2020/3/24	10,000.00	2020/4/29	500.00	Joint liability guarantee	2020/4/29-2021/4/26	No	No
Shenzhen S.F. Supply Chain Co., Ltd.	2020/3/24	10,000.00	2020/4/16	230.00	Joint liability guarantee	2020/4/16-2021/4/30	No	No
Shenzhen S.F. Supply Chain Co., Ltd.	2020/3/24	10,000.00	2020/4/29	500.00	Joint liability guarantee	2020/4/29-2021/3/27	No	No
Shenzhen S.F. Supply Chain Co., Ltd.	2020/3/24	10,000.00	2020/4/29	1,000.00	Joint liability guarantee	2020/4/29-2020/7/30	Yes	No
Shenzhen S.F. Supply Chain Co., Ltd.	2020/3/24	10,000.00	2020/4/29	500.00	Joint liability guarantee	2020/4/29-2021/5/5	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Shenzhen S.F. Supply Chain Co., Ltd.	2020/3/24	10,000.00	2020/4/23	60.00	Joint liability guarantee	2020/4/23-2021/4/14	No	No
SF Airlines Company Limited	2020/3/24	20,000.00	2020/4/16	2,000.00	Joint liability guarantee	2020/4/16-2021/4/15	No	No
SF Airlines Company Limited	2020/3/24	20,000.00	2020/4/27	38.46	Joint liability guarantee	2020/4/27-2020/8/31	Yes	No
S.F.Express (Dong Guan) Limited	2020/3/24	3,000.00	2020/4/29	15.03	Joint liability guarantee	2020/4/29-2021/4/24	No	No
S.F.EXPRESS (TIANJIN) CO., LTD.	2020/3/24	300.00	2020/4/23	52.91	Joint liability guarantee	2020/4/23-2020/10/26	Yes	No
S.F. Express Group (Shanghai) Co., Ltd.	2020/3/24	1,200.00	2020/4/28	100.00	Joint liability guarantee	2020/4/28-2021/10/31	No	No
SF Express ChongQing CO.LTD	2020/3/24	1,000.00	2020/4/26	169.01	Joint liability guarantee	2020/4/26-2021/4/15	No	No
SF Pharmaceutical Supply Chain Hubei Co., Ltd.	2020/3/24	100.00	2020/4/23	5.00	Joint liability guarantee	2020/4/23-2021/3/31	No	No
Sichuan S.F. Express Co., Ltd.	2020/3/24	500.00	2020/4/27	11.61	Joint liability guarantee	2020/4/27-2021/4/21	No	No
Sichuan S.F. Express Co., Ltd.	2020/3/24	500.00	2020/4/23	56.69	Joint liability guarantee	2020/4/23-2020/8/31	Yes	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2020/3/24	1,500.00	2020/4/16	20.00	Joint liability guarantee	2020/4/16-2021/4/7	No	No
Xinjiang SF Express Co., LTD.	2020/3/24	210.00	2020/4/16	6.00	Joint liability guarantee	2020/4/16-2020/12/31	Yes	No
Zhejiang Shunhefeng Freight Co., Ltd.	2020/3/24	700.00	2020/4/29	10.00	Joint liability guarantee	2020/4/29-2021/4/21	No	No
Zhejiang Shunlu Logistics Co., Ltd.	2020/3/24	3,000.00	2020/4/28	749.32	Joint liability guarantee	2020/4/28-2021/4/21	No	No
S.F. Transportation (Changzhou) Co., Ltd.	2020/3/24	200.00	2020/4/30	74.85	Joint liability guarantee	2020/4/30-2021/4/21	No	No
Jiangsu Shunhefeng Freight Co., Ltd.	2020/3/24	1,200.00	2020/5/26	18.02	Joint liability guarantee	2020/5/26-2021/4/30	No	No
DHL LOGISTICS (CHINA) CO., LTD.	2020/3/24	4,000.00	2020/5/19	1,086.87	Joint liability guarantee	2020/5/19-2022/12/14	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Jiangsu Shunhefeng Freight Co., Ltd.	2020/3/24	1,200.00	2020/5/29	692.81	Joint liability guarantee	2020/5/29-2021/4/30	No	No
DHL Logistics (Beijing) Co., Ltd.	2020/3/24	2,000.00	2020/5/18	58.86	Joint liability guarantee	2020/5/18-2022/7/31	No	No
DHL Logistics (Beijing) Co., Ltd.	2020/3/24	2,000.00	2020/5/18	237.86	Joint liability guarantee	2020/5/18-2022/7/31	No	No
Shaanxi SF Freight Co., Ltd.	2020/3/24	400.00	2020/5/13	59.55	Joint liability guarantee	2020/5/13-2021/7/31	No	No
S.F. EXPRESS (CHINA) LIMITED	2020/3/24	2,000.00	2020/5/12	84.14	Joint liability guarantee	2020/5/12-2021/5/21	No	No
Shandong S.F. Express Co., Ltd.	2020/3/24	1,500.00	2020/5/28	31.58	Joint liability guarantee	2020/5/28-2021/5/25	No	No
Shandong S.F. Express Co., Ltd.	2020/3/24	1,500.00	2020/5/28	94.74	Joint liability guarantee	2020/5/28-2021/5/15	No	No
Beijing S.F. Express Co., LTD.	2020/3/24	1,500.00	2020/5/19	250.00	Joint liability guarantee	2020/5/19-2020/12/31	Yes	No
Chengdu Taishun Logistics Co.,Ltd.	2020/3/24	2,000.00	2020/5/19	900.00	Joint liability guarantee	2020/5/19-2021/4/30	No	No
Guizhou S.F. Express Co., Ltd.	2020/3/24	300.00	2020/5/19	12.28	Joint liability guarantee	2020/5/19-2021/5/8	No	No
Hangzhou Zhentai Asset Management Co., Ltd.	2020/3/24	3,500.00	2020/5/29	226.60	Joint liability guarantee	2020/5/29-2020/8/31	Yes	No
Hangzhou Zhentai Asset Management Co., Ltd.	2020/3/24	3,500.00	2020/5/29	290.10	Joint liability guarantee	2020/5/29-2020/8/31	Yes	No
Hangzhou Zhentai Asset Management Co., Ltd.	2020/3/24	3,500.00	2020/5/29	183.20	Joint liability guarantee	2020/5/29-2020/8/31	Yes	No
Hangzhou Zhentai Asset Management Co., Ltd.	2020/3/24	3,500.00	2020/5/29	183.20	Joint liability guarantee	2020/5/29-2020/8/31	Yes	No
Hebei S.F. Express Co., Ltd.	2020/3/24	400.00	2020/5/19	30.00	Joint liability guarantee	2020/5/19-2020/12/31	Yes	No
Hebei S.F. Express Co., Ltd.	2020/3/24	400.00	2020/5/20	90.00	Joint liability guarantee	2020/5/20-2021/3/31	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Jiangsu S.F. Express Co., Ltd.	2020/3/24	450.00	2020/5/20	60.35	Joint liability guarantee	2020/5/20-2021/5/14	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	5,500.00	2020/5/19	75.00	Joint liability guarantee	2020/5/19-2021/3/31	No	No
Shenzhen Shunlu Logistics Co., Ltd.	2020/3/24	2,000.00	2020/5/19	391.19	Joint liability guarantee	2020/5/19-2021/1/31	No	No
SF Pharmaceutical Supply Chain Hubei Co., Ltd.	2020/3/24	100.00	2020/5/19	10.00	Joint liability guarantee	2020/5/19-2020/12/31	Yes	No
Liaoning Shunlu Logistics Co., Ltd.	2020/3/24	1,000.00	2020/5/28	191.30	Joint liability guarantee	2020/5/28-2021/4/30	No	No
Shenzhen Fengyi Technology Co., Ltd.	2020/3/24	10,000.00	2020/6/1	50.00	Joint liability guarantee	2020/6/1-2021/4/15	No	No
Hubei S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/6/1	24.93	Joint liability guarantee	2020/6/1-2021/4/30	No	No
Shenzhen Fengyi Technology Co., Ltd.	2020/3/24	10,000.00	2020/6/10	1,825.00	Joint liability guarantee	2020/6/10-2021/2/28	No	No
EXEL LOGISTICS CHINA CO., LTD.	2020/3/24	700.00	2020/6/10	169.71	Joint liability guarantee	2020/6/10-2021/3/31	No	No
DHL Logistics (Beijing) Co., Ltd.	2020/3/24	2,000.00	2020/6/10	40.00	Joint liability guarantee	2020/6/10-2020/12/31	Yes	No
DHL Logistics (Beijing) Co., Ltd.	2020/3/24	2,000.00	2020/6/10	519.61	Joint liability guarantee	2020/6/10-2021/12/31	No	No
DHL Logistics (Beijing) Co., Ltd.	2020/3/24	2,000.00	2020/6/10	116.56	Joint liability guarantee	2020/6/10-2021/12/31	No	No
DHL Logistics (Beijing) Co., Ltd.	2020/3/24	2,000.00	2020/6/11	24.85	Joint liability guarantee	2020/6/11-2022/7/31	No	No
Shenzhen SF Fix Technology Co., Ltd.	2020/3/24	10,000.00	2020/6/29	1,600.00	Joint liability guarantee	2020/6/29-2020/12/31	Yes	No
S.F. EXPRESS (HONG KONG) LIMITED	2020/3/24	10,000.00	2020/6/18	3,011.74	Joint liability guarantee	2020/6/18-2020/9/19	Yes	No
Anhui S.F. Express Co., Ltd.	2020/3/24	1,200.00	2020/6/15	100.00	Joint liability guarantee	2020/6/15-2020/7/31	Yes	No
Anhui S.F. Express Co., Ltd.	2020/3/24	1,200.00	2020/6/29	180.00	Joint liability guarantee	2020/6/29-2021/5/31	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Anhui S.F. Express Co., Ltd.	2020/3/24	1,200.00	2020/6/8	59.72	Joint liability guarantee	2020/6/8-2021/5/31	No	No
Anhui S.F. Express Co., Ltd.	2020/3/24	1,200.00	2020/6/29	99.37	Joint liability guarantee	2020/6/29-2021/6/30	No	No
S.F.EXPRESS OF DALIAN L.T.D	2020/3/24	200.00	2020/6/1	42.48	Joint liability guarantee	2020/6/1-2020/8/31	Yes	No
Guizhou S.F. Express Co., Ltd.	2020/3/24	300.00	2020/6/1	11.38	Joint liability guarantee	2020/6/1-2021/4/30	No	No
HaiNan S.F.Express LTD.	2020/3/24	500.00	2020/6/29	35.00	Joint liability guarantee	2020/6/29-2021/1/31	No	No
Hangzhou SF Zhida Logistics Co., Ltd.	2020/3/24	550.00	2020/6/1	256.59	Joint liability guarantee	2020/6/1-2021/5/19	No	No
Hubei S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/6/29	24.93	Joint liability guarantee	2020/6/29-2021/7/30	No	No
Hubei S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/6/1	80.00	Joint liability guarantee	2020/6/1-2021/5/31	No	No
Jiangsu S.F. Express Co., Ltd.	2020/3/24	450.00	2020/6/17	3.00	Joint liability guarantee	2020/6/17-2021/6/14	No	No
Jiangsu S.F. Express Co., Ltd.	2020/3/24	450.00	2020/6/1	82.33	Joint liability guarantee	2020/6/1-2021/5/31	No	No
Jinhua S.F. Express Co., Ltd.	2020/3/24	200.00	2020/6/1	5.00	Joint liability guarantee	2020/6/1-2021/4/30	No	No
Liaoning Shunhe Supply Chain Management Co., Ltd.	2020/3/24	500.00	2020/6/1	7.00	Joint liability guarantee	2020/6/1-2021/4/30	No	No
Nantong S.F. Express Co., Ltd.	2020/3/24	100.00	2020/6/1	12.27	Joint liability guarantee	2020/6/1-2021/5/18	No	No
QINGDAO S.F.EXPRESS CO.,LTD.	2020/3/24	800.00	2020/6/12	3.00	Joint liability guarantee	2020/6/12-2020/12/31	Yes	No
Shandong S.F. Express Co., Ltd.	2020/3/24	1,500.00	2020/6/1	150.00	Joint liability guarantee	2020/6/1-2021/5/31	No	No
Shandong S.F. Express Co., Ltd.	2020/3/24	1,500.00	2020/6/1	2.00	Joint liability guarantee	2020/6/1-2021/5/14	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/6/10	30.40	Joint liability guarantee	2020/6/10-2021/5/25	No	No
Shanghai Shuncheng Logistics Co., Ltd.	2020/3/24	1,500.00	2020/6/12	400.00	Joint liability guarantee	2020/6/12-2021/9/30	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	200.00	2020/6/10	14.54	Joint liability guarantee	2020/6/10-2021/5/31	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	200.00	2020/6/30	23.00	Joint liability guarantee	2020/6/30-2021/5/31	No	No
SF Airlines Company Limited	2020/3/24	20,000.00	2020/6/24	1,200.00	Joint liability guarantee	2020/6/24-2021/5/13	No	No
SF Airlines Company Limited	2020/3/24	20,000.00	2020/6/8	9.43	Joint liability guarantee	2020/6/8-2021/4/30	No	No
SF Airlines Company Limited	2020/3/24	20,000.00	2020/6/22	97.85	Joint liability guarantee	2020/6/22-2021/3/31	No	No
S.F. Express Co., Ltd.	2020/3/24	17,300.00	2020/6/8	100.00	Joint liability guarantee	2020/6/8-2021/4/30	No	No
Sichuan Shunhefeng Freight Co., Ltd.	2020/3/24	300.00	2020/6/4	43.35	Joint liability guarantee	2020/6/4-2021/5/31	No	No
Wuxi S.F. Express Co., Ltd.	2020/3/24	500.00	2020/6/3	20.00	Joint liability guarantee	2020/6/3-2021/5/23	No	No
Xinjiang SF Express Co.,LTD.	2020/3/24	210.00	2020/6/29	104.78	Joint liability guarantee	2020/6/29-2021/6/19	No	No
Zhaoqing SF Express CP., LTD.	2020/3/24	100.00	2020/6/10	16.20	Joint liability guarantee	2020/6/10-2021/6/5	No	No
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/6/11	21.65	Joint liability guarantee	2020/6/11-2021/11/30	No	No
Zhejiang Shunlu Logistics Co., Ltd.	2020/3/24	3,000.00	2020/6/8	115.00	Joint liability guarantee	2020/6/8-2020/10/31	Yes	No
Zhejiang Shunlu Logistics Co., Ltd.	2020/3/24	3,000.00	2020/6/8	40.00	Joint liability guarantee	2020/6/8-2021/5/28	No	No
ZHONGSHAN S.F. EXPRESS CO. LTD	2020/3/24	200.00	2020/6/15	20.72	Joint liability guarantee	2020/6/15-2020/12/15	Yes	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Anhui S.F. Express Co., Ltd.	2020/3/24	1,200.00	2020/6/24	5.00	Joint liability guarantee	2020/6/24-2021/6/15	No	No
Hubei S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/6/24	1.00	Joint liability guarantee	2020/6/24-2021/6/19	No	No
Shenzhen S.F. Supply Chain Co., Ltd.	2020/3/24	10,000.00	2020/6/30	300.00	Joint liability guarantee	2020/6/30-2020/6/30	Yes	No
Shenzhen SF Freight Co., Ltd.	2020/3/24	2,000.00	2020/6/24	325.15	Joint liability guarantee	2020/6/24-2021/6/11	No	No
SF Airlines Company Limited	2020/3/24	20,000.00	2020/6/19	3.26	Joint liability guarantee	2020/6/19-2021/6/20	No	No
SF Airlines Company Limited	2020/3/24	20,000.00	2020/6/19	13.05	Joint liability guarantee	2020/6/19-2021/6/28	No	No
TIANJIN S.F. EXPRESS CO., LTD.	2020/3/24	700.00	2020/6/29	130.00	Joint liability guarantee	2020/6/29-2021/7/29	No	No
Tibet S.F. Express Co., Ltd.	2020/3/24	100.00	2020/6/24	5.00	Joint liability guarantee	2020/6/24-2021/3/31	No	No
Zhejiang Shunlu Logistics Co., Ltd.	2020/3/24	3,000.00	2020/6/24	100.00	Joint liability guarantee	2020/6/24-2021/5/31	No	No
Anhui Shunhe Freight Co., Ltd.	2020/3/24	350.00	2020/6/24	45.17	Joint liability guarantee	2020/6/24-2021/6/9	No	No
Liaoning Shunlu Logistics Co., Ltd.	2020/3/24	1,000.00	2020/6/24	172.09	Joint liability guarantee	2020/6/24-2021/6/11	No	No
S.F. EXPRESS (CHINA) LIMITED	2020/3/24	2,000.00	2020/6/18	42.07	Joint liability guarantee	2020/6/18-2021/7/6	No	No
EXEL LOGISTICS CHINA CO., LTD.	2019/3/16	2,700.00	2020/1/2	153.35	Joint liability guarantee	2020/1/2-2020/12/31	Yes	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	1,400.00	2020/7/17	25.00	Joint liability guarantee	2020/7/17-2021/7/3	No	No
Hunan SF Freight Co., Ltd.	2020/3/24	200.00	2020/7/17	6.60	Joint liability guarantee	2020/7/17-2021/5/14	No	No
S.F. Express Corporation	2020/3/24	1,000.00	2020/7/22	130.47	Joint liability guarantee	2020/7/22-2021/5/26	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Shanghai Shuncheng Logistics Co., Ltd.	2020/3/24	1,500.00	2020/7/14	380.00	Joint liability guarantee	2020/7/14-2021/5/31	No	No
Qinghai SF Juyi Supply Chain Management Co., Ltd.	2020/3/24	100.00	2020/7/14	18.28	Joint liability guarantee	2020/7/14-2021/7/10	No	No
Heilongjiang S.F. Express Co., Ltd.	2020/3/24	300.00	2020/7/14	117.21	Joint liability guarantee	2020/7/14-2021/6/30	No	No
Zhejiang Shunhefeng Freight Co., Ltd.	2020/3/24	700.00	2020/7/14	5.00	Joint liability guarantee	2020/7/14-2021/6/30	No	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2020/3/24	2,500.00	2020/7/10	65.78	Joint liability guarantee	2020/7/10-2020/12/31	Yes	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2020/3/24	2,500.00	2020/7/10	23.52	Joint liability guarantee	2020/7/10-2020/12/31	Yes	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2020/3/24	2,500.00	2020/7/10	27.24	Joint liability guarantee	2020/7/10-2021/3/31	No	No
XI'AN S.F. EXPRESS CO., LTD	2020/3/24	500.00	2020/7/22	125.74	Joint liability guarantee	2020/7/22-2021/7/6	No	No
Xi'an Shunlu Logistics Co., Ltd.	2020/3/24	1,500.00	2020/7/10	9.42	Joint liability guarantee	2020/7/10-2021/8/31	No	No
Shanghai Shunheng Logistics Co., Ltd.	2020/3/24	5,000.00	2020/7/28	100.00	Joint liability guarantee	2020/7/28-2021/9/30	No	No
Beijing S.F. Express Co., LTD.	2020/3/24	3,000.00	2020/7/22	200.00	Joint liability guarantee	2020/7/22-2021/4/29	No	No
Shanghai Shunheng Logistics Co., Ltd.	2020/3/24	5,000.00	2020/7/22	46.39	Joint liability guarantee	2020/7/22-2021/7/9	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	1,400.00	2020/7/3	14.18	Joint liability guarantee	2020/7/3-2021/6/1	No	No
Shenzhen Shunlu Logistics Co., Ltd.	2020/3/24	2,000.00	2020/7/30	140.00	Joint liability guarantee	2020/7/30-2021/8/31	No	No
Beijing Shuncheng Logistics Co., Ltd.	2020/3/24	8,000.00	2020/7/3	1,300.00	Joint liability guarantee	2020/7/3-2020/8/30	Yes	No
Beijing Shuncheng Logistics Co., Ltd.	2020/3/24	8,000.00	2020/7/3	500.00	Joint liability guarantee	2020/7/3-2020/8/30	Yes	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/7/14	300.00	Joint liability guarantee	2020/7/14-2021/6/14	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Shenzhen S.F. Supply Chain Co., Ltd.	2020/3/24	10,000.00	2020/7/2	500.00	Joint liability guarantee	2020/7/2-2021/3/31	No	No
SF Airlines Company Limited	2020/3/24	220,000.00	2020/7/23	23.48	Joint liability guarantee	2020/7/23-2021/6/29	No	No
DHL Logistics (Beijing) Co., Ltd.	2020/3/24	2,000.00	2020/7/10	50.00	Joint liability guarantee	2020/7/10-2020/12/31	Yes	No
DHL Logistics (Beijing) Co., Ltd.	2020/3/24	2,000.00	2020/7/17	30.00	Joint liability guarantee	2020/7/17-2020/10/20	Yes	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/7/17	30.00	Joint liability guarantee	2020/7/17-2020/10/20	Yes	No
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/7/30	47.26	Joint liability guarantee	2020/7/30-2021/7/14	No	No
SF Transportation (Nanjing) Co., Ltd.	2020/3/24	600.00	2020/7/29	100.00	Joint liability guarantee	2020/7/29-2021/6/15	No	No
Guang Zhou S.F. Express Co., Ltd.	2020/3/24	6,000.00	2020/7/27	1,200.00	Joint liability guarantee	2020/7/27-2021/8/8	No	No
Guang Zhou S.F. Express Co., Ltd.	2020/3/24	6,000.00	2020/7/27	1,500.00	Joint liability guarantee	2020/7/27-2021/8/8	No	No
Jiangsu S.F. Express Co., Ltd.	2020/3/24	750.00	2020/7/10	110.00	Joint liability guarantee	2020/7/10-2021/6/11	No	No
Jiangsu Shunhefeng Freight Co., Ltd.	2020/3/24	1,800.00	2020/7/30	73.13	Joint liability guarantee	2020/7/30-2021/6/30	No	No
Liaoning Shunhe Supply Chain Management Co., Ltd.	2020/3/24	500.00	2020/7/30	36.57	Joint liability guarantee	2020/7/30-2021/7/15	No	No
XIAMEN SHUNFENG EXPRESS CO., LTD.	2020/3/24	500.00	2020/7/28	100.00	Joint liability guarantee	2020/7/28-2021/7/31	No	No
Shanghai SF Freight Co., Ltd.	2020/3/24	1,500.00	2020/7/27	418.25	Joint liability guarantee	2020/7/27-2021/7/22	No	No
Shenzhen S.F. Supply Chain Co., Ltd.	2020/3/24	10,000.00	2020/7/28	106.53	Joint liability guarantee	2020/7/28-2021/7/20	No	No
Shenzhen SF Freight Co., Ltd.	2020/3/24	2,000.00	2020/7/28	432.81	Joint liability guarantee	2020/7/28-2021/7/31	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/7/30	100.00	Joint liability guarantee	2020/7/30-2020/10/30	Yes	No
S.F. Express Co., Ltd.	2020/3/24	17,300.00	2020/7/27	200.00	Joint liability guarantee	2020/7/27-2020/11/30	Yes	No
Sichuan S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/7/30	13.08	Joint liability guarantee	2020/7/30-2021/7/20	No	No
Yangzhou Shunfeng Express Transport Co., Ltd.	2020/3/24	300.00	2020/7/27	90.93	Joint liability guarantee	2020/7/27-2021/7/22	No	No
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/7/30	28.15	Joint liability guarantee	2020/7/30-2021/7/14	No	No
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/7/14	39.51	Joint liability guarantee	2020/7/14-2021/7/6	No	No
Shanghai SF Freight Co., Ltd.	2020/3/24	1,500.00	2020/8/3	418.25	Joint liability guarantee	2020/8/3-2021/7/9	No	No
Guang Zhou S.F. Express Co., Ltd.	2020/3/24	6,000.00	2020/8/6	1,200.00	Joint liability guarantee	2020/8/6-2021/8/8	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	1,400.00	2020/8/5	29.11	Joint liability guarantee	2020/8/5-2021/7/20	No	No
Jiangxi S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/8/5	113.03	Joint liability guarantee	2020/8/5-2021/7/14	No	No
Fengrongliantong Technology (Shenzhen) Co., Ltd.	2020/3/24	15,000.00	2020/8/7	2,500.00	Joint liability guarantee	2020/8/7-2021/8/4	No	No
Jiangsu S.F. Express Co., Ltd.	2020/3/24	750.00	2020/8/7	110.00	Joint liability guarantee	2020/8/7-2021/7/31	No	No
Shandong SF Freight Co., Ltd.	2020/3/24	1,000.00	2020/8/12	75.00	Joint liability guarantee	2020/8/12-2021/7/31	No	No
Yunnan Shunhe Freight Co., Ltd.	2020/3/24	250.00	2020/8/12	93.97	Joint liability guarantee	2020/8/12-2021/7/29	No	No
Guangxi SF Freight Co., Ltd.	2020/3/24	250.00	2020/8/14	30.00	Joint liability guarantee	2020/8/14-2021/8/5	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/8/12	10.00	Joint liability guarantee	2020/8/12-2021/7/31	No	No
Shanghai Shunheng Logistics Co., Ltd.	2020/3/24	5,000.00	2020/8/14	350.00	Joint liability guarantee	2020/8/14-2021/11/31	No	No
Fujian Shunhe Supply Chain Management Co., Ltd.	2020/3/24	400.00	2020/8/18	26.36	Joint liability guarantee	2020/8/18-2021/7/20	No	No
Fujian Shunhe Supply Chain Management Co., Ltd.	2020/3/24	400.00	2020/8/18	75.88	Joint liability guarantee	2020/8/18-2021/7/20	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Shanghai Solution Plus Supply Chain Co., Ltd.	2020/3/24	1,000.00	2020/8/17	100.00	Joint liability guarantee	2020/8/17-2020/9/10	Yes	No
SF Airlines Company Limited	2020/3/24	220,000.00	2020/8/4	8.86	Joint liability guarantee	2020/8/4-2021/6/30	No	No
Hunan S.F. Express (Group) Co., Ltd.	2020/3/24	1,500.00	2020/8/12	12.00	Joint liability guarantee	2020/8/12-2021/5/31	No	No
S.F. Express Corporation	2020/3/24	1,000.00	2020/8/19	171.82	Joint liability guarantee	2020/8/19-2021/8/3	No	No
SF Express (Europe) Co.Ltd	2020/3/24	3,900.00	2020/8/7	3,270.22	Joint liability guarantee	2020/8/7-2025/7/16	No	No
Beijing Shuncheng Logistics Co., Ltd.	2020/3/24	8,000.00	2020/8/20	300.00	Joint liability guarantee	2020/8/20-2021/5/31	No	No
Hebei S.F. Express Co., Ltd.	2020/3/24	400.00	2020/8/12	30.00	Joint liability guarantee	2020/8/12-2021/7/31	No	No
Jiangsu Huihai Logistics Co.,Ltd.	2020/3/24	100.00	2020/8/19	20.00	Joint liability guarantee	2020/8/19-2021/10/14	No	No
Jiangsu S.F. Express Co., Ltd.	2020/3/24	750.00	2020/8/21	5.70	Joint liability guarantee	2020/8/21-2021/8/13	No	No
Lanzhou S.F. Express Co., Ltd.	2020/3/24	100.00	2020/8/20	15.00	Joint liability guarantee	2020/8/20-2021/6/30	No	No
NINGBO SHUNFENG EXPRESS CO., LTD.	2020/3/24	3,000.00	2020/8/20	9.46	Joint liability guarantee	2020/8/20-2021/7/30	No	No
QINGDAO S.F.EXPRESS CO., LTD.	2020/3/24	1,300.00	2020/8/26	56.77	Joint liability guarantee	2020/8/26-2020/12/14	Yes	No
QUANZHOU SHUNFENG TRANSPORTATION COMPANY LIMITED	2020/3/24	850.00	2020/8/12	500.00	Joint liability guarantee	2020/8/12-2021/7/30	No	No
Quanzhou Shunlu Logistics Co., Ltd.	2020/3/24	1,300.00	2020/8/21	105.55	Joint liability guarantee	2020/8/21-2021/8/5	No	No
XIAMEN SHUNFENG EXPRESS CO., LTD.	2020/3/24	500.00	2020/8/12	150.00	Joint liability guarantee	2020/8/12-2021/7/31	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/8/14	7.00	Joint liability guarantee	2020/8/14-2020/12/31	Yes	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/8/14	150.00	Joint liability guarantee	2020/8/14-2020/12/31	Yes	No
SF Airlines Company Limited	2020/3/24	220,000.00	2020/8/26	200.66	Joint liability guarantee	2020/8/26-2021/8/31	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Xi'an Shunlu Logistics Co., Ltd.	2020/3/24	1,500.00	2020/8/28	50.00	Joint liability guarantee	2020/8/28-2020/12/31	Yes	No
Tibet S.F. Express Co., Ltd.	2020/3/24	100.00	2020/8/21	10.00	Joint liability guarantee	2020/8/21-2021/5/30	No	No
EXEL LOGISTICS CHINA CO., LTD.	2020/3/24	1,000.00	2020/8/31	53.41	Joint liability guarantee	2020/8/31-2022/12/31	No	No
Yunnan S.F. Express Co., Ltd.	2020/3/24	500.00	2020/8/20	221.86	Joint liability guarantee	2020/8/20-2021/7/31	No	No
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/8/14	80.00	Joint liability guarantee	2020/8/14-2021/7/30	No	No
Zhejiang Shunlu Logistics Co., Ltd.	2020/3/24	33,000.00	2020/8/21	10.00	Joint liability guarantee	2020/8/21-2021/4/30	No	No
Shenzhen Fenglang Supply Chain Co., Ltd.	2020/3/24	5,100.00	2020/8/19	236.70	Joint liability guarantee	2020/8/19-2021/2/13	No	No
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/9/3	50.49	Joint liability guarantee	2020/9/3-2021/8/12	No	No
S.F. EXPRESS (HONG KONG) LIMITED	2020/3/24	10,000.00	2020/9/1	42.38	Joint liability guarantee	2020/9/1-2022/9/30	No	No
Jiangsu Shunhefeng Freight Co., Ltd.	2020/3/24	1,800.00	2020/9/3	6.58	Joint liability guarantee	2020/9/3-2021/10/31	No	No
Hubei Shunhefeng Freight Co., Ltd.	2020/3/24	200.00	2020/9/3	3.00	Joint liability guarantee	2020/9/3-2021/8/25	No	No
Shanghai FONPAI Supply Chain Co., Ltd.	2020/3/24	100.00	2020/9/3	3.00	Joint liability guarantee	2020/9/3-2021/8/13	No	No
Anhui Shunhe Freight Co., Ltd.	2020/3/24	350.00	2020/9/11	115.10	Joint liability guarantee	2020/9/11-2021/8/14	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/9/11	10.00	Joint liability guarantee	2020/9/11-2021/9/3	No	No
Tianjin SF Zhida Logistics Co., Ltd.	2020/3/24	200.00	2020/9/11	20.00	Joint liability guarantee	2020/9/11-2021/7/14	No	No
Shenzhen S.F. Intra-city Logistics Co., Ltd.	2020/3/24	500.00	2020/9/11	15.00	Joint liability guarantee	2020/9/11-2021/4/30	No	No
Shenzhen S.F. Intra-city Logistics Co., Ltd.	2020/3/24	500.00	2020/9/11	15.00	Joint liability guarantee	2020/9/11-2021/4/30	No	No
SF Supply Chain (Hong Kong) Limited	2020/3/24	2,100.00	2020/9/29	862.19	Joint liability guarantee	2020/9/29-2024/11/29	No	No
S.F. EXPRESS (CHINA) LIMITED	2020/3/24	2,300.00	2020/9/22	25.24	Joint liability guarantee	2020/9/22-2021/9/30	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
S.F. EXPRESS (CHINA) LIMITED	2020/3/24	2,300.00	2020/9/15	58.90	Joint liability guarantee	2020/9/15-2020/11/30	Yes	No
Anhui S.F. Express Co., Ltd.	2020/3/24	1,200.00	2020/9/28	3.00	Joint liability guarantee	2020/9/28-2021/9/22	No	No
Anhui Shunhe Freight Co., Ltd.	2020/3/24	350.00	2020/9/29	1.04	Joint liability guarantee	2020/9/29-2021/9/29	No	No
Beijing Shuncheng Logistics Co., Ltd.	2020/3/24	8,000.00	2020/9/17	500.00	Joint liability guarantee	2020/9/17-2021/6/30	No	No
Beijing Shuncheng Logistics Co., Ltd.	2020/3/24	8,000.00	2020/9/17	1,300.00	Joint liability guarantee	2020/9/17-2021/6/30	No	No
Beijing Shuncheng Logistics Co., Ltd.	2020/3/24	8,000.00	2020/9/28	570.56	Joint liability guarantee	2020/9/28-2021/9/30	No	No
Beijing S.F. Express Co., LTD.	2020/3/24	3,000.00	2020/9/30	464.88	Joint liability guarantee	2020/9/30-2021/9/22	No	No
Dongguan DHL Supply Chain Co., Ltd.	2020/3/24	3,300.00	2020/9/25	148.63	Joint liability guarantee	2020/9/25-2021/9/29	No	No
Foshan S.F. Express Co., Ltd.	2020/3/24	900.00	2020/9/17	528.87	Joint liability guarantee	2020/9/17-2021/8/31	No	No
Guizhou SF Zhida Freight Co., Ltd.	2020/3/24	300.00	2020/9/27	98.61	Joint liability guarantee	2020/9/27-2021/9/14	No	No
Hangzhou SF Zhida Logistics Co., Ltd.	2020/3/24	1,350.00	2020/9/29	256.59	Joint liability guarantee	2020/9/29-2021/5/19	No	No
Hangzhou Zhentai Asset Management Co., Ltd.	2020/3/24	3,500.00	2020/9/3	226.60	Joint liability guarantee	2020/9/3-2021/8/31	No	No
Hangzhou Zhentai Asset Management Co., Ltd.	2020/3/24	3,500.00	2020/9/3	290.10	Joint liability guarantee	2020/9/3-2021/8/31	No	No
Hangzhou Zhentai Asset Management Co., Ltd.	2020/3/24	3,500.00	2020/9/3	183.20	Joint liability guarantee	2020/9/3-2021/8/31	No	No
Hangzhou Zhentai Asset Management Co., Ltd.	2020/3/24	3,500.00	2020/9/3	183.20	Joint liability guarantee	2020/9/3-2021/8/31	No	No
Hubei S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/9/18	16.07	Joint liability guarantee	2020/9/18-2021/8/25	No	No
Jiangsu S.F. Express Co., Ltd.	2020/3/24	750.00	2020/9/30	108.16	Joint liability guarantee	2020/9/30-2021/3/31	No	No
Jiangsu S.F. Express Co., Ltd.	2020/3/24	750.00	2020/9/17	5.00	Joint liability guarantee	2020/9/17-2021/9/14	No	No
Jiangsu S.F. Express Co., Ltd.	2020/3/24	750.00	2020/9/2	8.00	Joint liability guarantee	2020/9/2-2021/8/13	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Jiangsu Shunhefeng Freight Co., Ltd.	2020/3/24	1,800.00	2020/9/27	30.00	Joint liability guarantee	2020/9/27-2021/9/15	No	No
Sichuan S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/7/28	22.20	Joint liability guarantee	2020/7/28-2021/7/17	No	No
Jiangsu Shunhefeng Freight Co., Ltd.	2020/3/24	1,800.00	2020/9/27	27.66	Joint liability guarantee	2020/9/27-2021/9/18	No	No
Jiangxi S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/9/18	15.00	Joint liability guarantee	2020/9/18-2021/9/14	No	No
DHL LOGISTICS (CHINA) CO.,LTD.	2020/3/24	4,000.00	2020/9/28	39.41	Joint liability guarantee	2020/9/28-2021/8/31	No	No
Lanzhou S.F. Express Co., Ltd.	2020/3/24	100.00	2020/9/30	30.00	Joint liability guarantee	2020/9/30-2021/9/21	No	No
Shanghai Shunheng Logistics Co., Ltd.	2020/3/24	5,000.00	2020/9/30	139.35	Joint liability guarantee	2020/9/30-2021/5/14	No	No
Nantong S.F. Express Co., Ltd.	2020/3/24	200.00	2020/9/30	74.27	Joint liability guarantee	2020/9/30-2021/1/9	No	No
S.F. Express Group (Shanghai) Co., Ltd.	2020/3/24	2,100.00	2020/9/29	200.00	Joint liability guarantee	2020/9/29-2021/10/31	No	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2020/3/24	2,500.00	2020/9/4	300.00	Joint liability guarantee	2020/9/4-2021/8/31	No	No
Qinghai Shunfeng Express Co., Ltd.	2020/3/24	200.00	2020/9/8	34.65	Joint liability guarantee	2020/9/8-2021/8/19	No	No
Shandong SF Freight Co., Ltd.	2020/3/24	1,000.00	2020/9/27	101.91	Joint liability guarantee	2020/9/27-2021/11/30	No	No
Shanghai Solution Plus Supply Chain Co., Ltd.	2020/3/24	1,000.00	2020/9/29	140.63	Joint liability guarantee	2020/9/29-2021/7/24	No	No
Shanghai Shunheng Logistics Co., Ltd.	2020/3/24	5,000.00	2020/9/18	10.00	Joint liability guarantee	2020/9/18-2021/6/30	No	No
Shenzhen Fengnong Technology Co., Ltd.	2020/3/24	310.00	2020/9/28	7.05	Joint liability guarantee	2020/9/28-2021/7/31	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	1,400.00	2020/9/27	36.56	Joint liability guarantee	2020/9/27-2021/9/18	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/9/22	17.00	Joint liability guarantee	2020/9/22-2021/12/31	No	No
S.F. Express (Huizhou) Co., Ltd.	2020/3/24	700.00	2020/9/17	378.94	Joint liability guarantee	2020/9/17-2021/8/31	No	No
S.F. Express (Shenyang) Co., Ltd.	2020/3/24	1,000.00	2020/9/4	95.00	Joint liability guarantee	2020/9/4-2020/11/30	Yes	No
S.F.EXPRESS (TIANJIN) CO., LTD.	2020/3/24	300.00	2020/9/27	52.91	Joint liability guarantee	2020/9/27-2021/2/26	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
S.F. Express Group (Shanghai) Co., Ltd.	2020/3/24	2,100.00	2020/9/7	790.00	Joint liability guarantee	2020/9/7-2022/2/28	No	No
S.F. Express Co., Ltd.	2020/3/24	17,300.00	2020/9/27	30.00	Joint liability guarantee	2020/9/27-2021/10/15	No	No
SF Express ChongQing CO. LTD	2020/3/24	1,000.00	2020/9/17	262.66	Joint liability guarantee	2020/9/17-2021/12/31	No	No
Sichuan S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/9/25	5.00	Joint liability guarantee	2020/9/25-2021/7/31	No	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2020/3/24	2,500.00	2020/9/8	3.00	Joint liability guarantee	2020/9/8-2021/7/31	No	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2020/3/24	2,500.00	2020/9/8	77.87	Joint liability guarantee	2020/9/8-2021/3/31	No	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2020/3/24	2,500.00	2020/9/25	91.46	Joint liability guarantee	2020/9/25-2021/6/30	No	No
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/9/28	87.38	Joint liability guarantee	2020/9/28-2021/6/30	No	No
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/9/27	14.09	Joint liability guarantee	2020/9/27-2020/12/31	Yes	No
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/9/27	10.97	Joint liability guarantee	2020/9/27-2021/9/16	No	No
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/9/27	2.00	Joint liability guarantee	2020/9/27-2021/9/16	No	No
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/9/27	60.00	Joint liability guarantee	2020/9/27-2021/9/21	No	No
Zhejiang Shunhefeng Freight Co., Ltd.	2020/3/24	700.00	2020/9/29	5.00	Joint liability guarantee	2020/9/29-2021/9/3	No	No
Beijing Shuncheng Logistics Co., Ltd.	2020/3/24	8,000.00	2020/9/3	100.00	Joint liability guarantee	2020/9/3-2021/5/31	No	No
HaiNan S.F. Express LTD.	2020/3/24	700.00	2020/9/2	177.28	Joint liability guarantee	2020/9/2-2021/8/31	No	No
Hubei S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/9/2	80.00	Joint liability guarantee	2020/9/2-2021/8/13	No	No
Hubei S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/9/3	1.80	Joint liability guarantee	2020/9/3-2021/4/30	No	No
Quanzhou Shunlu Logistics Co., Ltd.	2020/3/24	1,300.00	2020/9/3	15.00	Joint liability guarantee	2020/9/3-2021/7/31	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/9/3	100.00	Joint liability guarantee	2020/9/3-2021/9/5	No	No
Suzhou Industrial Park S.F. Express Co., Ltd.	2020/3/24	2,500.00	2020/9/3	205.17	Joint liability guarantee	2020/9/3-2021/9/23	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Zhejiang Shun Feng Express Co., Ltd.	2020/3/24	2,000.00	2020/9/2	600.00	Joint liability guarantee	2020/9/2-2021/6/30	No	No
Shenzhen Fengyi Technology Co., Ltd.	2020/3/24	10,000.00	2020/10/15	350.00	Joint liability guarantee	2020/10/15-2021/10/15	No	No
Chongqing SF Zhida Supply Chain Management Co., Ltd.	2020/3/24	650.00	2020/10/16	148.36	Joint liability guarantee	2020/10/16-2021/9/30	No	No
Shenzhen Fengyi Technology Co., Ltd.	2020/3/24	10,000.00	2020/10/21	10.00	Joint liability guarantee	2020/10/21-2021/10/10	No	No
Shenzhen Fengnong Technology Co., Ltd.	2020/3/24	310.00	2020/10/19	17.94	Joint liability guarantee	2020/10/19-2021/7/31	No	No
Shenzhen Fengyi Technology Co., Ltd.	2020/3/24	10,000.00	2020/10/20	500.00	Joint liability guarantee	2020/10/20-2021/10/10	No	No
Sichuan Shunhefeng Freight Co., Ltd.	2020/3/24	300.00	2020/10/22	14.78	Joint liability guarantee	2020/10/22-2021/10/15	No	No
Sichuan Shunhefeng Freight Co., Ltd.	2020/3/24	300.00	2020/10/22	15.10	Joint liability guarantee	2020/10/22-2021/10/15	No	No
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	2020/3/24	1,600.00	2020/10/22	224.64	Joint liability guarantee	2020/10/22-2021/9/30	No	No
Anhui S.F. Express Co., Ltd.	2020/3/24	1,200.00	2020/10/12	5.00	Joint liability guarantee	2020/10/12-2021/8/31	No	No
Beijing Shuncheng Logistics Co., Ltd.	2020/3/24	8,000.00	2020/10/28	563.53	Joint liability guarantee	2020/10/28-2021/10/26	No	No
Guangxi ShunFeng Express Co.,Ltd.	2020/3/24	700.00	2020/10/29	50.00	Joint liability guarantee	2020/10/29-2021/10/15	No	No
Hebei S.F. Express Co., Ltd.	2020/3/24	400.00	2020/10/21	2.00	Joint liability guarantee	2020/10/21-2021/10/10	No	No
HENAN S.F. EXPRESS CO., LTD	2020/3/24	600.00	2020/10/22	333.56	Joint liability guarantee	2020/10/22-2021/10/15	No	No
Hunan,S.F.Express (Group) Co., Ltd.	2020/3/24	1,500.00	2020/10/13	400.00	Joint liability guarantee	2020/10/13-2021/7/31	No	No
Hunan,S.F.Express (Group) Co., Ltd.	2020/3/24	1,500.00	2020/10/13	200.00	Joint liability guarantee	2020/10/13-2021/7/31	No	No
Jiangsu S.F. Express Co., Ltd.	2020/3/24	750.00	2020/10/13	5.00	Joint liability guarantee	2020/10/13-2021/9/24	No	No
Jiangsu S.F. Express Co., Ltd.	2020/3/24	750.00	2020/10/29	6.00	Joint liability guarantee	2020/10/29-2021/10/15	No	No
DHL LOGISTICS (CHINA) CO.,LTD.	2020/3/24	4,000.00	2020/10/28	78.38	Joint liability guarantee	2020/10/28-2021/10/23	No	No
Shanghai Shunheng Logistics Co., Ltd.	2020/3/24	5,000.00	2020/10/29	15.15	Joint liability guarantee	2020/10/29-2022/1/31	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	1,400.00	2020/10/28	7.74	Joint liability guarantee	2020/10/28-2021/8/15	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	1,400.00	2020/10/10	20.45	Joint liability guarantee	2020/10/10-2021/9/9	No	No
SF Airlines Company Limited	2020/3/24	220,000.00	2020/10/29	20.49	Joint liability guarantee	2020/10/29-2021/10/22	No	No
S.F. Express Co., Ltd.	2020/3/24	17,300.00	2020/10/29	4.00	Joint liability guarantee	2020/10/29-2021/6/21	No	No
S.F. Express Co., Ltd.	2020/3/24	17,300.00	2020/10/29	200.00	Joint liability guarantee	2020/10/29-2021/6/21	No	No
Sichuan Shunhefeng Freight Co., Ltd.	2020/3/24	300.00	2020/10/30	18.96	Joint liability guarantee	2020/10/30-2021/12/31	No	No
Sichuan S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/10/22	32.00	Joint liability guarantee	2020/10/22-2021/4/9	No	No
Sichuan S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/10/22	49.65	Joint liability guarantee	2020/10/22-2021/10/16	No	No
Xuzhou S.F. Express Co., Ltd.	2020/3/24	400.00	2020/10/13	195.67	Joint liability guarantee	2020/10/13-2021/9/30	No	No
ZHONGSHAN S.F. EXPRESS CO. LTD	2020/3/24	600.00	2020/10/23	21.06	Joint liability guarantee	2020/10/23-2021/5/14	No	No
Guangxi ShunFeng Express Co., Ltd.	2020/3/24	700.00	2020/11/4	50.00	Joint liability guarantee	2020/11/4-2021/11/30	No	No
Anhui Shunhe Freight Co., Ltd.	2020/3/24	350.00	2020/11/10	12.47	Joint liability guarantee	2020/11/10-2021/10/27	No	No
DHL Logistics (Beijing) Co., Ltd.	2020/3/24	2,000.00	2020/11/6	28.11	Joint liability guarantee	2020/11/6-2023/10/31	No	No
DHL Logistics (Beijing) Co., Ltd.	2020/3/24	2,000.00	2020/11/5	135.75	Joint liability guarantee	2020/11/5-2023/10/31	No	No
EXEL LOGISTICS CHINA CO., LTD.	2020/3/24	1,000.00	2020/11/20	153.35	Joint liability guarantee	2020/11/20-2021/3/31	No	No
Hubei Shunhefeng Freight Co., Ltd.	2020/3/24	200.00	2020/11/10	5.67	Joint liability guarantee	2020/11/10-2021/10/9	No	No
Hunan SF Freight Co., Ltd.	2020/3/24	200.00	2020/11/19	9.73	Joint liability guarantee	2020/11/19-2021/10/31	No	No
Jiangsu Shunhefeng Freight Co., Ltd.	2020/3/24	1,800.00	2020/11/10	2.46	Joint liability guarantee	2020/11/10-2021/10/31	No	No
Liaoning Shunhe Supply Chain Management Co., Ltd.	2020/3/24	500.00	2020/11/10	2.00	Joint liability guarantee	2020/11/10-2021/10/31	No	No
Liaoning Shunhe Supply Chain Management Co., Ltd.	2020/3/24	500.00	2020/11/9	6.72	Joint liability guarantee	2020/11/9-2021/10/30	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Qingdao SF Freight Co., Ltd.	2020/3/24	150.00	2020/11/17	54.07	Joint liability guarantee	2020/11/17-2021/10/31	No	No
Shandong SF Freight Co., Ltd.	2020/3/24	1,000.00	2020/11/9	101.91	Joint liability guarantee	2020/11/9-2022/5/31	No	No
Shaanxi SF Freight Co., Ltd.	2020/3/24	400.00	2020/11/17	21.09	Joint liability guarantee	2020/11/17-2021/6/30	No	No
Shenzhen SF Fix Technology Co., Ltd.	2020/3/24	10,000.00	2020/11/2	40.00	Joint liability guarantee	2020/11/2-2021/5/30	No	No
Shenzhen SF Fix Technology Co., Ltd.	2020/3/24	10,000.00	2020/11/2	200.00	Joint liability guarantee	2020/11/2-2021/5/31	No	No
Shenzhen Fengyi Technology Co., Ltd.	2020/3/24	10,000.00	2020/11/11	183.68	Joint liability guarantee	2020/11/11-2021/10/17	No	No
Shenzhen Fengyi Technology Co., Ltd.	2020/3/24	10,000.00	2020/11/11	400.00	Joint liability guarantee	2020/11/11-2021/11/30	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/11/6	410.40	Joint liability guarantee	2020/11/6-2021/3/27	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/11/9	50.00	Joint liability guarantee	2020/11/9-2021/5/31	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/11/2	100.00	Joint liability guarantee	2020/11/2-2021/8/31	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/11/9	120.00	Joint liability guarantee	2020/11/9-2021/8/31	No	No
Tianjin SF Freight Co., Ltd.	2020/3/24	100.00	2020/11/19	42.62	Joint liability guarantee	2020/11/19-2021/11/11	No	No
Shenzhen Fengyi Technology Co., Ltd.	2020/3/24	10,000.00	2020/11/30	50.00	Joint liability guarantee	2020/11/30-2021/11/20	No	No
S.F. EXPRESS (CHINA) LIMITED	2020/3/24	2,300.00	2020/11/23	100.97	Joint liability guarantee	2020/11/23-2021/11/30	No	No
Anhui S.F. Express Co., Ltd.	2020/3/24	1,200.00	2020/11/10	5.00	Joint liability guarantee	2020/11/10-2021/9/30	No	No
Anhui S.F. Express Co., Ltd.	2020/3/24	1,200.00	2020/11/4	80.00	Joint liability guarantee	2020/11/4-2021/8/31	No	No
Anhui S.F. Express Co., Ltd.	2020/3/24	1,200.00	2020/11/19	28.15	Joint liability guarantee	2020/11/19-2020/12/24	Yes	No
Guizhou S.F. Express Co., Ltd.	2020/3/24	300.00	2020/11/10	12.21	Joint liability guarantee	2020/11/10-2021/10/31	No	No
Hunan, S.F. Express (Group) Co., Ltd.	2020/3/24	1,500.00	2020/11/17	5.00	Joint liability guarantee	2020/11/17-2021/7/31	No	No
Hunan, S.F. Express (Group) Co., Ltd.	2020/3/24	1,500.00	2020/11/10	87.72	Joint liability guarantee	2020/11/10-2021/10/31	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Jiangsu S.F. Express Co., Ltd.	2020/3/24	750.00	2020/11/18	6.00	Joint liability guarantee	2020/11/18-2021/12/31	No	No
Jieyang Shunfeng Express Co., Ltd.	2020/3/24	50.00	2020/11/9	4.00	Joint liability guarantee	2020/11/9-2021/10/12	No	No
Langfang S.F. Express Co., Ltd.	2020/3/24	50.00	2020/11/10	1.00	Joint liability guarantee	2020/11/10-2021/7/14	No	No
Jiangsu S.F. Express Co., Ltd.	2020/3/24	750.00	2020/11/19	7.29	Joint liability guarantee	2020/11/19-2021/2/28	No	No
Lishui S.F. Express Co., Ltd.	2020/3/24	100.00	2020/11/20	40.59	Joint liability guarantee	2020/11/20-2021/12/15	No	No
NINGBO SHUNFENG EXPRESS CO., LTD.	2020/3/24	3,000.00	2020/11/18	500.00	Joint liability guarantee	2020/11/18-2021/12/31	No	No
Qinghai Shunfeng Express Co., Ltd.	2020/3/24	200.00	2020/11/19	2.02	Joint liability guarantee	2020/11/19-2021/10/31	No	No
Shandong S.F. Express Co., Ltd.	2020/3/24	2,000.00	2020/11/9	250.00	Joint liability guarantee	2020/11/9-2021/10/27	No	No
Shandong S.F. Express Co., Ltd.	2020/3/24	2,000.00	2020/11/25	21.24	Joint liability guarantee	2020/11/25-2021/11/12	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	1,400.00	2020/11/25	12.07	Joint liability guarantee	2020/11/25-2021/10/31	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	1,400.00	2020/11/15	11.30	Joint liability guarantee	2020/11/15-2021/10/31	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	1,400.00	2020/11/15	25.04	Joint liability guarantee	2020/11/15-2021/10/31	No	No
Hebei Shunhe Supply Chain Management Co., Ltd.	2020/3/24	150.00	2020/11/27	26.46	Joint liability guarantee	2020/11/27-2021/2/28	No	No
S.F. Express (Dong Guan) Limited	2020/3/24	4,000.00	2020/11/18	11.74	Joint liability guarantee	2020/11/18-2021/11/11	No	No
S.F.EXPRESS (TIANJIN) CO., LTD.	2020/3/24	300.00	2020/11/18	45.13	Joint liability guarantee	2020/11/18-2021/1/31	No	No
Sichuan S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/11/19	9.10	Joint liability guarantee	2020/11/19-2021/10/31	No	No
Sichuan S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/11/19	2.85	Joint liability guarantee	2020/11/19-2021/10/15	No	No
Sichuan S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/11/19	40.50	Joint liability guarantee	2020/11/19-2021/10/16	No	No
Wuxi S.F. Express Co., Ltd.	2020/3/24	500.00	2020/11/17	2.00	Joint liability guarantee	2020/11/17-2021/10/31	No	No
Zhejiang Shun Feng Express Co., Ltd.	2020/3/24	2,000.00	2020/11/18	300.00	Joint liability guarantee	2020/11/18-2021/12/7	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
XI'AN S.F. EXPRESS CO.,LTD	2020/3/24	500.00	2020/11/10	53.84	Joint liability guarantee	2020/11/10-2021/10/27	No	No
Shenzhen SF Fix Technology Co., Ltd.	2020/3/24	10,000.00	2020/11/23	1,600.00	Joint liability guarantee	2020/11/23-2021/6/30	No	No
Chongqing Huiyifeng Logistics Co., Ltd.	2020/3/24	3,000.00	2020/12/30	1,500.00	Joint liability guarantee	2020/12/30-2022/1/19	No	No
Jiangsu Shunhefeng Freight Co., Ltd.	2020/3/24	1,800.00	2020/12/28	73.08	Joint liability guarantee	2020/12/28-2021/7/27	No	No
Liaoning Shunhe Supply Chain Management Co., Ltd.	2020/3/24	500.00	2020/12/30	115.86	Joint liability guarantee	2020/12/30-2021/12/15	No	No
Fujian Shunhe Supply Chain Management Co., Ltd.	2020/3/24	400.00	2020/12/30	60.45	Joint liability guarantee	2020/12/30-2022/2/28	No	No
Shanghai Shunheng Logistics Co., Ltd.	2020/3/24	5,000.00	2020/12/25	10.00	Joint liability guarantee	2020/12/25-2021/9/27	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	1,400.00	2020/12/30	106.53	Joint liability guarantee	2020/12/30-2021/12/29	No	No
Guangxi ShunFeng Express Co.,Ltd.	2020/3/24	700.00	2020/12/29	100.00	Joint liability guarantee	2020/12/29-2022/1/31	No	No
XIAMEN SHUNFENG EXPRESS CO., LTD.	2020/3/24	500.00	2020/12/29	40.00	Joint liability guarantee	2020/12/29-2021/12/31	No	No
Jiangxi S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/12/29	17.27	Joint liability guarantee	2020/12/29-2021/12/23	No	No
S.F. Express Co., Ltd.	2020/3/24	17,300.00	2020/12/25	200.00	Joint liability guarantee	2020/12/25-2021/3/31	No	No
Sichuan S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/12/25	22.04	Joint liability guarantee	2020/12/25-2022/3/31	No	No
Heilongjiang SF Juyi Supply Chain Management Co., Ltd.	2020/3/24	400.00	2020/12/17	51.60	Joint liability guarantee	2020/12/17-2021/11/30	No	No
Jiangsu Shunhefeng Freight Co., Ltd.	2020/3/24	1,800.00	2020/12/11	76.86	Joint liability guarantee	2020/12/11-2021/11/30	No	No
Nantong S.F. Express Co., Ltd.	2020/3/24	200.00	2020/12/16	19.64	Joint liability guarantee	2020/12/16-2020/12/31	Yes	No
S.F. Express (Shenyang) Co., Ltd	2020/3/24	1,000.00	2020/12/16	210.00	Joint liability guarantee	2020/12/16-2021/11/30	No	No
Shenzhen S.F. Intra-city Logistics Co., Ltd.	2020/3/24	500.00	2020/12/16	15.00	Joint liability guarantee	2020/12/16-2021/9/30	No	No
Shenzhen Shunlu Air Freight Forwarding Co., Ltd.	2020/3/24	6,500.00	2020/12/16	2,238.00	Joint liability guarantee	2020/12/16-2021/12/31	No	No
Shandong S.F. Express Co., Ltd.	2020/3/24	2,000.00	2020/12/9	22.55	Joint liability guarantee	2020/12/9-2021/11/20	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
ZHONGSHAN S.F. EXPRESS CO. LTD	2020/3/24	600.00	2020/12/8	255.12	Joint liability guarantee	2020/12/8-2021/12/2	No	No
Shanghai Shunheng Logistics Co., Ltd.	2020/3/24	5,000.00	2020/12/9	49.56	Joint liability guarantee	2020/12/9-2021/10/31	No	No
Shanxi S.F. Express Co., Ltd.	2020/3/24	100.00	2020/12/9	26.25	Joint liability guarantee	2020/12/9-2021/5/31	No	No
S.F. Transportation (Changzhou) Co., Ltd.	2020/3/24	200.00	2020/12/9	25.09	Joint liability guarantee	2020/12/9-2021/2/28	No	No
Shanghai Shunheng Logistics Co., Ltd.	2020/3/24	5,000.00	2020/12/9	271.26	Joint liability guarantee	2020/12/9-2021/2/28	No	No
XI'AN S.F. EXPRESS CO., LTD	2020/3/24	500.00	2020/12/9	1.38	Joint liability guarantee	2020/12/9-2021/10/31	No	No
Shenzhen S.F. Supply Chain Co., Ltd.	2020/3/24	10,000.00	2020/12/10	106.76	Joint liability guarantee	2020/12/10-2021/11/30	No	No
S.F. Express (Shenyang) Co., Ltd	2020/3/24	1,000.00	2020/12/8	107.75	Joint liability guarantee	2020/12/8-2021/11/30	No	No
S.F. Express (Shenyang) Co., Ltd	2020/3/24	1,000.00	2020/12/8	8.00	Joint liability guarantee	2020/12/8-2021/10/31	No	No
S.F. Express (Dong Guan) Limited	2020/3/24	4,000.00	2020/12/8	222.06	Joint liability guarantee	2020/12/8-2021/11/11	No	No
SF Express ChongQing CO.LTD	2020/3/24	1,000.00	2020/12/3	110.00	Joint liability guarantee	2020/12/3-2021/12/31	No	No
S.F. Express Group (Shanghai) Co., Ltd.	2020/3/24	2,100.00	2020/12/2	10.00	Joint liability guarantee	2020/12/2-2021/11/20	No	No
Sichuan S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/12/2	20.00	Joint liability guarantee	2020/12/2-2021/9/30	No	No
Wuxi S.F. Express Co., Ltd.	2020/3/24	500.00	2020/12/3	174.68	Joint liability guarantee	2020/12/3-2021/11/20	No	No
Shandong S.F. Express Co., Ltd.	2020/3/24	2,000.00	2020/12/3	30.00	Joint liability guarantee	2020/12/3-2021/11/30	No	No
QINGDAO S.F. EXPRESS CO., LTD.	2020/3/24	1,300.00	2020/12/3	260.00	Joint liability guarantee	2020/12/3-2021/11/30	No	No
Beijing Shuncheng Logistics Co., Ltd.	2020/3/24	8,000.00	2020/12/3	600.00	Joint liability guarantee	2020/12/3-2021/11/25	No	No
Liaoning Shunlu Logistics Co., Ltd.	2020/3/24	1,800.00	2020/12/3	420.00	Joint liability guarantee	2020/12/3-2021/10/31	No	No
Shandong S.F. Express Co., Ltd.	2020/3/24	2,000.00	2020/12/3	27.78	Joint liability guarantee	2020/12/3-2022/4/3	No	No
S.F. Express (Shenyang) Co., Ltd	2020/3/24	1,000.00	2020/12/3	46.41	Joint liability guarantee	2020/12/3-2021/1/31	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Hunan SF Freight Co., Ltd.	2020/3/24	200.00	2020/12/3	37.73	Joint liability guarantee	2020/12/3-2021/11/30	No	No
Anhui Shunhe Freight Co., Ltd.	2020/3/24	350.00	2020/12/3	2.00	Joint liability guarantee	2020/12/3-2021/11/20	No	No
Shandong S.F. Express Co., Ltd.	2020/3/24	2,000.00	2020/12/3	51.25	Joint liability guarantee	2020/12/3-2021/11/20	No	No
S.F. EXPRESS (CHINA) LIMITED	2020/3/24	2,300.00	2020/12/9	1,172.13	Joint liability guarantee	2020/12/9-2021/12/14	No	No
S.F. EXPRESS (CHINA) LIMITED	2020/3/24	2,300.00	2020/12/24	8.41	Joint liability guarantee	2020/12/24-2022/1/4	No	No
S.F. EXPRESS (CHINA) LIMITED	2020/3/24	2,300.00	2020/12/24	12.62	Joint liability guarantee	2020/12/24-2022/1/4	No	No
DHL Logistics (Beijing) Co., Ltd.	2020/3/24	2,000.00	2020/12/10	70.90	Joint liability guarantee	2020/12/10-2021/11/4	No	No
Guizhou Fengtai E-commerce Industrial Park Management Co., Ltd.	2020/3/24	2,500.00	2020/12/18	2,320.54	Joint liability guarantee	2020/12/18-2021/5/1	No	No
Hubei S.F. Express Co., Ltd.	2020/3/24	1,000.00	2020/12/30	6.81	Joint liability guarantee	2020/12/30-2021/12/23	No	No
DHL LOGISTICS (CHINA) CO., LTD.	2020/3/24	4,000.00	2020/12/28	77.01	Joint liability guarantee	2020/12/28-2021/11/15	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	1,400.00	2020/12/8	135.73	Joint liability guarantee	2020/12/8-2021/12/31	No	No
Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2020/3/24	1,400.00	2020/12/8	118.51	Joint liability guarantee	2020/12/8-2021/11/30	No	No
Shenzhen SF Comprehensive Logistics Service Co., Ltd.	2020/3/24	8,400.00	2020/12/23	5,100.00	Joint liability guarantee	2020/12/23-2021/10/31	No	No
Jiangsu S.F. Express Co., Ltd.	2020/3/24	750.00	2020/12/23	11.56	Joint liability guarantee	2020/12/23-2021/11/18	No	No
Shenzhen Shunlu Air Freight Forwarding Co., Ltd.	2020/3/24	6,500.00	2020/12/29	1,850.00	Joint liability guarantee	2020/12/29-2021/12/31	No	No
S.F.Express (Dong Guan) Limited	2020/3/24	4,000.00	2020/12/25	993.23	Joint liability guarantee	2020/12/25-2021/12/20	No	No
EXEL LOGISTICS CHINA CO., LTD.	2020/3/24	1,000.00	2020/12/29	161.23	Joint liability guarantee	2020/12/29-2022/3/31	No	No
EXEL LOGISTICS CHINA CO., LTD.	2020/3/24	1,000.00	2020/12/30	58.80	Joint liability guarantee	2020/12/30-2022/4/30	No	No
Shenzhen Fengyi Technology Co., Ltd.	2020/3/24	10,000.00	2020/12/31	100.00	Joint liability guarantee	2020/12/31-2021/10/15	No	No
SF LOGISTICS MEXICO SA de CV	2020/3/24	500.00	2020/7/21	195.70	Joint liability guarantee	2020/7/21-2021/7/20	No	No

Subsidiary's guarantees to subsidiaries								
Guarantee party	Disclosure date of Quota announcement	Amount of guaranteed Quota approved	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed?	Guarantee for a related party?
Dongguan DHL Supply Chain Co., Ltd.	2020/3/24	3,300.00	2020/8/1	3,000.00	Joint liability guarantee	2020/8/1-2025/7/31	No	No
Yiwu Fengyutai Enterprise Management Co., Ltd.	2020/3/24	2,000.00	2020/9/1	1,291.52	Joint liability guarantee	2020/9/1-2023/8/31	No	No
Quanzhou Fengyutai Enterprise Management Co., Ltd.	2020/3/24	1,500.00	2020/9/1	1,132.52	Joint liability guarantee	2020/9/1-2023/8/31	No	No
Wuxi Jietai Enterprise Management Co., Ltd.	2020/3/24	1,650.00	2020/9/1	1,598.21	Joint liability guarantee	2020/9/1-2023/8/31	No	No
Huai'an Fengtai Enterprise Management Co., Ltd.	2020/3/24	530.00	2020/9/1	495.83	Joint liability guarantee	2020/9/1-2023/8/31	No	No
Total guarantee quota approved for subsidiaries during the reporting period (C1)			2,124,480.00	Total actual amount of guarantees for subsidiaries during the reporting period (C2)				153,675.77
Total guarantee quota approved for the subsidiaries at the end of the reporting period (C3)			2,174,055.99	Total actual guarantee balance for subsidiaries at the end of the reporting period (C4)				184,597.42
Total guarantee amount provided by the Company								
Total guarantee quota approved during the reporting period (A1+B1+C1)			2,500,000.00	Total actual amount of guarantee during the reporting period (A2+B2+C2)				622,948.77
Total guarantee quota approved at the end of the reporting period (A3+B3+C3)			3,332,371.99	Total actual guarantee balance at the end of the reporting period (A4+B4+C4)				980,035.42
Total guarantee amount (A4+B4+C4) to net assets of the Company								17.36%
Of which:								
Amount of guarantee for shareholders, actual controller, and their related parties (D)								-
Amount of debt guarantee provided for guaranteed party whose asset-liability ratio is not less than 70% directly or indirectly (E)								99,408.09
Amount of total guarantee over 50% of net assets (F)								-
Total amount of the above three guarantees (D+E+F)								99,408.09
Explanation of warranty liability or possible joint liquidation (if any)								N/A
Explanation of provision of guarantees for external parties in violation of the prescribed procedure (if any)								N/A

Before Taisen Holding was incorporated into the listed Company in December 2016, Taisen Holding and its subsidiaries performed external guarantee procedures in accordance with their own Articles of Corporation and other relevant regulations. After Taisen Holding was incorporated into the listed Company in December 2016, as a subsidiary of the listed Company, Taisen Holding and its subsidiaries strictly performed the review and disclosure procedures of external guarantees in accordance with relevant laws and regulations such as the Stock Listing Rules of Shenzhen Stock Exchange and other related laws and regulations.

(2) Illegal provision of guarantees for external parties

Applicable Not applicable

No such cases in the reporting period.

3. Cash assets managed under trust

(1) Wealth managed under trust

Applicable Not applicable

Entrusted finances during the reporting period

Unit: RMB10 thousands

Type	Funding Source for Entrusted Funds	Maximum Daily Balance of Such Entrusted Funds During the Reporting Period	Unexpired Balance	Overdue Outstanding Amount
Bank wealth management products	Self-owned fund	1,497,000.00	626,000.00	–
Bank wealth management products	Raised funds	301,000.00	–	–
Brokerage wealth management products	Raised funds	115,000.00	–	–
Total		–	626,000.00	–

Note: The maximum daily balances for different types of entrusted funds in the above table occur on different dates, and the total amount does not represent the maximum daily balance of the Company's total amount of wealth management products.

Details of individual items with significant amount or of low safety, poor liquidity, or without principal guarantee high risk wealth management products

Applicable Not applicable

The entrusted financing is expected to fail to recover the principal, or there may be other circumstances that may result in impairment.

Applicable Not applicable

(2) Entrusted loans

Applicable Not applicable

Entrusted loans during the reporting period

Unit: RMB10 thousands

Total Entrusted Loans during the reporting period	Funding Source for Entrusted Loans	Unexpired Balance	Overdue Outstanding Amount
19,145.00	Self-owned fund	40,431.80	2,935.95

Details of individual items with significant amount or of low safety, poor liquidity, or without principal guarantee high risk entrusted loans

Applicable Not applicable

The entrusted loans are expected to fail to recover the principal, or there may be other circumstances that may result in impairment.

Applicable Not applicable

In order to motivate and retain the key employees of the Company's key positions and to meet the daily consumption needs of employees, the Company formulated the employee welfare loan management policy in 2017 to provide eligible employees with a total amount of no more than RMB700 million loans for 2017 and 2018, and the employee welfare loan management policy in 2019 to provide eligible employees with a total amount of no more than RMB300 million loans in one year. For details, refer to the Employee Welfare Loan Management System disclosed on www.cninfo.com on October 27, 2017 and December 7, 2019. As of the end of the reporting period, the unexpired balance of the employee welfare loan was RMB404.318 million.

As of the end of the reporting period, Shenzhen Shuncheng Lefeng Factoring Co., Ltd. ("Lefeng Factoring"), a subsidiary of the Company, had an overdue unrecovered entrusted loan balance of RMB27 million. Lefeng Factoring has filed a lawsuit to the court, which was basically supported by the Court of First Instance. Due to the defendant's appeal, the case has entered the second instance procedure. The Company believes that the Court of Second Instance is more likely to sustain its original judgement. Meanwhile, as the loan collateral is sufficient to cover the unrecovered loan balance, the Company is more likely to be compensated, and the matter will not have a material adverse impact on the Company's financial position. The Company acquired Lefeng Factoring in 2018. The entrusted loan was granted prior to the acquisition. After the completion of the acquisition, Lefeng Factoring did not secure new entrusted loans.

4. Significant contracts relevant to routine operations

Applicable Not applicable

5. Other significant contracts

Applicable Not applicable

No such cases in the reporting period.

XVIII. Social Responsibilities

1. Performance of Social Responsibilities

As the leader in the express delivery industry, SF Holding has always fulfilled its social responsibility to promote the efficient operation and sustainable development of the commercial community. We delivered client-centered and high-quality services striving to create values for clients. A win-win situation has been created among clients, suppliers and the communities to achieve common development. Persistent efforts have been made to protect the environment and ensure sustainable development by actively promoting green express delivery. Hundreds of thousands of SFers have secured own benefits and career development paths. We operated in compliance with regulatory requirements, maximized earnings for shareholders in return for their support, and defended the interests of all shareholders and other stakeholders; SF Charity Foundation is fully devoted to the cause of public welfare with beginner's mind to benefit the society.

2020 was a year of COVID-19 chaos, a year of a decisive victory in the fight against poverty, a year of proposing a carbon-neutral goal, and a year of showing corporate responsibilities of SF Holding. When the COVID-19 outbreak was at its worst, we provided the first "reverse flight" to Wuhan. In assisting rural revitalization, we launched the industrial chain solution for intelligent agriculture, and assisted farmers to practice agriculture. In response to the national carbon-neutral goal, we established a carbon-emission management system, based on the forward-looking layout of green packaging and new-energy capacity solutions. We have carefully studied and promoted the formulation and implementation of carbon-neutral goals. In the future, hundreds of thousands of our employees will continue to illuminate the society, deliver parcels, and also deliver duties and responsibilities.

Details of the Company's performance of its social responsibility can be found in the SF Holding Sustainability Report disclosed on the Cninfo website (www.cninfo.com.cn) on March 18, 2021.

2. Targeted Poverty Alleviation Program

Applicable Not applicable

During the reporting period, the Company did not carry out any Targeted Poverty Alleviation Program. For details on the poverty alleviation activities of the Company and the SF Charity Foundation, refer to the SF Holding Sustainability Report disclosed on www.cninfo.com.cn on March 18, 2021.

3. Environmental protection

Did the listed Company and its subsidiaries belong to the major pollutant discharge units announced by the Ministry of Ecology and Environment?

No

The Company and its subsidiaries are not part of the major pollutant discharge units announced by the Ministry of Ecology and Environment.

XIX. Other Major Issues

Applicable Not applicable

1. Issuance of debt financing products in domestic and international markets by wholly-owned subsidiaries

In order to satisfy the development requirements of domestic and international business, reduce financing costs and optimize the debt structure according to the development strategies of the Company, at the 18th meeting of the 4th session of the Board and the 2019 first extraordinary general meeting convened by the Company on January 3, 2019 and January 23, 2019 respectively, the "Resolution regarding the Issuance of Debt Financing Products in Domestic and International Markets by Wholly-owned Subsidiaries" was reviewed and approved, and the Company was authorised to issue debt financing products in domestic and international markets through Taisen Holding and SF Holding Investment Limited ("SFHI"), the wholly-owned subsidiaries, for an equivalent amount of no more than RMB16 billion (inclusive), including RMB10 billion which are the expected size of issuance in domestic market and RMB6 billion which are the expected size of issuance in international market.

On January 22, 2020, Taisen Holding received the Notice of Acceptance for Registration (Zhong Shi Xie Zhu [2020] MTN No.22) issued by the National Association of Financial Market Institutional Investors ("NAFMII"). The registration of Taisen Holding for medium-term notes was accepted by NAFMII, and the registered amount is RMB2 billion.

According to the Notice of Acceptance for Registration issued by NAFMII (Zhong Shi Xie Zhu [2019] SCP No.71), Taisen Holding completed altogether four issuances of Super Short-Term Commercial Paper on February 21, 2020, March 12, 2020, April 14, 2020, and May 7, 2020 respectively, each with an issuance quota of RMB500 million.

According to the authorization by the resolution of the first extraordinary general meeting in 2019, on February 20, 2020, SFHI completed the issuance of US\$700 million bonds overseas. The bonds were listed on The Stock Exchange of Hong Kong Limited on February 21, 2020.

On September 4, 2020, Taisen Holding received the Approval of the Registration of Short-term Corporate Bonds to be Issued Publicly by Shenzhen S.F. Taisen Holding (Group) Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2020] No. 1964) from the China Securities Regulatory Commission (CSRC). CSRC approved the registration application for the short-term corporate bonds of up to RMB2 billion in face value to be issued publicly by Taisen Holding to professional investors. The approval is valid for 24 months.

Pursuant to CSRC's approval as specified in Zheng Jian Xu Ke [2017] No. 1015, Taisen Holding issued corporate bonds (second tranche) to qualified investors via a public offering in October 2018. Bond name is 18 Shunfeng 02, with the bond code 112777. The size of the offering is RMB670 million, the offering price is RMB100 apiece, bond maturity is three years (at the end of the second year, the issuer has the option to adjust the coupon rate, while the investors have a put option to sell the bonds back to the issuer), and the bond's coupon rate is 4.17%. The bond "18 Shunfeng 02" was listed on the Shenzhen Stock Exchange on November 8, 2018. By October 29, 2020, payments under the bond "18 Shunfeng 02" had been made in full ahead of the schedule. The bond was delisted on the same day.

For details, please refer to the Company's announcements (2020-004, 2020-005, 2020-007, 2020-008, 2020-015, 2020-036, 2020-049, 2020-098, and 2020-109) disclosed on Cninfo.

2. Issuance of convertible bonds by the Company

In accordance with the Company's development strategy, aiming at improving the Company's competitiveness, further strengthening its core competitiveness, and enhancing its sustainable development capabilities, the Company publicly issued 58 million convertible corporate bonds (bond abbreviation: SF Convertible Bonds; bond code: 128080) on November 18, 2019, each with a face value of RMB100 amounting to RMB5.8 billion. These convertible corporate bonds were listed for trading on the Shenzhen Stock Exchange starting from December 9, 2019. On May 22, 2020, these convertible corporate bonds entered the conversion period. The closing price of the Company's stocks (stock abbreviation: SF Holding; stock code: 002352) was, for at least 15 out of the 30 consecutive trading days from May 22, 2020 to July 6, 2020, not less than 130% of the current stock conversion price of "SF Convertible Bonds" (the stock conversion price from May 22 to June 18 was RMB40.14 per share, and the stock conversion price from June 19 to July 6 was RMB40.15 per share) (that is, RMB52.19 per share and RMB52.20 per share, respectively), and the conditional redemption clause under the Prospectus had been triggered. On July 7, 2020, the Proposal on Early Redemption of "SF Convertible Bonds" was reviewed and approved at the 7th meeting of the 5th session of the Board and the 7th meeting of the 5th session of the board of supervisors. It was decided that the conditional redemption rights on "SF Convertible Bonds" will be exercised to redeem all the unconverted "SF Convertible Bonds" at the price of the face value of the bonds plus current accrued interest. The redemption price of "SF Convertible Bonds" was RMB100.14 per unit (the face value of the bonds plus current accrued interest (including taxes)). The redemption registration date of "SF Convertible Bonds" was August 3, 2020; the redemption date of "SF Convertible Bonds" was August 4, 2020; and the trading suspension and conversion date of "SF Convertible Bonds" was August 4, 2020. The investor redemption payment date was August 11, 2020. On August 12, 2020, "SF Convertible Bonds" were delisted from the Shenzhen Stock Exchange. For details, please refer to the Company's announcements (2020-039, 2020-052, 2020-059, 2020-068, 2020-089) on Cninfo.

3. Commencement of asset securitization

In order to revitalize existing assets and enhance the capital utilization efficiency, the Company has established a special asset-backed plan by using the logistics industrial park held by the subsidiary Shenzhen Fengtai E-Commerce Industrial Park Asset Management Co., Ltd. ("SF Fengtai") as the principal and raised funds by means of the issuance of asset-backed securities under the plan. On November 21, 2018, the Company obtained the "No Objection Letter regarding Huatai Asset Management's 'Huatai Jiayue-Shunfeng Industrial Park Phase I Asset-Backed Special Plan' being in line with the Conditions for Listing on the Shenzhen Stock Exchange" (Shen Zheng Han (深证函) [2018] No. 666) issued by the Shenzhen Stock Exchange, and the total size of issuance by way of shelf-offering approved in the No Objection Letter was RMB5 billion for a valid period of two years. In 2018, the Company issued the first tranche of asset-backed securities with a total size of RMB1.846 billion. In 2019, the Company issued the second tranche of asset-backed securities with a total size of RMB1.36 billion. On June 29, 2020, the Company held the 6th meeting of the 5th session of the Board and the 5th meeting of the 5th session of the board of supervisors respectively at which the Proposal on Carrying out Asset Securitization and Related Party Transactions was reviewed and approved. The Company intends to continue carry out the asset securitization business and raise funds through the issuance of asset-backed securities by means of a special plan. The special plan for this period is the third tranche within the shelf quota. The total size of asset-backed securities to be issued in this period does not exceed RMB1.5 billion. On September 3, 2020, transaction documents regarding the special plan were signed. Huatai Jiayue-Shunfeng Industrial Park Phase I Asset-Backed Special Plan No. 3 was officially established on November 17, 2020. Asset-backed securities worth a total of RMB1,386 million were issued, with SF Fengtai subscribing to RMB112 million of equity securities with its own funds.

For details, please refer to the announcement (2020-062, 2020-099, and 2020-111) disclosed by the Company on Cninfo.

4. Subsidiaries' investment in equity investment funds and progress

With a view to promoting the Company's long-term development and ensuring positive interactions between industrial and capital operations, Shenzhen Shunfeng Investment Co., Ltd. (hereinafter referred to as "Shunfeng Investment"), the Company's wholly-owned subsidiary, entered into the Limited Partnership Agreement on Jinfeng Borun (Xiamen) Equity Investment Partnership (Limited Partnership) on September 22, 2020. The fund mainly invests in supply chain, logistics and consumption upgrade-related businesses. Shunfeng Investment plans to subscribe to the shares of the investment fund as a limited partnership for RMB500 million.

For details, please refer to the announcement (2020-103) disclosed by the Company on Cninfo.

A disclosure index for the above-mentioned significant events and other significant events is as below:

Announcement	Disclosure Date	Disclosure Website
Announcement on Receipt of the Notice of Acceptance for Registration by the Wholly-owned Subsidiary Shenzhen S.F. Taisen Holding (Group) Co., Ltd. from the National Association of Financial Market Institutional Investors (2020-004)	January 23, 2020	http://www.cninfo.com.cn
Announcement on Progress of Issuance of Overseas US Dollar Bonds by an Overseas Wholly-owned Subsidiary (2020-005)	February 14, 2020	http://www.cninfo.com.cn
Announcement on Completion of Issuance of Overseas US Dollar Bonds by an Overseas Wholly-owned Subsidiary (2020-007)	February 22, 2020	http://www.cninfo.com.cn
Announcement on Results of Issuance of the 2020 First Tranche of Super Short-Term Commercial Paper (Epidemic Prevention and Control Bonds) by the Wholly-owned Subsidiary Shenzhen S.F. Taisen Holding (Group) Co., Ltd. (2020-008)	February 22, 2020	http://www.cninfo.com.cn
Announcement on Results of Issuance of the 2020 Second Tranche of Super Short-Term Commercial Paper (Epidemic Prevention and Control Bonds) by Shenzhen S.F. Taisen Holding (Group) Co., Ltd. (2020-015)	March 17, 2020	http://www.cninfo.com.cn
Announcement on Results of Issuance of the 2020 Third Tranche of Super Short-Term Commercial Paper (Epidemic Prevention and Control Bonds) by Shenzhen S.F. Taisen Holding (Group) Co., Ltd. (2020-036)	April 16, 2020	http://www.cninfo.com.cn
Announcement on Implementation of Annual Dividend Distribution in 2019 (2020-038)	April 17, 2020	http://www.cninfo.com.cn
Announcement on Adjustment of Stock Conversion Price of "SF Convertible Bonds" (2020-039)	April 17, 2020	http://www.cninfo.com.cn
Announcement on Results of Issuance of the 2020 Fourth Tranche of Super Short-Term Commercial Paper by the Wholly-owned Subsidiary Shenzhen S.F. Taisen Holding (Group) Co., Ltd. (2020-049)	May 11, 2020	http://www.cninfo.com.cn
Indicative Announcement on Commencement of Conversion of "SF Convertible Bonds" (2020-052)	May 19, 2020	http://www.cninfo.com.cn
Announcement on Adjustment of Stock Conversion Price of "SF Convertible Bonds" (2020-059)	June 19, 2020	http://www.cninfo.com.cn
Announcement on Implementation of Asset Securitization and Related Party Transactions (2020-062)	June 30, 2020	http://www.cninfo.com.cn
Announcement on Increase of Capital in Subsidiaries (2020-063)	June 30, 2020	http://www.cninfo.com.cn
Announcement on Status of Conversion of Convertible Corporate Bonds in Second Quarter of 2020 (2020-065)	July 2, 2020	http://www.cninfo.com.cn
First Announcement on Implementation of Redemption of "SF Convertible Bonds" (2020-068)	July 8, 2020	http://www.cninfo.com.cn
Announcement on the Delisting of SF Convertible Bonds (2020-089)	August 12, 2020	http://www.cninfo.com.cn

Announcement	Disclosure Date	Disclosure Website
Announcement on Obtaining CSRC's Approval of the Registration of Short-term Corporate Bonds to be Issued Publicly by Wholly-owned Subsidiary Shenzhen S.F. Taisen Holding (Group) Co., Ltd. to Professional Investors (2020-098)	September 5,2020	http://www.cninfo.com.cn
Announcement on Progress in Implementation of Asset Securitization and Related Party Transactions (2020-099)	September 5,2020	http://www.cninfo.com.cn
Announcement on Wholly-owned Subsidiary's Investment in Equity Investment Fund (2020-103)	September 23,2020	http://www.cninfo.com.cn
Announcement on the Early Payment under and Delisting of Corporate Bond "18 Shunfeng 02" Issued Publicly by Wholly-owned Subsidiary Shenzhen S.F. Taisen Holding (Group) Co., Ltd. (2020-109)	October 30,2020	http://www.cninfo.com.cn
Announcement on the Establishment of Huatai Jiayue-Shunfeng Industrial Park Phase I Asset-Backed Special Plan No.3 (2020-111)	November 18,2020	http://www.cninfo.com.cn

XX. Significant Events of Subsidiaries

Applicable Not applicable

06

Share Changes and Shareholder Details



I. Changes in Shares

1. Changes in shares

Unit: number of shares

	Before Change		Increase or Decrease (+ or -)					After Change	
	Number of shares	Proportion	New shares issued	Bonus shares	Conversion of equity reserve into share capital	Others	Subtotal	Number of shares	Proportion
I. Restricted sales of shares	2,783,633,172	63.06%	-	-	-	-2,717,505,790	-2,717,505,790	66,127,382	1.45%
1. Shares held by state	-	-	-	-	-	-	-	-	-
2. Shares held by state-owned legal person	-	-	-	-	-	-	-	-	-
3. Other shares held by domestic capital	2,783,588,909	63.05%	-	-	-	-2,717,461,527	-2,717,461,527	66,127,382	1.45%
Of which: Other shares held by domestic legal person	2,701,927,139	61.20%	-	-	-	-2,701,927,139	-2,701,927,139	-	-
Other shares held by domestic natural person	81,661,770	1.85%	-	-	-	-15,534,388	-15,534,388	66,127,382	1.45%
4. Shares held by overseas capital	44,263	0.00%	-	-	-	-44,263	-44,263	-	-
Of which: Other shares held by overseas legal person	-	-	-	-	-	-	-	-	-
Other shares held by overseas natural person	44,263	0.00%	-	-	-	-44,263	-44,263	-	-
II. Unrestricted sales of shares	1,630,952,093	36.94%	-	-	-	2,859,360,980	2,859,360,980	4,490,313,073	98.55%
1. RMB-denominated ordinary shares	1,630,952,093	36.94%	-	-	-	2,859,360,980	2,859,360,980	4,490,313,073	98.55%
III. Total number of shares	4,414,585,265	100.00%	-	-	-	141,855,190	141,855,190	4,556,440,455	100.00%

Note: Any discrepancies between totals and sums of the amounts are due to rounding.

Reasons of share changes

Applicable Not applicable

On November 18, 2019, the Company publicly issued 58 million convertible corporate bonds in the total amount of RMB5.8 billion. On May 22, 2020, these convertible corporate bonds entered the conversion period. Of the 30 consecutive trading days between May 22, 2020 and July 6, 2020, the closing price of the Company's shares was no lower than 130% of the conversion price of SF Convertible Bonds on at least 15 trading days, triggering the conditional redemption clause stipulated in the Prospectus. On July 7, 2020, the Seventh Meeting of the Company's Fifth Board of Directors and the Seventh Meeting of the Fifth Board of Supervisors reviewed and approved the Proposal on the Early Redemption of SF Convertible Bonds. It was decided that the Company will exercise its conditional redemption right with regard to SF Convertible Bonds and redeem all the SF Convertible Bonds that have not been

converted into shares at the price of bond face value plus accrued interest. Starting from August 4, 2020, conversion into shares will no longer be available for SF Convertible Bonds. As of market close on August 3, 2020, the Company's total share capital increased by 144,311,758 shares after the conversion of SF Convertible Bonds.

Due to the implementation of the 2018 restricted stock incentive plan, the Company completed the repurchase and cancellation of restricted shares that have been awarded but not yet been released from restriction held by eligible participants no longer meeting the conditions for incentives in the amount of 274,346 shares and 2,182,222 shares on March 17, 2020 and June 19, 2020 respectively.

In summary, during the reporting period, the Company's shares increased by 141,855,190 shares and the total number of shares changed from 4,414,585,265 shares to 4,556,440,455 shares.

Approval of share changes

Applicable Not applicable

Transfer of share ownership

Applicable Not applicable

Implementation progress of share repurchase

Applicable Not applicable

Implementation of share reduction through aggregate auction

Applicable Not applicable

Effects of share changes on the basic EPS, diluted EPS, net assets per share attributable to ordinary shareholders of the Company, and other financial indicators for the last year and the last reporting period

Applicable Not applicable

During the reporting period, the share capital of the Company increased by 141,855,190 shares, which had a dilution effect on the basic EPS, diluted EPS and net assets per share attributable to ordinary shareholders of the Company.

Other contents that the Company considers necessary, or are required by the securities regulatory authorities, to disclose

Applicable Not applicable

2. Changes in restricted shares

Applicable Not applicable

Unit: number of shares

Name of shareholder	Restricted shares at the beginning of the period	Number of restricted shares increased in the period	Number of restricted shares removed in the period	Restricted shares at the end of the period	Restricted sales reasons	Date of restricted sales removal
Shenzhen Mingde Holding Development Co., Ltd.	2,701,927,139	-	2,701,927,139	-	Commitment for issuing restricted shares for purchasing assets during major asset restructuring	January 23, 2020
Liu Jilu	67,559,346	11,250	1,953,375	65,617,221	restricted shares for senior managers	1,953,375 lock-up shares of senior management were unlocked at the beginning of 2020.
Liu Lingyun	4,456,942	-	4,456,942	-	restricted shares for IPO	January 23, 2020
Gong Weiping	2,040,640	-	2,040,640	-	restricted shares for IPO	January 23, 2020
Huang Xuechun	1,735,024	-	1,735,024	-	restricted shares for IPO	January 23, 2020
Yuan Fuxiang	1,020,322	-	510,161	510,161	restricted shares for IPO	January 23, 2020
Lin Anxia	680,214	-	680,214	-	restricted shares for IPO	January 23, 2020
Zhao Ming	636,707	-	636,707	-	restricted shares for IPO	318,353 shares were unlocked on January 23, 2020 and 318,354 shares were unlocked on October 30, 2020.
Wu Cuihua	510,162	-	510,162	-	restricted shares for IPO	January 23, 2020
Tang Linlin	170,054	-	170,054	-	restricted shares for IPO	January 23, 2020
Wang Nengying	170,054	-	170,054	-	restricted shares for IPO	January 23, 2020
Others	2,726,568	-	2,726,568	-	-	-
Total	2,783,633,172	11,250	2,717,517,040	66,127,382	-	-

II. Issuance and Listing of Securities

1. Issuance of securities (excluding preferred shares) during the reporting period

Applicable Not applicable

2. Explanation on changes in share capital, structure of shareholders, and structure of assets and liabilities

Applicable Not applicable

During the reporting period, the SF Convertible Bonds were converted into 144,311,758 shares; the Company repurchased and cancelled 2,456,568 shares under the stock incentive plan, and the total number of shares of the Company changed from 4,414,585,265 shares to 4,556,440,455 shares.

3. Existing shares held by internal employees of the Company

Applicable Not applicable

III. Shareholder and Actual Controller Details

1. Total number of shareholders and their holdings

Unit: number of shares

Total number of shareholders at the end of reporting period	118,936	Total number of shareholders on the end of last month before the disclosure date of the annual report	165,231	Total number of preferred shareholders with voting rights restored (if any)	-	Total number of preferred stockholders with voting rights restored on the on the end of last month before the disclosure date of the annual report (if any)	-
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Shareholders holding more than 5% of shares or shares of the top 10 shareholders

Name of shareholder	Type of shareholder	Shareholding percentage	Number of shares held at the end of the reporting period	Increase or decrease of shares during reporting period	Number of restricted shares held	Number of non-restricted shares held	Pledged or frozen shares	
							Status of shares	Amount
Shenzhen Mingde Holding Development Co., Ltd.	Domestic non-state-owned legal person	59.30%	2,701,927,139	-	-	2,701,927,139	Pledged	860,000,000
Shenzhen Zhaoguang Investment Co., Ltd.	State-owned legal person	5.85%	266,637,546	-	-	266,637,546	Pledged	116,811,600
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	3.12%	142,136,019	69,593,613	-	142,136,019	-	-
Ningbo Shunda Fengrun Investment Management Partnership (Limited Partnership)	Domestic non-state-owned legal person	3.03%	138,228,504	-135,976,374	-	138,228,504	Pledged	19,648,802
Liu Jilu	Domestic natural person	1.53%	69,883,780	-17,590,848	65,617,221	4,266,559	Pledged	8,920,000
Suzhou Industrial Park Oriza Shunfeng Equity Investment Company (Limited Partnership)	Domestic non-state-owned legal person	1.44%	65,776,995	-117,574,743	-	65,776,995	-	-
Norges Bank-Own Funds	Overseas legal person	0.47%	21,456,148	-606,686	-	21,456,148	-	-
Industrial Bank Co., Ltd. - Aegon-Industrial Trend Investment Hybrid Securities Investment Fund	Other	0.40%	18,406,924	2,783,211	-	18,406,924	-	-
China CITIC Bank Corporation Limited-Bank of Communications Schroder New Dynamics Flexible Allocation Mixed Securities Investment Fund	Other	0.38%	17,477,459	12,477,551	-	17,477,459	-	-
China Construction Bank Corporation-Yinhua Wealth Theme Mixed Securities Investment Fund	Other	0.35%	15,782,602	15,782,602	-	15,782,602	-	-
Additional Shares Strategic investor or general legal person becomes the top 10 shareholder due to the placement of new shares (if any)								N/A
Explain any associated relationship and/or persons acting in concert between the above-mentioned shareholders	The Company is not aware of whether there is an associated relationship between the above mentioned shareholders and whether they are acting in concert.							
Explanation of the above-mentioned shareholders' involvement in entrustment/entrusted voting rights and abstaining from voting rights	N/A							

Top 10 shareholders holding unrestricted shares

Name of shareholder	Number of unrestricted shares held at the end of the reporting period	Type of shares	
		Type of shares	Quantity
Shenzhen Mingde Holding Development Co., Ltd.	2,701,927,139	RMB-denominated ordinary shares	2,701,927,139
Shenzhen Zhaoguang Investment Co., Ltd.	266,637,546	RMB-denominated ordinary shares	266,637,546
Hong Kong Securities Clearing Company Ltd.	142,136,019	RMB-denominated ordinary shares	142,136,019
Ningbo Shunda Fengrun Investment Management Partnership (Limited Partnership)	138,228,504	RMB-denominated ordinary shares	138,228,504
Suzhou Industrial Park Oriza Shunfeng Equity Investment Company (Limited Partnership)	65,776,995	RMB-denominated ordinary shares	65,776,995
Norges Bank-Own Funds	21,456,148	RMB-denominated ordinary shares	21,456,148
Industrial Bank Co., Ltd. – Aegon-Industrial Trend Investment Hybrid Securities Investment Fund	18,406,924	RMB-denominated ordinary shares	18,406,924
China CITIC Bank Corporation Limited-Bank of Communications Schroder New Dynamics Flexible Allocation Mixed Securities Investment Fund	17,477,459	RMB-denominated ordinary shares	17,477,459
China Construction Bank Corporation-Yinhua Wealth Theme Mixed Securities Investment Fund	15,782,602	RMB-denominated ordinary shares	15,782,602
Bank of Communications-E Fund 50 Index Securities Investment Fund	13,288,867	RMB-denominated ordinary shares	13,288,867
Explain any associated relationship and/or persons acting in concert between the top ten shareholders		The Company is not aware of whether there is an associated relationship between the above-mentioned shareholders and whether they are acting in concert.	
Explain the top 10 common shareholders' participation in margin financing (if any)		N/A	

Did any of the top 10 common shareholder or the top 10 non-restricted common shareholders of the Company conduct any promissory repurchase during the reporting period?

Yes No

No such cases in the reporting period.

2. Details about the controlling shareholder

Nature of ultimate controlling shareholders: natural person

Type of controlling shareholders: legal person

Name of controlling shareholder	Legal representative/ company principal	Date of establishment	Organization Code	Business scope
Shenzhen Mingde Holding Development Co., Ltd.	Wang Wei	November 05, 1997	91440300279396064N	International freight forwarders; economic and technical consulting, technical information consulting; commercial activities in the form of franchise; import and export operations (except for projects prohibited by laws, administrative regulations and State Council decisions; restricted projects must obtain permissions for operations); investment in industrial enterprises (specific projects will be separately declared).
Holdings or participating companies listed at home and abroad of the Controlling shareholder in the reporting period	N/A			

Change of controlling shareholder in the reporting period

Applicable Not applicable

No such cases in the reporting period.

3. Details about the actual controlling persons acting in concert

Nature of the actual controller: domestic natural person

Type of the actual controller: natural person

Name of actual controller	Relationship with the actual controller	Nationality	Obtained the Right of Sanctuary in Other Countries or Regions?
Wang Wei	Himself	China	No
Major occupations and jobs	Mr. Wang Wei, born in 1970, is the founder and actual controller of S.F. Currently, he is the chairman and general manager of the Company.		
Domestic and foreign-listed companies with shares held by the actual controller in the past 10 years	N/A		

Change of actual controller during the reporting period

Applicable Not applicable

The actual controller did not change during the reporting period.

The ownership and controlling relationship between the actual controller of the Company and the Company is detailed as follows:



The actual controller controlled the Company by trust or other asset management methods

Applicable Not applicable

4. Other institutional shareholders owning over 10% of shares

Applicable Not applicable

5. Details of restrictions on shareholdings of controlling shareholders, actual controllers, restructuring parties, and other commitment subjects

Applicable Not applicable



07

Preferred Shares



Applicable Not applicable

No such cases in the reporting period.

08

Convertible Corporate Bonds



√ Applicable Not applicable

I. Previous Adjustments of Stock Conversion Price

With the approval of the Zheng Jian Xu Ke [2019] No.1903 document of the China Securities Regulatory Commission, the Company publicly issued 58 million convertible corporate bonds on November 18, 2019, each with a face value of RMB100 amounting to RMB5.8 billion for a term of six years. With the approval of the Shen Zheng Shang [2019] No.786 document of the Shenzhen Stock Exchange, the RMB5.8 billion convertible corporate bonds of the Company were listed for trading on the Shenzhen Stock Exchange starting from December 9, 2019. The abbreviation of the bonds is "SF Convertible Bonds" and the code of the bonds is "128080". According to relevant provisions of the Prospectus for the Public Issuance of Convertible Corporate Bonds by S.F. Holdings Co., Ltd. ("Prospectus"), the initial stock conversion price of "SF Convertible Bonds" was RMB40.41 per share.

The Company implemented the 2019 annual dividend distribution plan on April 24, 2020. In accordance with the issuance clauses of the Prospectus and relevant provisions of the China Securities Regulatory Commission on the issuance of convertible bonds, the stock conversion price of "SF Convertible Bonds" was adjusted from the original price of RMB40.41 per share to RMB40.14 per share starting from April 24, 2020.

The Company held the 3rd meeting of the 5th session of the Board on March 23, 2020 and the 2019 annual general meeting on April 15, 2020 at which the "Resolution regarding the Repurchase and Cancellation of Certain Restricted Shares" was reviewed and approved. The Company's board of directors agreed to the Company's repurchase and cancellation of 2,182,222 restricted shares held by the above-mentioned persons, all of which have been awarded but not yet been released from restriction. The Company completed the repurchase and cancellation of the above restricted shares on June 19, 2020, and the stock conversion price of "SF Convertible Bonds" was adjusted from RMB40.14 per share to RMB40.15 per share starting from June 19, 2020.

II. Share Conversions (Cumulative)

√ Applicable Not applicable

Bond abbreviation	Start and end date of share conversion	Total issuance volume (unit)	Total issuance amount (RMB)	Cumulative share conversion amount (RMB)	Cumulative number of shares converted (share)	Number of shares converted as a percentage of the Company's total number of shares outstanding before the start date of share conversion	Non-converted amount (RMB)	Non-converted amount as a percentage of total issuance amount
SF Convertible Bonds	May 22, 2020-August 3, 2020	58,000,000	5,800,000,000	5,794,071,700	144,311,758	3.27%	-	-

III. Top 10 Holders of the Convertible Bond

 Applicable Not applicable

IV. The Profitability, Asset and Credit Status of the Guarantor Have Changed Significantly

Applicable Not applicable

V. The Company's Liabilities at the End of the Reporting Period, Changes in Its Credit Standing, as well as the Cash Arrangements for Repayment of Debt in the Coming Years

1. Credit rating of the convertible bond this year

On May 21, 2020, China Chengxin International Credit Rating Co., Ltd. issued the Tracking and Rating Report on the Public Issuance of Convertible Bonds by S.F. Holding Co., Ltd. (2020) (Xin Ping Wei Han Zi [2020] Tracking No.0299). The Company and debts relating to the Company during its existence were tracked and rated. The Company's corporate credit rating was maintained at AAA with a stable rating outlook, and the debt credit rating of "SF Convertible Bonds" was maintained at AAA. These ratings reflect that the Company's ability to repay debts is extremely strong, basically not affected by the adverse economic environment, and the risk of default is extremely low.

2. Early redemption and delisting of convertible bonds

Of the 30 consecutive trading days between May 22, 2020 and July 6, 2020, the closing price of the Company's shares was no lower than 130% of the conversion price of SF Convertible Bonds on at least 15 trading days, triggering the conditional redemption clause stipulated in the Prospectus.

On July 7, 2020, the Seventh Meeting of the Company's Fifth Board of Directors and the Seventh Meeting of the Fifth Board of Supervisors reviewed and approved the Proposal on the Early Redemption of SF Convertible Bonds. It was decided that the Company will exercise its conditional redemption right with regard to SF Convertible Bonds and redeem all the SF Convertible Bonds that have not been converted into shares at the price of bond face value plus accrued interest. The Company's Independent Directors expressed independent opinions of consent on the matter. The redemption price of SF Convertible Bonds is RMB100.14 apiece (tax included), and the redemption registration date of SF Convertible Bonds is August 3, 2020. As of market close on August 3, 2020, 59,283 SF Convertible Bonds were not converted into shares. A total of 59,283 bonds were redeemed, and the Company paid a total of RMB5,936,599.62 to redeem them.

Bonds are redeemed in full with regard to this redemption. Upon the completion of the redemption, SF Convertible Bonds will no longer circulate or trade and will no longer meet the listing requirements. SF Convertible Bonds is delisted from the Shenzhen Stock Exchange on August 12, 2020.



09

Directors, Supervisors,
Senior Management
and Employees

I. Changes in Shares Held by Directors, Supervisors and Senior Executives

Name	Title	Tenure status	gender	Age	Start date	End date	Shares held at the beginning of the period (share)	Quantity Of shares increased in the current period (share)	Quantity of shares decreased in the current period (share)	Other increased or decreased changes (share)	Quantity of shares held at the end of the period (share)
Wang Wei	Chairman, general manager	Current	Male	51	December 28, 2016	Present	-	-	-	-	-
Lin Zheyang	Deputy chairman	Current	Male	57	December 28, 2016	Present	-	-	-	-	-
Zhang Yichen	Director	Current	Male	58	December 28, 2016	Present	-	-	-	-	-
Deng Weidong	Director	Current	Male	54	April 9, 2019	Present	-	-	-	-	-
Liu Chengwei	Director	Current	Male	51	December 28, 2016	Present	-	-	-	-	-
Lo Sai Lai	Director	Current	Male	59	December 28, 2016	Present	-	-	-	-	-
Chan Fei	Director, deputy general manager	Current	Male	46	December 27, 2019	Present	-	-	-	-	-
NG Wai Ting	Director, deputy general manager, financial head	Current	Female	50	December 28, 2016	Present	-	-	-	-	-
Zhou Zhonghui	Independent director	Current	Male	74	December 28, 2016	Present	-	-	-	-	-
Chow Wing Kin Anthony	Independent director	Current	Male	71	December 28, 2016	Present	-	-	-	-	-
Jin Li	Independent director	Current	Male	51	December 28, 2016	Present	-	-	-	-	-
Dicky Peter Yip	Independent director	Current	Male	74	February 15, 2017	Present	-	-	-	-	-
Sun Xun	Chairman of the Supervisory Committee	Resigned	Male	44	December 27, 2019	March 16, 2021	-	-	-	-	-
Liu Jilu	Supervisor	Current	Male	74	December 28, 2016	Present	87,474,628	15,000	17,605,848	-	69,883,780
Shum Tze Leung	Supervisor	Current	Male	56	December 27, 2019	Present	-	-	-	-	-
Li Li	Supervisor	Resigned	Female	49	December 27, 2019	March 16, 2021	-	-	-	-	-
Li Juhua	Supervisor	Current	Female	42	December 27, 2019	Present	-	-	-	-	-
Li Sheng	Deputy general manager	Current	Male	55	December 28, 2016	Present	-	-	-	-	-
Xu Zhijun	Deputy general manager	Current	Male	45	December 28, 2016	Present	-	-	-	-	-
Gan Ling	Deputy general manager, secretary of the Board	Current	Female	47	December 28, 2016	Present	-	-	-	-	-
Total	-	-	-	-	-	-	87,474,628	15,000	17,605,848	-	69,883,780

II. Changes of Directors, Supervisors, and Senior Executives

Applicable Not applicable

III. Resumes of Key Personnel

The professional background, main working experience and their main duties in the Company of current directors, supervisors, and senior executives of the Company.

Board of Directors

Chairman

Mr. Wang Wei, born in 1970, is the founder and actual controller of the Company. He currently serves as Chairman and General Manager of the Company.

Deputy Chairman

Mr. Lin Zheyang, born in 1964, holds a DBA degree from the Rennes School of Business, France. From 1987 to 2010, he served as a cadre in the Ministry of Commerce. From 2011 to 2014, he served as Executive Director of HanKore Environment Tech Group. From 2013 to 2015, he served as Executive Director of CY Foundation Group Limited. Mr. Lin has been Executive Director of Ancient Jade Capital Management Co., Ltd. since 2011 and as Independent Non-executive Director of Koolearn Technology Holding Limited (H-share Stock Code: 1797) since January 2020. He served as Deputy Chairman of Shenzhen S.F. Taisen Holding (Group) Co., Ltd. from 2013 to 2016 and as Deputy General Manager of the Company from December 2016 to December 2019. He has served as Deputy Chairman of the Company since December 2016.

Directors

Mr. Zhang Yichen, born in 1963, holds a bachelor degree in computer science from the Massachusetts Institute of Technology. From 1987 to 2000, he served as Head of the securities proprietary trading business at Greenwich Capital Markets Corporation and at Bank of Tokyo's New York Branch, and as Head of Bond Capital Markets for Greater China at Merrill Lynch. From 2000 to 2002, he served as Executive Director of CITIC Pacific and President of CITIC Pacific Information Technology Corporation. In 2002, Mr. Zhang participated in the establishment of CITIC Capital Holdings Limited ("CITIC Capital"). He currently serves as Chairman and CEO of CITIC Capital. He has been an Independent Director of China Vanke Co., Ltd. (A-share Stock Code: 000002; H-share Stock Code: 2202) since June 2020. He served as Director of Shenzhen S.F. Taisen Holding (Group) Co., Ltd. from 2013 to 2016. He has been Director of the Company since December 2016.

Mr. Deng Weidong, born in 1967, graduated from the Department of Earth and Ocean Sciences at Nanjing University and holds a D.Sc. degree in physical geography. From 1994 to 1997, he worked at Hainan Yangpu Economic Development Zone Administration Bureau. From 1997 to 2005, he served as Deputy General Manager and General Manager of the Research & Development Department of China Nanshan Development (Group) Inc. From 2006 to 2009, he

served as Deputy General Manager of Chiwan Container Terminal Co., Ltd. and General Manager of Shenzhen Magang Godown & Wharf Co., Ltd. From 2009 to 2011, he served as General Manager of the Planning and Commerce Department and Assistant to the General Manager of China Merchants Holdings (International) Company Limited ("CMHI"). From 2011 to 2015, he served as Deputy General Manager of CMHI. He has served as Head of the Capital Operation Department of China Merchants Group Limited since 2015, as Director of China Merchants Property Operation & Service Co., Ltd. (A-share Stock Code: 001914) since December 2019, and as Director of China International Marine Containers (Group) Ltd. (A-share Stock Code: 000039; H-share Stock Code: 2039) since October 2020. Mr. Deng has served as Director of the Company since April 2019.

Mr. Liu Chengwei, born in 1970, holds a master degree in finance from Suzhou University. He is also a senior economist and a lawyer. He served as Vice President of Suzhou Venture Group Co., Ltd. from 2008 to 2009, as Director of the Social Security and Provident Fund Management Center of Suzhou Industrial Park from 2009 to 2016, and as Deputy Director of the Labor and Social Security Bureau of Suzhou Industrial Park from 2012 to 2016. He has served as Deputy Chairman and President of Suzhou Oriza Holdings Corporation. since 2016. Mr. Liu served as Director of Shenzhen S.F. Taisen Holding (Group) Co., Ltd. in 2016. He has served as Director of the Company since December 2016.

Mr. Lo Sai Lai, born in 1962, holds a PhD in computer science from the University of Cambridge, UK. From May 2002 to November 2012, he served as General Manager of Data Center, Information Director & General Manager of Information Management Center, and Group Deputy General Manager & Chief Information Officer of Ping An Insurance (Group) Company of China, Ltd. From 2016 to March 2019, Mr. Lo served as Chief Information Officer and Deputy General Manager of the Company. He has served as Chief Advisor to the Company since March 2019 and as Director of the Company since December 2016.

Mr. Chan Fei, born in 1975, holds an MBA from the Wharton School of the University of Pennsylvania, US. From 2006 to 2016, he served as Executive Director of the Investment Banking Department of Goldman Sachs. From 2016 to 2018, he served as Assistant CEO of the Company. Mr. Chan has served as Chief Strategy Officer of the Company since 2018 and as Director & Deputy General Manager of the Company since December 2019.

Ms. NG Wai Ting, born in 1971, holds a bachelor degree in accounting and information systems from the University of New South Wales, Sydney, Australia. She is an Australian certified public accountant. She served as Director of KPMG (Hong Kong) from 1994 to 2013 and as Director & Head of Finance of Shenzhen S.F. Taisen Holding (Group) Co., Ltd. from 2013 to 2016. Ms. NG has served as Director, Deputy General Manager & Head of Finance of the Company since December 2016.

Mr. Zhou Zhonghui, born in 1947, holds a PhD in economics from the Shanghai University of Finance and Economics. He is a senior member of the Chinese Institute of Certified Public Accountants, a member of the Financial Director Professional Committee of the China Association for Public Companies, and an advisory member of the Appraisers Association of China. Mr. Zhou currently serves as Independent Non-executive Director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. (A-share Stock Code: 688505; H-share Stock Code: 1349), Independent Non-executive Director of COSCO SHIPPING Holdings Co., Ltd. (A-share Stock Code: 601919; H-share Stock Code: 1919), and Independent Non-executive Director of CITIC Securities Co., Ltd. (A-share Stock Code: 600030; H-share Stock Code: 6030). He was a lecturer, associate professor, and professor at the Accounting Department of Shanghai University of Finance and Economics, Financial Director at Hong Kong Xinlong Co., Ltd., General Manager and Chief Accountant at PricewaterhouseCoopers Zhong Tian LLP (“PwC”), Senior Partner of and Senior Adviser to PwC, Chief Accountant of the China Securities Regulatory Commission and a member of its International Advisory Committee, a member of the Auditing Standards Committee of the Chinese Institute of Certified Public Accountants, a council member of the China Association of Chief Financial Officers, and Independent Non-executive Director of China Pacific Insurance (Group) Co., Ltd. (A-share Stock Code: 601601; H-share Stock Code: 2601). Mr. Zhou has served as Independent Director of the Company since December 2016.

Mr. Chow Wing Kin Anthony, born in 1950, is a practicing lawyer recognized in Hong Kong, England and Wales. He holds an honorary doctorate from The Open University of Hong Kong. Mr. Chow has worked as a professional lawyer in Hong Kong for more than 40 years. He is currently Senior Advisor to and Global Chairman of Guantao & Chow, a member of the Association of China-Appointed Attesting Officers Limited and an arbitrator at the South China International Economic and Trade Arbitration Commission (Shenzhen Court of International Arbitration), a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and a member of its Governance Sub-Committee and Investment Sub-Committee. He is also Independent Non-executive Director of MTR Corporation Limited (H-share Stock Code: 0066), Non-executive Director of Kingmaker Footwear Holdings Limited (H-share Stock Code: 1170), Independent Non-executive Director of Ping An Healthcare and Technology Co., Ltd. (H-share Stock Code: 1833), and Independent Non-executive Director of OneConnect Financial Technology Co., Ltd. (US-share Stock Code: OCFT). From 1997 to 2000, he served as President of the Law Society of Hong Kong. He is also the former Chairman of the Process Review Panel for the Securities and Futures Commission and the former Chairman of the Board of the Hong Kong Jockey Club. He also served as Non-executive Director of Asia Allied Infrastructure Holdings Limited (H-share Stock Code: 0711) and Independent Non-executive Director of Fountain Set (Holdings) Limited (H-share Stock Code: 0420). Mr. Chow was appointed as a Justice of the Peace in 1998, and awarded the Silver Bauhinia Star in 2003. He has been a member of the National Committee of the Chinese People’s Political Consultative Conference since 2003. He has served as Independent Director of the Company since December 2016.

Mr. Jin Li, born in 1970, holds a PhD from the Massachusetts Institute of Technology. From July 1992 to May 1994, he served as an instructor at the International Finance Department of Fudan University. From July 2001 to June 2007, he served as Assistant Professor of Finance at Harvard Business School. From July 2007 to June 2012, he served as Associate Professor of Finance at Harvard Business School. Mr. Jin has served as Professor at the Department of Finance, Guanghua School of Management, Peking University, Deputy Director of the Faculty of Economics and Management, Peking University, and a tenured Professor of Finance at the University of Oxford since July 2012. He has also served as Independent Director of CITIC aiBank Corporation Limited since September 2017 and as Director of Da Cheng Fund Management Co., Ltd. since May 2019. Mr. Jin was elected a member of the National Committee of the Chinese People’s Political Consultative Conference in March 2018. He has served as Independent Director of the Company since December 2016.

Mr. Dicky Peter Yip, born in 1947, holds an MBA from the University of Hong Kong. He is a member of the Chartered Banker Institute in London, and has been awarded the Certified Financial Planner (CFP) qualification by the Institute of Financial Planners of Hong Kong and the Certified Financial Management Planner (CFMP) qualification by the Hong Kong Institute of Bankers. He is currently Independent Non-executive Director of Sun Hung Kai Properties Limited (H-share Stock Code: 0016), Non-executive Director and Chairman of Ping An OneConnect Bank (Hong Kong) Limited, and an honorary member of the Hong Kong Committee for the United Nations Children’s Fund. Mr. Yip joined The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) in 1965. He served as President of HSBC China from January 2003 to May 2005 and as General Manager of HSBC from April 2005 to June 2012. From May 2005 to June 2012, he served as Deputy Governor of Bank of Communications Co., Ltd. From June 2013 to July 2019, Mr. Yip served as Independent Non-executive Director of Ping An Insurance (Group) Company of China, Ltd. (A-share Stock Code: 601318; H-share Stock Code: 2318). From May 2016 to July 2019, he served as Independent Non-executive Director of DBS Bank (China) Limited. From December 2012 to June 2020, he served as Independent Non-executive Director of South China Holdings Company Limited (H-share Stock Code: 0413). Mr. Yip also served at a number of advisory committees, including the Hong Kong Aviation Advisory Board, Hong Kong Arts Development Council, and the Hong Kong Urban Renewal Authority. He was awarded the Bronze Bauhinia Star in 2003. He has served as Independent Director of the Company since February 2017.

Board of Supervisors

Supervisors

Mr. Shum Tze Leung, born in 1965, has served as Regional General Manager, Planning Director, Operation Director, Vice President of Operation Department, Head of Industrial Projects, and Head of Procurement & Supply Chain Center of S.F. Group since 1997. He is currently Head of Hong Kong operation and has served as Supervisor of the Company since December 2019.

Ms. Li Juhua, born in 1979, graduated from Tongji University. She served as Accounting Director of Shanghai Totole Flavoring Food Co., Ltd. under Nestlé from 2002 to 2004, as Accounting Manager at Walmart's China headquarters from 2004 to 2008, as Financial Manager of B&Q Shenzhen from 2008 to 2010, and as Financial Director of Maoye International Holdings Limited (H-share Stock Code: 0848) from 2010 to 2012. From 2012 to 2016, Ms. Li served as Deputy Accounting Director, Accounting Director and Tax Director of Shenzhen S.F. Taisen Holding (Group) Co., Ltd. She has served as Head of the Company's Financial Sharing Center since 2017 and as Supervisor of the Company since December 2019.

Mr. Liu Jilu, born in 1947, holds a university degree and is an engineer. He is an outstanding private entrepreneur in Anhui Province, Deputy Chairman of Ma'anshan Association of Old Science and Technology Workers, Deputy Chairman of Anhui Metallurgy Association, Vice President of Ma'anshan Entrepreneurs Association, Executive Vice President of Ma'anshan Federation of Industrial Economics, and a delegate to Dangtu County People's Congress. He served as General Manager of Ma'anshan Dingtai Metal Products Company, Chairman & General Manager of Ma'anshan Dingtai Technology Co., Ltd., and Chairman, General Manager, and Party Committee Secretary of Ma'anshan Dingtai Rare Earth & New Materials Co., Ltd. Mr. Liu has served as Supervisor of the Company since December 2016.

Senior Executives

For the work experience, positions, and other posts held concurrently by Mr. Wang Wei, Mr. Chan Fei and Ms. NG Wai Ting, refer to the introduction to the Board of Directors.

Mr. Li Sheng, born in 1966, holds a bachelor degree in law from Sichuan Normal University. From 1997 to 2005, he served as Senior Executive at Walmart China. From 2005 to 2013, he served as Head of the Audit and Supervision Department, General Manager of Hubei operation, President of Central China operation, and President of West China operation of Shenzhen S.F. Taisen Holding (Group) Co., Ltd. He has been Head of SF Airlines since 2013. Mr. Li served as Director of Shenzhen S.F. Taisen Holding (Group) Co., Ltd. from 2013 to 2016 and as Deputy General Manager of Shenzhen S.F. Taisen Holding (Group) Co., Ltd. from 2015 to 2016. He has served as Deputy General Manager of the Company since December 2016.

Mr. Xu Zhijun, born in 1976, holds a master degree in logistics management from the National University of Singapore. From 2001 to 2004, he served as a corporate consultant at IDSC. From 2004 to 2015, Mr. Xu served as General Manager of Planning, Director of Strategic Planning, Director of Corporate Development, President of the Operation Department, Vice President of the Group & Head of Greater Operation at Shenzhen S.F. Taisen Holding (Group) Co., Ltd. From 2015 to 2016, he served as Deputy General Manager, Assistant Chief Operating Officer, and Chief Operating Officer of Express Delivery Business Group at Shenzhen S.F. Taisen Holding (Group) Co., Ltd. Mr. Xu currently serves as Chief Operating Officer of the Company and has been Deputy General Manager of the Company since December 2016.

Ms. Gan Ling, born in 1974, holds an MBA from the University of Texas at Austin, US. She was an analyst at Coatue Management, one of the Tiger cub funds, from 2006 to 2010 and was Deputy General Manager of Maoye International Holdings Limited (H-share Stock Code: 0848) from 2010 to 2015. She has served as a member of the appeal review committee of the Shenzhen Stock Exchange since 2017 and as a mentor with the Exchange's postdoctoral station since 2020. Ms. Gan joined S.F. Group in 2015. She has served as Secretary of the Board of Directors and Deputy General Manager of the Company since 2016.

Positions held in shareholder entities

√ Applicable □ Not applicable

Name	Name of the shareholder entity	Position in the shareholder entity	Start date	End date	Receives payment from the shareholder entity?
Wang Wei	Shenzhen Mingde Holding Development Co., Ltd.	Executive director	1997/11/5	Present	No
Chan fei	Shenzhen Fengyi Technology Co., Ltd.	Director	2018/6/15	2020/1/8	No
Notes to posts held in shareholder entity	N/A				

Employment in other companies

√ Applicable □ Not applicable

Name	Name of the shareholder entity	Position in shareholder entity	Start date	End date	Receives payment from the shareholder entity?
Wang Wei	Zhuhai Biyao Industrial Technology Co., Ltd.	Director	2014/7/9	2020/12/23	No
Wang Wei	Shenzhen Zhongshunyi Financial Services Co., Ltd.	Director	2015/4/16	2020/6/22	No
Wang Wei	Guangdong Shucheng Technology Co., Ltd.	Director and General Manager	2018/8/3	Present	No
Wang Wei	Greater Bay Airlines Company Limited	Director	2020/12/10	Present	Yes
Lin Zheyang	Ancient Jade Capital Management Co., Ltd.	Executive director	2011/1/12	Present	Yes
Lin Zheyang	Beijing Xinyue Fangde Investment Management Co., Ltd.	Executive director	2015/3/27	Present	No
Lin Zheyang	Shenzhen Zhongshunyi Financial Services Co., Ltd.	Director	2015/4/16	2020/6/22	No
Lin Zheyang	Suzhou Jade Equity Investment Management Co., Ltd.	Executive director	2013/9/16	Present	No
Lin Zheyang	Suzhou Ruihuang Equity Investment Management Partnership (Limited Partnership)	Executive partner	2014/3/15	Present	No
Lin Zheyang	Suzhou Windbell Equity Investment Management Partnership (Limited Partnership)	Executive partner	2013/8/22	Present	No
Lin Zheyang	Jade Investment Management (Beijing) Co., Ltd.	Executive director	2011/10/19	Present	No
Lin Zheyang	Suzhou Guyu Qiuchuang Equity Investment Partnership (Limited Partnership)	Representative of executive partner	2013/8/30	2020/6/18	No
Lin Zheyang	Beijing LiDar360 Technology Co., Ltd.	Director	2016/5/5	Present	No
Lin Zheyang	Ningbo Meishan Bonded Port Area Tongfeng Investment Management Co., Ltd.	Chairman	2018/4/17	Present	No
Lin Zheyang	GCH Technology Co., Ltd.	Director	2015/12/22	Present	No
Lin Zheyang	Star UAV System Co., Ltd.	Chairman	2019/4/11	Present	No
Lin Zheyang	Fuzhou Yuanzhang Trading Co., Ltd.	Executive director	2019/6/6	Present	No
Lin Zheyang	KOOLEARN TECHNOLOGY HOLDING LIMITED	Independent non-executive director	2020/1/20	Present	Yes
Lin Zheyang	Suzhou Guyu Dingruo Equity Investment Management Partnership (Limited Partnership)	Representative of executive partner	2020/5/14	Present	No
Lin Zheyang	Aerospace Times Feipeng Co., Ltd.	Director	2020/12/25	Present	No
Zhang Yichen	Best Castle Limited	Director	2007/11/15	Present	No
Zhang Yichen	CC (2015B) GP Ltd.	Director	2015/4/24	Present	No
Zhang Yichen	CCAIM Holdings Limited	Director	2007/11/30	Present	No
Zhang Yichen	CCHL Management Holding Ltd.	Director	2016/1/27	Present	No
Zhang Yichen	CCP Holdings Ltd.	Director	2010/6/8	Present	No
Zhang Yichen	CCVP (HK) Limited	Director	2012/1/17	Present	No
Zhang Yichen	CCVP Advisory Ltd.	Director	2012/1/17	Present	No
Zhang Yichen	CCVP GP Ltd.	Director	2012/1/17	Present	No
Zhang Yichen	China Venture Capital and Private Equity Association Limited	Director	2008/2/18	Present	No

Name	Name of the shareholder entity	Position in shareholder entity	Start date	End date	Receives payment from the shareholder entity?
Zhang Yichen	CITIC Capital Asset Management Limited	Chairman of the Board of Directors	2004/12/30	Present	No
Zhang Yichen	CITIC Capital China Mezzanine Fund Limited	Chairman of the Board of Directors	2005/12/23	Present	No
Zhang Yichen	CITIC Capital Construction Machinery Investments Limited	Director	2008/6/30	Present	No
Zhang Yichen	CC Finance Limited	Director	2006/2/1	Present	No
Zhang Yichen	CC Financial Holding Limited	Director	2007/8/31	Present	No
Zhang Yichen	CITIC Capital Global Services Holdings Limited	Director	2007/7/31	Present	No
Zhang Yichen	CITIC Capital Guaranty Investments Ltd.	Director	2010/2/26	Present	No
Zhang Yichen	CITIC Capital Hoisting Machinery Investments Limited	Director	2008/6/30	Present	No
Zhang Yichen	CITIC Capital Holdings Limited	Chairman of the Board of Directors	2002/5/27	Present	Yes
Zhang Yichen	CITIC Capital Iceland Investment Limited	Director	2005/1/21	Present	No
Zhang Yichen	CC Investment Consulting Limited	Director	2007/11/21	Present	No
Zhang Yichen	CC Investment Holdings Limited	Director	2003/6/6	Present	No
Zhang Yichen	CCMB (HK) Limited	Director	2006/6/30	Present	No
Zhang Yichen	CITIC Capital MB Investment Limited	Director	2005/12/19	Present	No
Zhang Yichen	CITIC Capital Ming Kang Healthcare Investment Holdings Limited	Director	2007/4/23	Present	No
Zhang Yichen	CITIC Capital Partners Group Ltd.	Director	2005/12/19	2020/12/31	No
Zhang Yichen	CITIC Capital Partners Holdings Ltd.	Director	2005/12/19	2020/12/31	No
Zhang Yichen	CITIC Capital Partners Limited	Chairman of the Board of Directors	2003/1/3	Present	No
Zhang Yichen	CITIC Capital Silk Road GP Ltd.	Director	2016/2/1	Present	No
Zhang Yichen	CITIC Capital Special Investment Holdings Limited	Director	2011/8/5	Present	No
Zhang Yichen	CITIC Kazyna GP Ltd.	Director	2008/10/29	Present	No
Zhang Yichen	CITIC Kazyna Investment Advisor (Hong Kong) Limited	Director	2010/5/26	Present	No
Zhang Yichen	CITIC Kazyna Manager Ltd.	Director	2008/10/29	Present	No
Zhang Yichen	CKIF CITIC Capital Carry GP Ltd.	Director	2012/8/24	Present	No
Zhang Yichen	CP Management Holdings Limited	Chairman	2009/4/8	Present	No
Zhang Yichen	Dalton Foundation Limited	Director	2014/9/22	Present	No
Zhang Yichen	Excel Wisdom Holding Limited	Director	2012/6/20	Present	No
Zhang Yichen	Fuwa Heavy Industry Co., Ltd.	Deputy Chairman	2008/1/7	Present	No
Zhang Yichen	Harbin Pharmaceutical Group Holding Company Ltd.	Chairman	2005/8/1	Present	No
Zhang Yichen	Ming Kang Healthcare Investment Limited	Director	2007/5/8	Present	No

Name	Name of the shareholder entity	Position in shareholder entity	Start date	End date	Receives payment from the shareholder entity?
Zhang Yichen	Multifield International Limited	Director	2005/4/26	Present	No
Zhang Yichen	Mutual Glory International Limited	Director	2015/2/17	Present	No
Zhang Yichen	Peace Investment Limited	Director	2011/8/10	Present	No
Zhang Yichen	Perfect Business Limited	Director	2007/11/21	Present	No
Zhang Yichen	Perfect Move Investments Limited	Director	2007/11/15	Present	No
Zhang Yichen	Pioneer Way Investments Limited	Director	2006/10/9	Present	No
Zhang Yichen	Prosper Glory Investments Limited	Director	2007/2/12	Present	No
Zhang Yichen	Sina Corporation	Director	2002/5/1	Present	No
Zhang Yichen	Skipper Holdings Limited	Director	2014/1/15	Present	No
Zhang Yichen	Smart Goal Limited	Director	2016/1/27	Present	No
Zhang Yichen	Sun Success International Limited	Director	2003/1/7	Present	No
Zhang Yichen	Super Sun Profits Limited	Director	2005/10/4	Present	No
Zhang Yichen	Treasure Land Holdings Limited	Director	2016/1/27	Present	No
Zhang Yichen	Genertec Universal Medical Group Company Limited	Chairman and Non-executive director	2012/6/19	Present	No
Zhang Yichen	World Profit International Capital Limited	Director	2010/2/19	Present	No
Zhang Yichen	Benyuan Investment Advisory (Beijing) Co., Ltd.	Director	2012/3/28	Present	No
Zhang Yichen	Jiaqiang (Shanghai) Consulting Co., Ltd.	Director	2003/5/7	Present	No
Zhang Yichen	Kaixin Venture Capital Management (Beijing) Co., Ltd.	Chairman	2008/8/1	Present	No
Zhang Yichen	Kaixin Venture Capital Co., Ltd.	Director	2008/8/1	Present	No
Zhang Yichen	Shanghai Stefford Real Estate Co., Ltd.	Director	2015/6/5	Present	No
Zhang Yichen	Shanghai Xinming Investment Consulting Co., Ltd.	Director	2007/11/6	Present	No
Zhang Yichen	CC Full Joy (Dalian) Co. Ltd.	Director	2008/8/13	Present	No
Zhang Yichen	CITIC Capital (Tianjin) Equity Investment Partnership (Limited Partnership)	Representative of executive partner	2009/7/15	Present	No
Zhang Yichen	CITIC Capital (Tianjin) Investment Management Partnership (Limited Partnership)	Representative of executive partner	2009/7/15	Present	No
Zhang Yichen	CITIC Capital (China) Investment Co., Ltd.	Director	2008/4/22	Present	No
Zhang Yichen	Siqi Cultural Tourism Investment (Chengdu) Co., Ltd.	Chairman	2016/3/8	Present	No
Zhang Yichen	Fast Food Holdings Limited	Director	2016/12/9	Present	No
Zhang Yichen	RCIF Asset Management Limited	Director	2016/11/8	Present	No
Zhang Yichen	RCIF Partners GP Limited	Director	2016/11/8	Present	No
Zhang Yichen	Shenhua Group Co., Ltd.	Director	2013/8/1	Present	No
Zhang Yichen	CITIC Capital Equity Investment (Tianjin) Co., Ltd.	Chairman	2010/12/14	Present	No
Zhang Yichen	CITIC Capital Alternative Investment Management Limited	Director	2007/11/30	Present	No

Name	Name of the shareholder entity	Position in shareholder entity	Start date	End date	Receives payment from the shareholder entity?
Zhang Yichen	CCHL Management Holding II Ltd.	Director	2017/3/15	Present	No
Zhang Yichen	CITIC Capital Charitable Foundation Limited	Director	2011/5/26	Present	No
Zhang Yichen	CITIC Capital Special Situations Advisory Limited	Director	2017/5/8	Present	No
Zhang Yichen	CITIC Capital Special Situations GP Limited	Director	2017/5/8	Present	No
Zhang Yichen	CITIC Capital Special Situations Holdings Limited	Director	2017/5/5	Present	No
Zhang Yichen	CITIC Capital Special Situations Management Limited	Director	2017/5/8	Present	No
Zhang Yichen	Grand Foods Holdings Limited	Chairman	2017/7/31	Present	No
Zhang Yichen	Stockbridge Capital Group, LLC	Director	2017/1/1	Present	No
Zhang Yichen	Ultra Brilliant Advisory Limited	Director	2017/5/8	Present	No
Zhang Yichen	CITIC Capital (Ningbo) Investment Management Co., Ltd.	Chairman	2017/5/3	Present	No
Zhang Yichen	Pengwei Investment Consulting (Shanghai) Co., Ltd.	Director	2015/8/28	Present	No
Zhang Yichen	CITIC (Shenzhen) Innovative Equity Investment Management Co., Ltd.	Chairman	2018/10/24	Present	No
Zhang Yichen	CC (2018A) GP Limited	Director	2018/7/16	2020/12/31	No
Zhang Yichen	CITIC Capital OI GP Ltd.	Director	2018/11/23	Present	No
Zhang Yichen	CCOI Investment Holdings Limited	Director	2018/11/23	Present	No
Zhang Yichen	CCP Fast Food Holdings Limited	Director	2016/12/14	Present	No
Zhang Yichen	Frontier Strategic Resources Services Ltd.	Director	2019/6/5	Present	No
Zhang Yichen	Frontier Strategic Resources Holding Ltd.	Director	2019/6/5	Present	No
Zhang Yichen	Frontier Strategic Resources GP Ltd.	Director	2019/6/5	Present	No
Zhang Yichen	Cityneon Holdings Pte. Ltd.	Director	2019/5/31	Present	No
Zhang Yichen	Global Nature Investment Holdings Limited	Director	2019/9/23	Present	No
Zhang Yichen	CCHL Investment Holdings Limited	Director	2020/2/19	Present	No
Zhang Yichen	Trustar Capital Holdings Limited	Director	2020/2/20	Present	No
Zhang Yichen	CCHL Fast Food Holdings Limited	Director	2019/8/12	Present	No
Zhang Yichen	Xinchen Capital Company Limited	Director	2020/3/20	Present	No
Zhang Yichen	China Vanke Co.,Ltd.	Independent non-executive director	2020/6/30	Present	Yes
Zhang Yichen	AsialInfo Technologies Limited	Non-executive director	2018/6/26	Present	No
Zhang Yichen	Frontier Services Group Limited	Non-executive director	2020/3/24	Present	No
Zhang Yichen	Xinchen Capital (Tianjin) Investment Management Co., Ltd.	Chairman	2020/8/26	Present	No
Zhang Yichen	Harbin Pharmaceutical Group Co.,Ltd.	Chairman	2021/1/9	Present	No
Zhang Yichen	Trustar Capital Company Limited	Director	2020/9/28	Present	No
Zhang Yichen	Doha Venture Capital LLC	Non-executive director	2019/6/19	Present	No

Name	Name of the shareholder entity	Position in shareholder entity	Start date	End date	Receives payment from the shareholder entity?
Liu Chengwei	Suzhou Oriza Holdings Co., Ltd.	President and Deputy Chairman	2016/3/22	Present	Yes
Liu Chengwei	China-Singapore Suzhou Industrial Park Ventures Co., Ltd.	Chairman and General Manager	2016/5/3	Present	No
Liu Chengwei	Suzhou Industrial Park Shahu Financial Services Co., Ltd.	Executive director	2016/5/3	Present	No
Liu Chengwei	Cowin Venture Capital Co., Ltd.	Executive director and General Manager	2016/4/22	Present	No
Liu Chengwei	Suzhou Industry Zone Yuandian Venture Capital Co.,Ltd.	Executive director and General Manager	2016/4/22	Present	No
Liu Chengwei	Oriza Equity Investment Fund Management Co., Ltd.	Chairman and General Manager	2016/4/22	Present	No
Liu Chengwei	China Development KeyWin Equity Investment Fund Management Co., Ltd.	Director	2016/4/22	Present	No
Liu Chengwei	SINO-IC Capital LTD.	Director	2016/4/22	Present	No
Liu Chengwei	Suzhou Industrial Park Oriza Chenkun Equity Investment Fund Management Center (Limited Partnership)	Representative of executive partner	2016/4/22	Present	No
Liu Chengwei	Suzhou Industrial Park Oriza Yuandian Venture Capital Management Co., Ltd.	Chairman	2016/4/22	Present	No
Liu Chengwei	Suzhou Industrial Park Oriza Chongyuan Equity Investment Fund Management Co., Ltd.	Chairman	2016/4/22	Present	No
Liu Chengwei	Suzhou Oriza Kaifeng Venture Capital Management Co., Ltd.	Chairman	2016/4/22	2020/1/13	No
Liu Chengwei	Huayi Venture Capital Management (Suzhou) Co., Ltd.	Chairman	2016/4/27	Present	No
Liu Chengwei	Suzhou Industrial Park Guochuang Venture Capital Co.,Ltd.	Director, General Manager	2016/4/27	Present	No
Liu Chengwei	Suzhou Derui Hengfeng Venture Capital Co., Ltd.	Chairman	2016/4/27	Present	No
Liu Chengwei	Tibet Kaifeng Enterprising Venture Capital Co., Ltd.	Director	2016/4/27	Present	No
Liu Chengwei	Guochuang Yuanhe Venture Capital Fund (Limited Partnership)	Representative of executive partner	2016/4/27	Present	No
Liu Chengwei	Suzhou Industrial Park Chongyuan Shunfeng Equity Investment Management Center (Limited Partnership)	Representative of executive partner	2016/4/27	Present	No
Liu Chengwei	Suzhou Industrial Park Oriza Shunfeng Equity Investment Company (Limited Partnership)	Representative of executive partner	2016/4/27	Present	No
Liu Chengwei	Suzhou Industrial Park Oriza Chongyuan M&A Equity Investment Fund Partnership (Limited Partnership)	Representative of executive partner	2016/4/27	Present	No
Liu Chengwei	Suzhou Industrial Park Chongyuan Qijia Equity Investment Company (Limited Partnership)	Representative of executive partner	2016/4/27	Present	No

Name	Name of the shareholder entity	Position in shareholder entity	Start date	End date	Receives payment from the shareholder entity?
Liu Chengwei	Suzhou Industrial Park Chongyuan M&A Equity Investment Management Center (Limited Partnership)	Representative of executive partner	2016/4/27	Present	No
Liu Chengwei	Suzhou Industrial Park Oriza Bingsheng Equity Investment Fund Partnership (Limited Partnership)	Representative of executive partner	2016/4/27	Present	No
Liu Chengwei	Suzhou Industrial Park Guochuang Oriza Phase II Venture Capital Co., Ltd.	Executive director	2016/4/27	Present	No
Liu Chengwei	Infiniti-China-Singapore Venture Capital Firm	Joint Management Committee member	2016/4/27	Present	No
Liu Chengwei	Suzhou Hewen Investment Management Co., Ltd.	Chairman	2016/5/11	Present	No
Liu Chengwei	Suzhou Hewen Investment Partnership (Limited Partnership)	Representative of executive partner	2016/5/11	Present	No
Liu Chengwei	Chinese Culture Limited Liability Company	Director	2016/5/11	Present	No
Liu Chengwei	CMC Holdings Limited	Director	2016/5/11	Present	No
Liu Chengwei	Huayuan Management Consulting (Hong Kong) Co., Ltd.	Executive director	2016/8/29	Present	No
Liu Chengwei	Oriza Management Consulting (Hong Kong) Co., Ltd.	Executive director	2016/10/18	Present	No
Liu Chengwei	Suzhou Industrial Park Oriza Chongyuan Youyun Equity Investment Management Center (Limited Partnership)	Representative of executive partner	2016/12/28	Present	No
Liu Chengwei	Suzhou Industrial Park Oriza Chongyuan Youyun Venture Capital Enterprise (Limited Partnership)	Representative of executive partner	2016/12/28	Present	No
Liu Chengwei	Suzhou Industrial Park Oriza Runxin Equity Investment Management Co., Ltd.	Executive director	2017/7/22	Present	No
Liu Chengwei	Suzhou Infinity Innovation Nanotechnology Co., Ltd.	Director	2017/7/26	2020/9/7	No
Liu Chengwei	Tongcheng Holdings Co., Ltd.	Director	2017/11/1	Present	No
Liu Chengwei	Suzhou Industrial Park Yuanhe Emerging Industry Investment Management Co., Ltd.	Executive director	2017/9/27	Present	No
Liu Chengwei	Yuanhe Houwang (Suzhou) Investment Management Co., Ltd.	Chairman	2017/9/22	Present	No
Liu Chengwei	Yuanhe Puhua (Suzhou) Investment Management Co., Ltd.	Chairman	2018/1/10	Present	No
Liu Chengwei	Jiangsu Jiequan Yuanhe IPR Science and Technology Fund (Limited Partnership)	Representative of executive partner	2019/2/26	Present	No
Deng Weidong	China Merchants (Liaoning) Port Development Co., Ltd.	Executive director and General Manager	2018/5/16	2021/1/8	No
Deng Weidong	China Merchants Group Gangtong Development (Shenzhen) Co., Ltd.	Executive director and General Manager	2018/1/16	Present	No
Deng Weidong	Chongqing Globalbill Cross-border Technology Co., Ltd.	Director	2014/4/23	Present	No
Deng Weidong	Broadford Global Limited	Director	2017/11/27	2020/7/7	No

Name	Name of the shareholder entity	Position in shareholder entity	Start date	End date	Receives payment from the shareholder entity?
Deng Weidong	Rainbow Giant Limited	Director	2018/2/9	Present	No
Deng Weidong	China Merchants Property Operation & Services Co., Ltd.	Director	2019/12/12	Present	No
Deng Weidong	China Merchants Energy Shipping Co. Ltd	Director	2019/4/26	Present	No
Deng Weidong	China Merchants Investment Development Co., Ltd.	General Manager	2020/4/13	Present	No
Deng Weidong	Shenzhen Zhaoguang Investment Co., Ltd.	Chairman and General Manager	2020/5/14	Present	No
Deng Weidong	China International Marine Containers (Group) Co., Ltd.	Director	2020/10/9	Present	No
Lo Sai Lai	Jolokia Partner Limited	Director	2012/5/12	Present	No
Lo Sai Lai	Jolokia Holding Limited	Director	2013/4/10	Present	No
NG Wai Ting	SF Charity Foundation	Director	2016/10/26	Present	No
Shum Tze Leung	Kings (HK) International Limited	Director	2019/2/1	Present	No
Shum Tze Leung	Kin Shun Information Technology Holdings Limited	Director	2019/2/1	Present	No
Zhou Zhonghui	Shanghai Fudan Zhangjiang Biopharmaceutical Co., Ltd.	Independent non-executive director	2013/5/1	Present	Yes
Zhou Zhonghui	COSCO SHIPPING Holdings Co., Ltd.	Independent non-executive director	2017/5/28	Present	Yes
Zhou Zhonghui	Goldman Sachs Gao Hua Securities Company Limited	Independent non-executive director	2017/9/19	Present	Yes
Zhou Zhonghui	CITIC Securities Company Limited	Independent non-executive director	2019/5/27	Present	Yes
Zhou Zhonghui	CloudWalk Technology Co., Ltd.	Director	2019/12/10	Present	Yes
Chow Wing Kin Anthony	Global Chairman of Guantao Law Firm (Hong Kong)	Senior consultant	2016/2/1	Present	Yes
Chow Wing Kin Anthony	Kingmaker Footwear Holdings Limited	Non-executive director	1994/6/10	Present	Yes
Chow Wing Kin Anthony	Hong Kong Railway Company Limited	Independent non-executive director	2016/5/18	Present	Yes
Chow Wing Kin Anthony	WeBank Co., Ltd.	Independent non-executive director	2014/12/16	2020/12/15	Yes
Chow Wing Kin Anthony	Hong Kong Jockey Club	Chairman of the board	2018/8/30	2020/6/22	No
Chow Wing Kin Anthony	Riding For The Disabled Association Limited	Director and Chairman	2018/12/3	2020/12/1	No
Chow Wing Kin Anthony	Ping An Healthcare and Technology Company Limited	Independent non-executive director	2018/5/4	Present	Yes
Chow Wing Kin Anthony	OneConnect Financial Technology Co., Ltd	Independent non-executive director	2020/10/1	Present	Yes
Jin Li	CITIC aiBank Corporation Limited	Independent non-executive director	2017/9/5	Present	Yes

Name	Name of the shareholder entity	Position in shareholder entity	Start date	End date	Receives payment from the shareholder entity?
Jin Li	Da Cheng Fund Management CO., LTD.	Director	2016/4/25	Present	Yes
Dicky Peter Yip	South China Holdings Limited	Independent non-executive director	2012/12/10	2020/6/16	Yes
Dicky Peter Yip	Sun Hung Kai Properties Development Co., Ltd.	Non-executive director and Chairman	2004/9/28	Present	Yes
Dicky Peter Yip	Ping An OneConnect Bank (Hong Kong) Limited	Non-executive director and Chairman	2019/8/30	Present	Yes
Chan Fei	Hubei International Aviation Industry New Town Development Co., Ltd.	Director	2016/12/8	Present	No
Li Sheng	SF Charity Foundation	Director	2016/10/26	Present	No
Xu Zhijun	CR-SF International Express Co., Ltd.	Deputy Chairman	2018/6/28	Present	No
Gan Ling	Sunrise Capital Feeder Fund Ltd.	Director	2015/4/16	Present	No
Notes to posts held at other companies	N/A				

Details on Company's current and dismissed directors, supervisors, and senior executives during the reporting period who got punishments from Securities Regulatory Institution in the past three years

Applicable Not applicable

IV. Remuneration for Directors, Supervisors, and Senior Managers

In order to further improve the remuneration management system for the Company's directors, supervisors, and senior executives, establish an incentive and restraint mechanism compatible with the modern enterprise system, match responsibilities with rights, and fully mobilize the enthusiasm of the Company's directors, supervisors, and senior executives, the Company formulated the Management System of Remuneration of Directors, Supervisors, and Senior Executives, which was reviewed and approved on the Company's 2017 Second Extraordinary General Meeting of Shareholder, and the amendment was reviewed and approved on the Company's 2020 First Extraordinary General Meeting of Shareholder.

According to the Management System of Remuneration of Directors, Supervisors, and Senior Executives, the Company pays allowances to independent directors each year. The amount of the allowances is subject to the Company's Shareholders' General Meeting. The allowances for independent directors are issued from the next month following the day when the Shareholders' General Meeting passes their resolutions.

The Company does not provide separate allowances for external directors, internal directors, external supervisors, and internal supervisors. Internal directors and internal supervisors receive remuneration for senior executive or other positions concurrently held by them.

The Company implements the annual salary system for senior executives. The remuneration structure consists of three parts: basic salary, performance-based annual salary, and long-term incentives. The remuneration and appraisal committee of the Company's Board of Directors is responsible for assessing senior executives and determining their remuneration. The remuneration of the Company's internal directors, internal supervisors, and senior executives is issued according to the Company's salary system.

Remuneration of directors, supervisors, senior executives during the reporting period

Unit: RMB10 thousands

Name	Position	Gender	Age	Current/ Former	Total Before-tax Remuneration Gained from the Company	Whether Gained Remuneration from the Related Parties of the Company
Wang Wei	Chairman and General Manager	Male	51	Current	112.20	No
Lin Zheyang	Deputy Chairman	Male	57	Current	-	Yes
Zhang Yichen	Director	Male	58	Current	-	Yes
Deng Weidong	Director	Male	54	Current	-	Yes
Liu Chengwei	Director	Male	51	Current	-	Yes
Lo Sai Lai	Director	Male	59	Current	-	No
Chan Fei	Director and Deputy General Manager	Male	46	Current	365.00	No
NG Wai Ting	Director, Deputy General Manager, CFO	Female	50	Current	445.04	No
Zhou Zhonghui	Independent Director	Male	74	Current	68.00	Yes
Chow Wing Kin Anthony	Independent Director	Male	71	Current	68.00	Yes
Jin Li	Independent Director	Male	51	Current	68.00	Yes
Dicky Peter Yip	Independent Director	Male	74	Current	68.00	Yes
Sun Xun	Chairman of the Board of Supervisors	Male	44	Resigned	115.48	No
Shum Tze Leung	Supervisor	Male	56	Current	174.34	No
Li Jilu	Supervisor	Male	74	Current	-	Yes
Li Li	Supervisor	Female	49	Resigned	195.62	No
Li Juhua	Supervisor	Female	42	Current	177.13	No
Li Sheng	Deputy General Manager	Male	55	Current	453.08	No
Xu Zhijun	Deputy General Manager	Male	45	Current	292.21	No
Gan Ling	Deputy General Manager and Secretary of the Board	Female	47	Current	251.72	No
Total	-	-	-	-	2,853.82	-

Equity incentives awarded to directors and senior executives of the Company during the reporting period

 Applicable Not applicable

V. Employees of the Company

1. Number of employees, role type, and educational background

Number employees of the parent company (person)	–
Number employees of major subsidiaries (person)	121,925
Total number of employees (person)	121,925
Total number of employees receiving a salary during the reporting period (person)	121,925

Role type

Category	Number (person)
Operations personnel	66,015
Professional personnel	36,039
Management personnel	19,871
Total	121,925

Educational background

Category	Number (person)
Doctorate	56
Master' degree	3,643
Bachelor' degree	26,535
Associate' degree	28,896
High school and below	62,795
Total	121,925

2. Remuneration policy

SF adheres to the remuneration concept of high reward and takes value creation as the incentive orientation. For employees with a high value contribution, the Company provides a market-competitive remuneration and reward system to ensure the internal momentum of the Company for sustainable development.

The Company determines the salary based on posts and offers a market level of remuneration. Bonuses are determined based on the contributed value, which reflects the differences and stimulates the performance. Through a diversified, long-term and short-term incentive mechanism, we attract and retain the Company's core talents so that the interests of the core staff can be more closely aligned with the interests of the shareholders and the Company, thus driving the Company's long-term business performance to continue to grow.

3. Training plan

Along with the rapid growth of the Company, SF Holding has been pursuing rapid growth with employees. In order to ensure training is implemented in each department, the Company has established a top-down, clear-cut training organization system to ensure that all training is conducted by dedicated personnel and is actually implemented.

(1) SF University: Develops training plans and stipulates training standards. It is responsible for overall planning, research, standards, and coordination of the Company's training. In addition, SF University serves as SF Holding's talent cultivation base, focusing on the construction of training resources and the training platform as well as the design and implementation of key talent training projects.

(2) Human Resources Learning and Development Groups: Learning and Development Groups are responsible for the training and management of employees in each department. They collect training demands of the business departments, provide solutions, and implement training management. They also focus on the management of daily training in the business areas of each department.

(3) Managers at all levels: They are responsible for the training of subordinate employees during daily work to grow talent for the Company.

The Company's training management system comprehensively constructs a learning ecology through four aspects: managerial training, professional training, cultivation of new employees, and learning platform construction. It also enhances employees' abilities and qualities while continuing to consolidate the software and hardware construction of the Internet learning platform as well as investment in software and hardware teaching venues and facilities.

(1) Managerial training: The Company customizes training programs for managers; provides cutting-edge, professional, and diverse cross-border sharing and elite open class platforms; helps managers create changeable thinking and enhance their leadership, thus boosting the Company's strategic transformation and supporting business operations.

(2) Professional training: The Company customizes professional training programs for medium-level and grass-roots employees and provides elite open class platforms for general-purpose capabilities in the workplace, to help employees continue to improve in their professional fields, and to comprehensively improve the general-purpose capabilities of the workplace for better performance.

(3) Cultivation of new employees: The Company provides regular training to new employees to accelerate their integration into the Company and make contributions. By providing special training programs and introduction training for college recruits, the Company helps new employees integrate into corporate culture and grow rapidly and professionally.

(4) Learning platform construction: The Company has constructed a learning platform that integrates knowledge management, training management, curriculum management, case management, and learning experience, to provide a complete ecosystem of learning, sharing, and communication for employees throughout the Company.

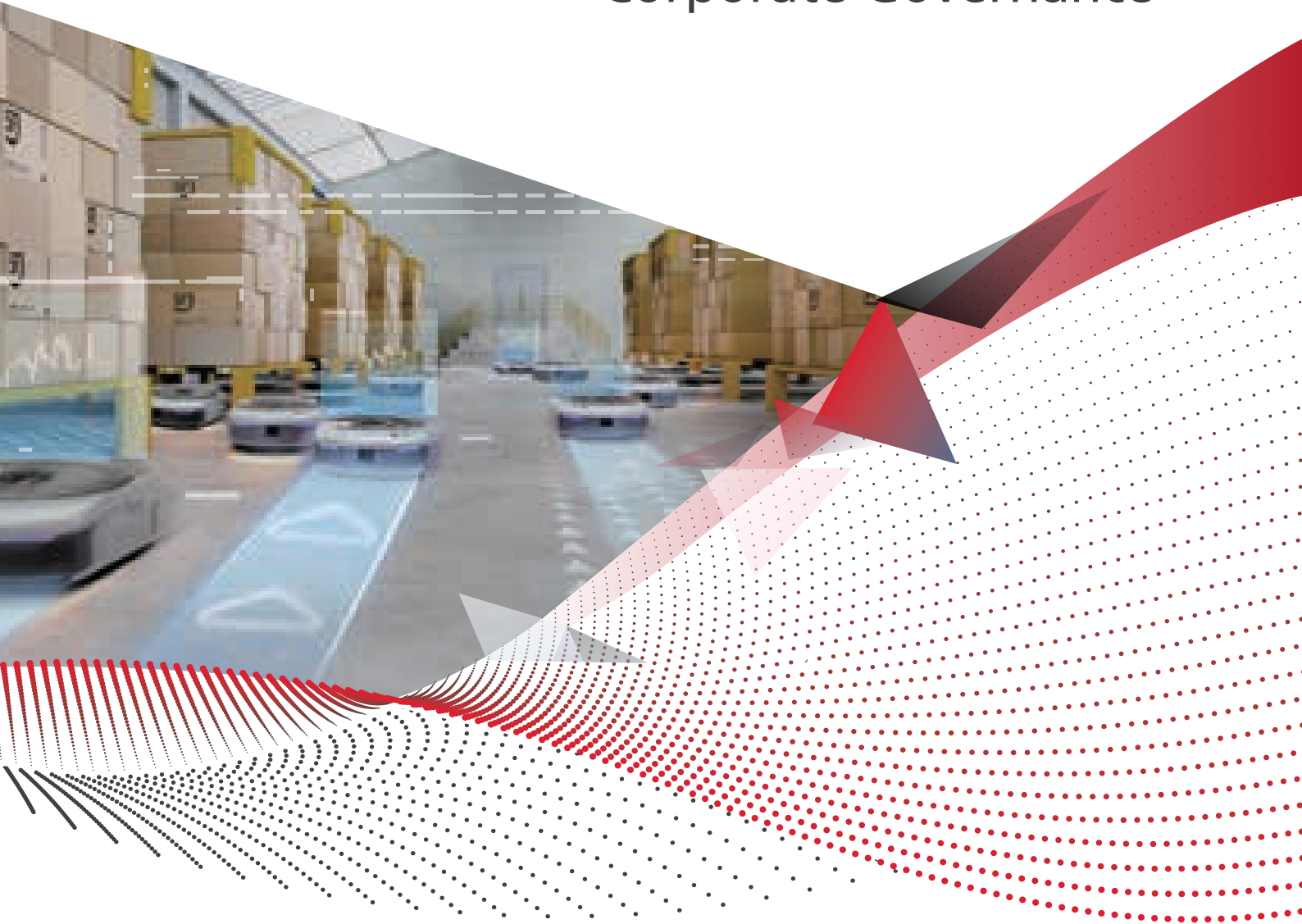
4. Labor outsourcing

Applicable Not applicable

The Company did not have a large number of labor dispatch during the reporting period.

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Corporate Governance



I. Corporate Governance Details

In accordance with the requirement of Company Law, Securities Law, Code of Corporate Governance for Listed Companies in China and Stock Listing Rules of Shenzhen Stock Exchange, Guidelines of the Shenzhen Stock Exchange for Standardized Operation of Companies Listed as well as relevant laws and regulations of CSRC and Shenzhen Stock Exchange, the Company stipulated the Articles of Corporation and other internal control regulations, improved its corporate governance structure, internal management and control system, and normalized company behaviors. The actual conditions of corporate governance met the requirements of the regulatory documents with respect to the corporate governance structure of listed companies issued by CSRC.

1. Shareholders and the Shareholders' General Meeting

During the reporting period, the Company standardized the gathering, convening, and voting procedures of shareholders' general meetings in strict accordance with Securities Law, Company Law, and relevant laws and regulations to effectively guarantee the rights and interests of minority shareholders and equally treat all investors so that they can fully exercise their rights. The Company hired lawyers to attend shareholders' general meetings and issue legal opinions for the holding and voting procedures of the shareholders' general meetings. In this way, the legal rights and interests of all shareholders were fully respected and safeguarded.

2. Controlling shareholders and the Company

The Company's controlling shareholders strictly regulated shareholder behavior in accordance with the Code of Corporate Governance for Listed Companies in China, Stock Listing Rules of Shenzhen Stock Exchange, and Articles of Corporation. The controlling shareholders exercised shareholder rights through the Shareholders' General Meeting, and there was no direct or indirect interference with the Company's operations and decision-making beyond the Shareholders' General Meeting and the Board of Directors.

3. Directors and the Board of Directors

The Company elects candidates for the Board of Directors in strict accordance with the Company Law, Articles of Corporation, and Regulated Opinions on Shareholders General Meetings of Listed Companies. The number and composition of the Board of Directors meet the requirements of laws and regulations.

The Board of Directors of the Company convened Board sessions in strict accordance with the relevant provisions of the Articles of Corporation, Working System for Independent Directors, and Rules of Procedure for the Board of Directors issued by Shenzhen Stock Exchange and other related regulations. All directors scrupulously attended the Board sessions, seriously examined various proposals, and fulfilled their duties diligently. Independent directors fulfilled their duties independently, safeguarded the Company's overall interests, and provided independent opinions on major and important issues.

4. Supervisors and supervisory committees

The Company elects candidates for the Board of Supervisors in strict accordance with the Company Law, Articles of Corporation, and Regulated Opinions on Shareholders General Meetings of Listed Companies. The number and composition of the Board of Supervisors meet the requirements of laws and regulations. The Board of Supervisors of the Company convened the Board sessions in strict accordance with the relevant provisions of the Articles of Corporation, Rules of Procedure for the Board of Supervisors, and other related regulations. All supervisors scrupulously attended the Board sessions, seriously fulfilled their duties diligently, and provided their opinions for major issues, related-party transactions, and financial status.

5. Information disclosure and transparency

The Company conscientiously performed information disclosure obligations in accordance with the requirements of the Articles of Corporation, Stock Listing Rules of Shenzhen Stock Exchange, and the relevant laws and regulations of the CSRC and the Shenzhen Stock Exchange. The Company designated Securities Times, Securities Daily, Shanghai Securities News, China Securities Journal, and Cninfo to disclose the Company's information in a true, accurate, and timely manner so that all shareholders of the Company can be fairly informed about the Company.

6. Investor relations management

During the reporting period, the Company strictly disclosed information in accordance with relevant laws and regulations and the Stock Listing Rules of Shenzhen Stock Exchange to ensure that all shareholders of the Company can access to information on an equal basis. In addition, the Company designated the Secretary of the Board of Directors as the head of investor relations management

to organize and implement the daily management of investor relations and promptly answer investors' questions in the form of phone calls, email, and interactions. The Company designated the Securities Affairs Department as a specialized investor relations management agency to strengthen communications with investors and fully guarantee investors' rights to know.

7. Performance appraisals and incentives

Through performance appraisals, the Company effectively implemented a comprehensive assessment of each employee and further understood each employee's work ability and expertise, thereby effectively adjusting appropriate positions for employees and achieving the goal of performance appraisal. The Company is gradually improving the performance appraisal mechanism. The remuneration of the Company's senior executives and medium-level management personnel is linked to the Company's operating performance indicators.

8. Interested parties

The Company can fully respect and safeguard the legitimate rights and interests of relevant stakeholders, coordinate and balance the interests of shareholders, employees, communities and others, and jointly promote the Company's sustained and healthy development. The Company will continue to further its governance, perfect its corporate governance structure, disclose information to enhance the Company's transparency, strengthen investor relations management, and protect the interests of small and medium investors.

Are there any differences between the Company's actual governance status and the Company Law and relevant rules of CSRC?

Yes No

There is no material difference between the Company's governance status and the Company Law and relevant rules of CSRC.

II. Details of the Company's Separation from the Controlling Shareholder with Respect to Business, Personnel, Assets, Organization, and Financial Affairs

The Company has established and improved the Company's corporate governance structure in strict accordance with the Company Law, Securities Law, Articles of Corporation, and relevant laws and regulations. The Company was independent from the controlling shareholder in business, personnel, assets, organization, and finance to realize independent business and self-management.

III. Horizontal Competition

Applicable Not applicable

IV. Details about the Annual Shareholders' General Meeting and Extraordinary Shareholders' General Meetings Held during the Reporting Period

1. Details about the shareholders' general meeting during the reporting period

Meeting	Meeting Type	Investor Participation %	Date Convened	Disclosure Date	Disclosure Index
2019 Annual General Meeting	Annual General Meeting	75.7435%	April 15, 2020	April 16, 2020	"2019 Annual General Meeting Resolutions" (2020-034) (http://www.cninfo.com.cn)
First Extraordinary General Meeting of Shareholders of 2020	Extraordinary General Meeting	69.0680%	September 16, 2020	September 17, 2020	"Resolutions of the First Extraordinary General Meeting of 2020" (2020-100)(http://www.cninfo.com.cn)

2. Extraordinary Shareholders' General Meeting requested by the preferred shareholder with restitution of voting right

Applicable Not applicable

V. Performance of Independent Directors

1. Details of independent director attendance at board sessions and shareholders' general meetings

Details of independent director attendance at board sessions and shareholders' general meetings							
Independent director	Sessions required to attend during the reporting period (times)	Attendance in person (times)	Attendance by way of telecommunication (times)	Entrusted presence (times)	Absence (times)	Nonattendance In person for two consecutive times	Attendance in shareholders' meeting
Zhou Zhonghui	8	2	6	0	0	No	1
Chow Wing Kin Anthony	8	0	8	0	0	No	1
Jin Li	8	1	7	0	0	No	1
Dicky Peter Yip	8	0	8	0	0	No	0

Information about directors who do not attend in-person two or more board meetings in a row.

N/A

2. Details on independent directors objecting to relevant events

Did independent directors object to relevant events?

Yes No

During the reporting period, no independent directors objected to relevant events of the Company.

3. Other details about the performance of independent directors

Was advice to the Company from independent directors adopted?

Yes No

Explanation of advice of independent directors for the Company being adopted

During the reporting period, the Company's independent directors were able to exercise their duties and perform their duties as independent directors. They carefully reviewed the issues of the Board of Directors and actively expressed suggestions and opinions, which played a catalytic role in the normal operations and scientific decision-making of the Board of Directors. The independent directors of the Company, with their rich professional experience, put forward many guiding opinions and rational suggestions on the Company's development strategy and standardized operation.

During the reporting period, the independent directors of the Company issued professional and objective independent opinions on major issues reviewed by the Board of Directors. For details, refer to the 2020 Independent Directors' Debriefing Report published on www.cninfo.com on the same day as this Annual Report.

VI. Performance of Special Committee Affiliated to the Board during the Reporting Period

The Company's Board of Directors consists of five special committees: Audit Committee, Remuneration and Appraisal Committee, Strategy Committee, Nomination Committee and Risk Management Committee.

1. Performance of audit committee

During the reporting period, the Audit Committee of the company's Board of Directors performed its duties in accordance with relevant regulations, understood the Company's financial status and operating conditions in detail, reviewed the Company's periodic reports, regular audits of the internal audit department, and special audit work etc., and reviewed the formulation and implementation of the Company's internal control systems. It effectively provided guidance and supervision on the Company's financial status and operating conditions.

2. Performance of remuneration and appraisal committee

During the reporting period, the Remuneration and Appraisal Committee of the Board of Directors reviewed and verified the release and payment of salary and allowance etc. of Directors and senior management personnel of the Company, reviewed the share repurchase and delisting under the Company's equity incentive plan, and provided guiding opinions on the management of compensation for Directors and senior management of the Company and management of equity incentives.

3. Performance of strategy committee

During the reporting period, the Strategy Committee of the Board of Directors conducted an in-depth analysis of the Company's operating status, development prospects, risks and opportunities of the industry in which it was located in accordance with the economic situation at home and abroad and the characteristics of the industry, and provided valuable suggestions for the implementation of the Company's development strategy, ensuring the scientific development planning and strategic decision-making of the Company and providing strategic support for the Company's sustained and steady development.

4. Performance of nomination committee

During the reporting period, the Nomination Committee of the Board of Directors of the Company performed its duties in accordance with relevant regulations, conducted in-depth discussion and demonstration on the qualifications of directors and senior executives of the Company, and searched for qualified Director and senior manager candidates on an extensive scale.

5. Performance of the Risk Management Committee

During the reporting period, the Risk Management Committee of the Company performed its duties in accordance with relevant regulations, guiding and evaluating the Company's overall risk management, supervising the effectiveness of the Company's risk management system, controlling and preventing internal and external risks of the Company, and protecting the rights and interests of all shareholders and stakeholders.

VII. Details on the Work of the Supervisory Committee

Were there risks in the Company according to the supervision of the Board of Supervisors during the reporting period?

Yes No

The Board of Supervisors raised no objection to matters under supervision during the reporting period.

VIII. Assessment and Incentive Mechanisms for Senior Executives

The Board of Directors of the Company has set up a Remuneration and Appraisal Committee. The senior executives are in the charge of the Board of Directors and assessed by the Board of Directors, which implemented an incentive mechanism with uniform power and responsibility. The Company's incentive mechanism is in line with the current status of the Company and related laws, regulations, and the Articles of Corporation, which fully enhances the sense of belonging of the Company's management team and core technicians, and effectively combines the interests of the shareholders, the Company, and the employees.

IX. Internal Controls

1. Details on material weakness found in the Company's internal control during reporting period

Yes No

2. Self-appraisal report on internal controls

Disclosure date of the Management's Report on Internal Control	March 18, 2021
Disclosure index of the Management's Report on Internal Control	http://www.cninfo.com.cn/
Proportion of total assets included in evaluation scope	100.00%
Proportion of operating revenue included in evaluation scope	100.00%

Deficiency Standards		
Category	Financial Report	Non-Financial Report
Qualitative criteria	<p>Material Weakness: A deficiency, or a combination of deficiencies, fails to prevent or detect a misstatement on a timely basis, resulting in material misstatement of the Company's annual financial statements. Those with the following characteristics should be recognized as material weakness:</p> <ol style="list-style-type: none"> 1. Identification of fraud, on the part of board of directors, board of supervisors, senior management; 2. Restatement of previously issued financial statements; 3. Identification by the auditor of a material misstatement of financial statements in the current period in circumstances that indicate that the misstatement would not have been detected by the Company's internal control; 4. Ineffective oversight of the Company's internal control by the Company's audit committee and internal audit. <p>Significant Deficiency: A deficiency or a combination of deficiencies fails to prevent or detect a misstatement on a timely basis, that is less severe than a material weakness and materiality, yet important enough to merit attention by board of directors and senior management.</p> <p>Control Deficiency: Other internal control deficiencies that do not meet the standards of material weakness or significant deficiency.</p>	<p>Material Weakness: A deficiency, or a combination of deficiencies causing material losses or has a significant negative impact on the Company. Those with the following characteristics should be recognized as material weakness:</p> <ol style="list-style-type: none"> 1. The Company's decision making process unreasonable; 2. Severe violate national laws and regulations; 3. Negative news frequently disclosed by the media which caused significant damage to the Company's reputation; 4. Lack of policy for major business or the policy operated ineffectively. <p>Significant Deficiency: A deficiency or a combination of deficiencies fails to prevent or detect a misstatement on a timely basis, probable cause losses or negative impact that is less severe than a material weakness and materiality, yet important enough to merit attention by board of directors and senior management.</p> <p>Control Deficiency: Other internal control deficiencies that do not meet the standards of material weakness or significant deficiency.</p>
Quantitative criteria	<p>Material Weakness: A deficiency or a combination of deficiencies probable results in misstatements of financial report that accounts for more than 5% (including 5%) of the profit before income taxes of the Company's consolidated financial statements of current period.</p> <p>Significant Deficiency: A deficiency, or a combination of deficiencies that probable result in misstatements of financial report accounting for 3% (including 3%) to 5% of the profit before income taxes of the Company's consolidated financial statements of current period.</p> <p>Control Deficiency: A deficiency, or a combination of deficiencies that probable result in misstatements of financial report accounting for less than 3% of the profit before income taxes of the Company's consolidated financial statements of current period.</p>	<p>Material weakness: A deficiency, or a combination of deficiencies probable result in losses that account for more than 5% (including 5%) of the profit before income taxes of the Company's consolidated financial statements of current period.</p> <p>Significant deficiency: A deficiency, or a combination of deficiencies that probable result in losses accounting for 3% (including 3%) to 5% of the profit before income taxes of the Company's consolidated financial statements of current period.</p> <p>Control Deficiency: A deficiency, or a combination of deficiencies that probable result in losses accounting for less than 3% of the profit before income taxes of the Company's consolidated financial statements of current period.</p>

Deficiency Standards		
Category	Financial Report	Non-Financial Report
Number of material weaknesses in the financial report		0
Number of material weaknesses of the non financial report		0
Number of Significant deficiencies in the financial report		0
Number of Significant deficiencies of the non financial report		0

X. Audit Report or Authentication Report on Internal Controls

Audit opinion in the Audit Report on Internal Controls

In our opinion, S.F. Holding maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in C-SOX and relevant regulations.

Particulars about Audit Report on Internal Controls	Disclosure
Disclosure date of the Audit Report on Internal Controls	March 18, 2021
Disclosure index of the Audit Report on Internal Controls	http://www.cninfo.com.cn/
Type of Audit Opinion	Unqualified Opinion
Is there a material weakness in the nonfinancial report	No

Did the auditor issue an Audit Report on Internal Controls with a non-standard opinion?

Yes No

Is the Audit Report on Internal Controls from the auditor consistent with the Self-assessment Report from the Board?

Yes No

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Corporate Bonds



Were there bonds publicly issued and listed on an exchange, either at or not at maturity, and are not fully paid on the approval report date of the annual report?

No

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Financial Statements



Type of Audit Opinion	Unqualified Opinion
Audit Report Signing Date	March 17, 2021
Audit Organization Name	PricewaterhouseCoopers Zhong Tian LLP
Audit Report No.	PricewaterhouseCoopers Zhongtian (2021) No. 10050
Certified Public Accountant Name	Chen Anqiang, Liu Jingping

Auditor's Report

PwC ZT Shen Zi (2021) No. 10050

To the shareholders of S.F. Holding Co., Ltd.,

Opinion

What we have audited

We have audited the accompanying financial statements of S.F. Holding Co., Ltd. ("S.F. Holding"), which comprise:

- the consolidated and company balance sheets as at 31 December 2020;
- the consolidated and company income statements for the year then ended;
- the consolidated and company cash flow statements for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended; and
- notes to the financial statements.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of S.F. Holding as at 31 December 2020, and their financial performance and cash flows for the year then ended in accordance with the requirements of the Accounting Standards for Business Enterprises ("CASs").

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of S.F. Holding in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Goodwill impairment assessment
- Accounting treatment of asset-backed securitisation
- Recognition of revenue from express & logistics and supply chain

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>(1) Goodwill impairment assessment (Note 2(19), Note 2(30)(a)(iii) and Note 4(21))</p> <p>As at 31 December 2020, the balance of the goodwill arising from the acquisition of SF supply chain business by S.F. Holding was approximately RMB2,851 million.</p> <p>Management engaged an independent valuer to conduct impairment assessment of above goodwill at the end of the year. The recoverable amount of SF Supply Chain Business's relevant asset group was determined by the present value of the future cash flows expected to be derived from the asset, and no impairment loss should be recognised. During the goodwill impairment assessment, the forecast of future cash flows involved significant estimates and judgements on key assumptions including revenue growth rate, profit margin and discount rate, etc.</p> <p>Since the goodwill impairment assessment involved significant estimates and judgements from management, we considered the impairment assessment of the above-mentioned goodwill as a key audit matter.</p>	<p>In response to the key audit matter, we performed procedures as follows:</p> <p>With respect to the impairment assessment of goodwill performed by management at the end of the year, we performed the procedures as follows:</p> <ul style="list-style-type: none"> • Understood, evaluated and tested the internal controls relating to the goodwill impairment assessment implemented by management; • Assessed the independence, professional competency and objectivity of the independent valuer; • Obtained the valuation report issued by an independent valuer engaged by management, and performed the following procedures with the assistance of our internal valuation experts: <ol style="list-style-type: none"> (1) We reviewed whether the division of asset groups to which the goodwill belonged were reasonable; (2) We evaluated the appropriateness of the valuation methods adopted by management and the independent valuer with reference to industry practices; (3) We compared the actual operation performance of asset groups in 2020 with relative estimates in 2019, and assessed the reasonability of cash flows forecast prepared by management; (4) We evaluated the appropriateness of key assumptions (including revenue growth rate, profit margin and discount rate, etc.) applied by management in the cash flows forecast, by reference to historical operating performance and future operation plan, analysis on the development trend of comparable industries and risk factors of comparable companies, etc.; (5) We checked the calculation of cash flows forecast for accuracy; (6) We considered the potential impacts in case of reasonable changes in key assumptions adopted by management in impairment assessment. <p>Based on the above audit procedures performed, the evaluation methods and key assumptions adopted by management in the goodwill impairment assessment were properly supported by the audit evidences we obtained.</p>

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>(2) Accounting treatment of asset-backed securitisation (Note 2(30)(b)(ii), Note 5(1)(i))</p> <p>In November 2020, S.F. Holding issued asset-backed securities through the asset-backed special scheme (“Special Scheme”) set up by Huatai Securities (Shanghai) Asset Management Co., Ltd. by using five logistics industrial parks held by its wholly-owned subsidiary as underlying assets. Afterwards, S.F. Holding subscribed 19% of the equity-grade securities issued by the Special Scheme through its wholly-owned subsidiaries; S.F. Holding exchanged 100% equity of five companies held by the Special Scheme with its 100% equity held in the five logistics industrial parks subsidiaries, totalling RMB799 million under an equity replacement agreement. In addition, based on a series of agreements between S.F. Holding and the Special Scheme, S.F. Holding was engaged in the daily operation management of the transferred logistics industrial parks, and was entitled with certain rights and obligations to the Special Scheme.</p> <p>After considering related facts and circumstances, management concluded that S.F. Holding did not have control over the Special Scheme, and the five logistics industrial parks subsidiaries transferred were no longer included in the consolidated financial statements of S.F. Holding. Therefore, the excess of the consideration of the equity replacement over the carrying amount of net assets of the subsidiaries transferred, approximately RMB405 million, was recognised as investment income by S.F. Holding.</p> <p>The accounting treatment of the above asset-backed securitisation transaction had significant influence on the consolidated financial statements of S.F. Holding as the asset-backed securities transaction involved significant amounts; in addition, significant accounting judgement from management was involved as to the conclusion that S.F. Holding did not have control over the Special Scheme. Therefore, we considered the matter as a key audit matter.</p>	<p>In response to the key audit matter, we performed procedures as follows:</p> <ul style="list-style-type: none"> • Discussed with management about the purpose and scheme of the transaction, and understood, evaluated and tested the internal controls relating to the transaction; • Understood the facts and circumstances considered by management in assessing whether S.F. Holding has control over the Special Scheme, and checked the Special Scheme as well as related transaction contracts, agreements, announcements and other supporting documents; • Regarding management’s accounting judgement that S.F. Holding did not have control over the Special Scheme, we have performed the following assessments: <ul style="list-style-type: none"> (1) We assessed whether S.F. Holding has dominant right over related activities of the Special Scheme, by considering the following factors: <ul style="list-style-type: none"> – related activities of the Special Scheme and ways to make decisions on such activities; – the scope of decision-making authority of S.F. Holding, including the proportion of the equity-grade securities S.F. Holding held, the right to carry out daily operation management of the logistics industrial parks under entrustment and certain other rights entitled to and obligations undertaken by S.F. Holding as stipulated in related contracts; – other parties’ substantive rights; (2) We compared all the variable returns obtained by S.F. Holding (including return on its investment in equity-grade securities and compensation and commitment for property operation management service provided by it) with the overall variable returns of the Special Scheme and the entitlements to variable returns of other equity-grade securities investors, to assess whether the variable returns entitled to S.F. Holding in virtue of participation in the related activities of the Special Scheme were significant; and assessed the variability of the entitlements to variable returns of S.F. Holding through sensitivity analysis; (3) We checked the data used by management in the quantitative calculation of variable returns with contracts, historical data and trend analysis of related companies and industries, and other supporting documents. • Checked the accounting treatment of investment income. <p>Based on the above audit procedures performed, the accounting treatment of asset-backed securitisation transaction, including the accounting judgement that S.F. Holding did not have control over the Special Scheme, were properly supported by the audit evidences we obtained.</p>

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>(3) Recognition of revenue from express & logistics and supply chain (Note 2(25)(a), Note 4(48)(a))</p> <p>Revenue from express & logistics and supply chain represents the revenue from main operations of S.F. Holding. For the year ended 31 December 2020, the revenue from express & logistics and supply chain of S.F. Holding was approximately RMB151,743 million, accounting for about 98.69% of revenue from main operations. S.F. Holding recognised the revenue from express & logistics and supply chain at the consideration that the Group was entitled to charge as expected when the Group has fulfilled the performance obligations in the contract, that is, the customer obtains control over relevant goods or services.</p> <p>Due to the significant amount of transactions from express & logistics and supply chain, S.F. Holding used information systems to track the rendering of logistics services on a constant and real-time basis to determine relevant revenue recognition. Therefore, revenue recognition largely relied on the effectiveness of design and operation of the internal control relating to information systems.</p> <p>Due to the significant amount of revenue from express & logistics and supply chain, the large number of transactions and the involvement of complex information systems, we needed apply more audit effort to address them. Therefore, we considered the recognition of revenue from express & logistics and supply chain as a key audit matter.</p>	<p>In response to the key audit matter, we performed procedures as follows:</p> <ul style="list-style-type: none"> • Understood the mode and process of all logistics service businesses of S.F. Holding, obtained contract terms relating to revenue, and assessed the accounting policy of revenue recognition adopted by S.F. Holding in accordance with the Accounting Standards for Business Enterprises; • Understood, evaluated and tested internal controls of S.F. Holding relating to revenue recognition from express & logistics and supply chain, including general controls and application controls on the information systems relating to revenue from express & logistics and supply chain. Understanding, evaluation and testing of general controls and application controls on the information systems relating to revenue from express & logistics and supply chain were executed with the assistance of information system audit experts; • With the assistance of information system audit experts, on sample basis, we check the logistic waybills with receipt conformation records or routing information records, and further with collection records or reconciliation records; Or on sample basis, we checked the supporting documents related to revenue recognition, including service contracts, the receipts confirmed by customer, invoices and collection records, etc.; • With respect to the revenue which had not been settled, on sample basis, we requested confirmations of the year-end balance of accounts receivable; • With respect to the revenue from express & logistics and supply chain recognised before and after the balance sheet date, on sample basis, we checked the relative supporting documents, so as to evaluate whether the revenue was recognised in the appropriate period. <p>Based on the above audit procedures performed, the recognition of revenue from express & logistics and supply chain was properly supported by the audit evidences we obtained.</p>

Other Information

Management of S.F. Holding is responsible for the other information. The other information comprises all of the information included in 2020 annual report of S.F. Holding other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of S.F. Holding is responsible for the preparation and fair presentation of these financial statements in accordance with the CSAs, and for such internal control as management designs, executes and maintains is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing S.F. Holding's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate S.F. Holding or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing S.F. Holding's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. In the meantime, we also perform the following work:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on S.F. Holding's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by the audit standards to draw attention to the users of these financial statements in our auditor's report to the related disclosures in these financial statements or, if such disclosures are insufficient, we should issue a qualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause S.F. Holding to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within S.F. Holding to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope, timing of the audit and significant audit findings, including any significant deficiencies in internal control required attention that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Zhong Tian LLP
Shanghai, the People's Republic of China

17 March 2021

Signing CPA _____
Chen Anqiang (Engagement Partner)

Signing CPA _____
Liu Jingping

S.F. HOLDING CO., LTD.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

ASSETS	Note	31 December 2020	31 December 2019
		Consolidated	Consolidated
Current assets			
Cash at bank and on hand	4(1)	16,417,891,707.19	18,520,991,737.10
Placements with and loans to banks and other financial institutions	4(2)	–	200,728,611.11
Financial assets held for trading	4(3)	6,276,922,669.69	2,910,172,928.20
Notes receivable		166,476,628.34	43,004,793.59
Accounts receivable	4(4)	16,849,064,250.79	12,044,542,725.83
Advances to suppliers	4(5)	3,176,518,926.99	2,654,244,964.25
Factoring receivables	4(6)	309,932.28	52,697,167.86
Loans and advances	4(7)	60,917,899.18	81,742,106.20
Other receivables	4(8)	2,493,564,401.11	2,102,207,239.40
Inventories	4(9)	986,950,595.04	881,658,973.69
Contract assets	4(10)	399,035,179.94	–
Current portion of non-current assets	4(12)	156,240,777.09	105,344,257.09
Other current assets	4(11)	4,693,077,389.66	3,299,684,720.94
Total current assets		51,676,970,357.30	42,897,020,225.26
Non-current assets			
Long-term receivables	4(12)	607,103,640.21	465,733,312.28
Long-term equity investments	4(13)	3,647,231,277.90	2,221,512,673.14
Investments in other equity instruments	4(14)	5,027,489,054.30	4,933,692,937.19
Other non-current financial assets	4(15)	831,526,041.08	479,040,431.62
Investment properties	4(16)	2,219,404,821.35	2,019,525,900.61
Fixed assets	4(17)	22,356,651,754.60	18,903,827,062.42
Construction in progress	4(18)	5,379,854,462.06	3,116,490,618.26
Intangible assets	4(19)	10,633,114,090.26	10,008,036,356.04
Capitalised development expenditures	4(20)	540,903,450.14	582,627,977.20
Goodwill	4(21)	3,377,141,391.71	3,564,540,458.80
Long-term prepaid expenses	4(22)	1,860,736,934.89	1,714,173,133.47
Deferred tax assets	4(39)	1,539,267,775.98	1,066,079,111.56
Other non-current assets	4(23)	1,462,647,209.19	563,086,609.99
Total non-current assets		59,483,071,903.67	49,638,366,582.58
TOTAL ASSETS		111,160,042,260.97	92,535,386,807.84

S.F. HOLDING CO., LTD.

CONSOLIDATED BALANCE SHEET (CONT'D) AS AT 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

LIABILITIES AND EQUITY	Note	31 December 2020	31 December 2019
		Consolidated	Consolidated
Current liabilities			
Short-term borrowings	4(25)	7,996,570,312.73	6,053,374,642.50
Financial liabilities held for trading		22,155,013.53	–
Deposits from customers		3,654,785.86	3,778,707.92
Notes payable		–	30,000,000.00
Accounts payable	4(26)	15,484,940,351.95	11,988,256,010.34
Advances from customers	4(27)	27,575,669.47	669,948,930.72
Contract liabilities	4(28)	1,539,264,096.14	–
Employee benefits payable	4(29)	4,310,829,146.80	3,281,062,510.03
Taxes payable	4(30)	1,855,263,509.24	1,139,144,005.66
Other payables	4(31)	7,530,793,784.24	4,707,159,830.62
Current portion of non-current liabilities	4(32)	2,945,350,894.28	2,091,892,291.74
Other current liabilities	4(33)	92,355,845.77	1,017,446,858.50
Total current liabilities		41,808,753,410.01	30,982,063,788.03
Non-current liabilities			
Long-term borrowings	4(34)	1,865,820,266.05	6,539,556,784.41
Debentures payable	4(35)	8,425,430,468.77	10,597,985,016.52
Long-term payables	4(36)	10,201,626.90	78,310,329.77
Long-term employee benefits payable	4(37)	145,540,226.93	204,466,446.73
Deferred income	4(38)	414,736,204.81	201,496,411.81
Deferred tax liabilities	4(39)	1,687,605,941.56	1,387,699,268.53
Provisions		42,253,056.91	50,197,780.66
Total non-current liabilities		12,591,587,791.93	19,059,712,038.43
Total liabilities		54,400,341,201.94	50,041,775,826.46
Equity			
Share capital	4(40)	4,556,440,455.00	4,414,585,265.00
Other equity instruments	4(41)	–	768,938,484.90
Capital reserve	4(42)	24,405,217,286.50	16,124,018,594.16
Less: Treasury stock	4(43)	(394,992,892.71)	(454,761,306.79)
Other comprehensive income	4(64)	1,143,969,091.52	1,002,715,607.38
General risk reserve		279,142,491.29	225,783,247.34
Surplus reserve	4(45)	745,043,348.45	601,241,237.54
Retained earnings	4(46)	25,708,230,458.34	19,737,192,610.27
Total equity attributable to shareholders of the Company		56,443,050,238.39	42,419,713,739.80
Minority interests	4(47)	316,650,820.64	73,897,241.58
Total equity		56,759,701,059.03	42,493,610,981.38
TOTAL LIABILITIES AND EQUITY		111,160,042,260.97	92,535,386,807.84

The accompanying notes form an integral part of these financial statements.

Legal representative: Wang Wei

Principal in charge of accounting: Wu Weiting

Head of accounting department: Hu Xiaofei

S.F. HOLDING CO., LTD.

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

ASSETS	Note	31 December 2020	31 December 2019
		Company	Company
Current assets			
Cash at bank and on hand	16(1)	58,098,498.15	967,647,842.56
Financial assets held for trading		200,376,712.32	2,416,892,164.39
Advances to suppliers		991,345.81	881,289.27
Other receivables	16(2)	6,960,858,841.98	3,364,547,392.85
Other current assets		70,727.68	606,990,464.38
Total current assets		7,220,396,125.94	7,356,959,153.45
Non-current assets			
Long-term receivables	16(3)	82,496,567.74	7,691,259,432.16
Long-term equity investments	16(4)	50,997,093,513.91	43,323,539,117.29
Intangible assets		396,121,670.15	1,687,542.87
Capitalised development expenditures		–	246,398.52
Long-term prepaid expenses		27,611.60	69,028.99
Total non-current assets		51,475,739,363.40	51,016,801,519.83
TOTAL ASSETS		58,696,135,489.34	58,373,760,673.28

S.F. HOLDING CO., LTD.

COMPANY BALANCE SHEET (CONT'D) AS AT 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

LIABILITIES AND EQUITY	Note	31 December 2020	31 December 2019
		Company	Company
Current liabilities			
Employee benefits payable		226,666.65	380,000.00
Other payables		15,926,205.73	63,611,663.06
Taxes payable		21,397,863.68	–
Current portion of non-current liabilities		–	1,366,575.34
Total current liabilities		37,550,736.06	65,358,238.40
Non-current liabilities			
Debentures payable		–	5,031,969,368.14
Deferred tax liabilities		94,178.08	1,723,041.10
Total non-current liabilities		94,178.08	5,033,692,409.24
Total liabilities		37,644,914.14	5,099,050,647.64
Equity			
Share capital	4(40)	4,556,440,455.00	4,414,585,265.00
Other equity instruments	4(41)	–	768,938,484.90
Capital reserve		52,344,320,322.55	46,642,944,149.90
Less: Treasury stock	4(43)	(394,992,892.71)	(454,761,306.79)
Surplus reserve		591,998,348.14	448,196,237.23
Retained earnings		1,560,724,342.22	1,454,807,195.40
Total equity		58,658,490,575.20	53,274,710,025.64
TOTAL LIABILITIES AND EQUITY		58,696,135,489.34	58,373,760,673.28

The accompanying notes form an integral part of these financial statements.

Legal representative: Wang Wei

Principal in charge of accounting: Wu Weiting

Head of accounting department: Hu Xiaofei

S.F. HOLDING CO., LTD.

CONSOLIDATED AND COMPANY INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	Note	2020	2019	2020	2019
		Consolidated	Consolidated	Company	Company
1. Revenue	4(48)	153,986,870,053.07	112,193,396,064.26	–	–
Less: Cost of revenue	4(48)	(128,810,033,247.58)	(92,649,616,205.69)	–	–
Taxes and surcharges	4(49)	(378,972,136.47)	(279,618,311.94)	(1,900,963.32)	(33,567.67)
Selling and distribution expenses	4(50)	(2,252,380,750.02)	(1,996,887,445.06)	–	–
General and administrative expenses	4(51)	(11,599,761,414.28)	(9,699,267,908.83)	(16,687,623.25)	(10,317,090.62)
Research and development expenses	4(52)	(1,741,558,376.19)	(1,193,281,876.00)	(17,300.79)	–
Financial costs	4(53)	(852,547,212.49)	(682,991,065.31)	(89,526,266.70)	(4,939,129.76)
Including: Interest expenses		(1,016,748,355.30)	(900,620,301.08)	(108,232,600.15)	(25,181,200.44)
Interest income		185,707,902.94	285,283,463.71	18,727,002.34	20,257,990.40
Add: Other income	4(55)	1,318,934,057.45	740,361,688.71	45,744.03	–
Investment income	4(56) 16(5)	850,811,265.93	1,075,803,394.65	1,565,868,447.32	5,833,980.63
Including: Investment losses from associates and joint ventures		(21,819,195.60)	(97,816,023.63)	–	–
Gains/(Losses) arising from changes in fair value	4(57)	134,117,993.80	350,137,339.23	(6,515,452.07)	6,892,164.39
Credit impairment losses	4(58)	(472,755,027.90)	(237,999,735.04)	–	–
Asset impairment losses	4(59)	(35,057,913.15)	(178,620,910.23)	–	–
Losses on disposal of assets	4(60)	(12,163,517.04)	(32,806,730.61)	–	–
2. Operating profit/(loss)		10,135,503,775.13	7,408,608,298.14	1,451,266,585.22	(2,563,643.03)
Add: Non-operating income	4(61)(a)	229,226,190.56	213,003,573.49	4,725,852.13	5,191,019.24
Less: Non-operating expenses	4(61)(b)	(326,074,129.95)	(195,300,786.51)	–	–
3. Total profit		10,038,655,835.74	7,426,311,085.12	1,455,992,437.35	2,627,376.21
Less: Income tax expenses	4(62)	(3,106,622,903.15)	(1,801,517,474.48)	(17,971,328.26)	(1,543,903.97)
4. Net profit		6,932,032,932.59	5,624,793,610.64	1,438,021,109.09	1,083,472.24
Including: Net loss of the acquiree in a business combination involving enterprises under common control before the combination date		–	(2,123,517.28)	Not applicable	Not applicable
Classified by continuity of operations:					
Net profit from continuing operations		6,932,032,932.59	5,624,793,610.64	1,438,021,109.09	1,083,472.24
Net profit from discontinued operations		–	–	–	–
Classified by ownership of the equity:					
Attributable to shareholders of the Company		7,326,078,775.95	5,796,505,532.20	1,438,021,109.09	1,083,472.24
Minority interests		(394,045,843.36)	(171,711,921.56)	–	–

S.F. HOLDING CO., LTD.

CONSOLIDATED AND COMPANY INCOME STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	Note	2020	2019	2020	2019
		Consolidated	Consolidated	Company	Company
5. Other comprehensive income, net of tax		141,847,036.95	403,822,743.78	–	–
Attributable to shareholders of the Company, net of tax		139,455,357.09	403,732,053.04	–	–
Other comprehensive income items which will not be reclassified subsequently to profit or loss		490,425,439.99	311,887,070.53	–	–
Changes in fair value of other equity instruments and exchange rate changes	4(64)	489,552,426.35	313,946,990.35	–	–
Other comprehensive income items which will not be transferred to profit or loss under the equity method	4(64)	873,013.64	(2,059,919.82)	–	–
Other comprehensive income items which will be reclassified subsequently to profit or loss		(350,970,082.90)	91,844,982.51	–	–
Cash flow hedging reserve	4(64)	(22,857,620.11)	–	–	–
Exchange differences on translation of foreign currency financial statements	4(64)	(328,112,462.79)	91,844,982.51	–	–
Attributable to minority interests, net of tax	4(64)	2,391,679.86	90,690.74	–	–
6. Total comprehensive income		7,073,879,969.54	6,028,616,354.42	1,438,021,109.09	1,083,472.24
Attributable to shareholders of the Company		7,465,534,133.04	6,200,237,585.24	1,438,021,109.09	1,083,472.24
Attributable to minority interests		(391,654,163.50)	(171,621,230.82)	–	–
7. Earnings per share					
Basic earnings per share (RMB Yuan)	4(63)	1.64	1.32	Not applicable	Not applicable
Diluted earnings per share (RMB Yuan)	4(63)	1.64	1.32	Not applicable	Not applicable

The accompanying notes form an integral part of these financial statements.

Legal representative: Wang Wei

Principal in charge of accounting: Wu Weiting

Head of accounting department: Hu Xiaofei

S.F. HOLDING CO., LTD.

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	Note	2020	2019	2020	2019
		Consolidated	Consolidated	Company	Company
1. Cash flows from operating activities					
Cash received from sales of goods or rendering of services		155,436,620,788.86	115,563,984,795.27	-	-
Net decrease in loans to customers		-	341,164,411.56	-	-
Net decrease in balances with central bank		-	90,792,733.32	-	-
Net decrease in placements with and loans to banks and other financial institutions		200,000,000.00	-	-	-
Refund of taxes and levies		116,716,202.89	127,688,921.13	-	-
Cash received relating to other operating activities	4(65)(a)	83,555,578,163.91	58,652,958,123.42	27,887,511.47	27,788,543.83
Sub-total of operating cash inflows		239,308,915,155.66	174,776,588,984.70	27,887,511.47	27,788,543.83
Cash paid for goods and services		(103,380,570,859.40)	(71,025,146,726.15)	-	-
Net decrease in deposits from customers, banks and other financial institutions		(349,047.06)	(6,490,834.59)	-	-
Net increase in loans to customers		(58,914,114.94)	-	-	-
Net increase in balances with central bank		(216,325,814.34)	-	-	-
Net increase in placements with and loans to banks and other financial institutions		-	(200,000,000.00)	-	-
Cash paid to and on behalf of employees		(23,940,816,710.78)	(21,327,109,178.85)	(3,761,753.36)	(2,240,000.00)
Payments of taxes and levies		(5,193,062,915.36)	(3,523,330,659.86)	(4,319,608.97)	(12,428,891.32)
Cash paid relating to other operating activities	4(65)(b)	(95,194,956,139.54)	(69,573,238,109.76)	(12,182,598.83)	(8,232,006.00)
Sub-total of operating cash outflows		(227,984,995,601.42)	(165,655,315,509.21)	(20,263,961.16)	(22,900,897.32)
Net cash flows from operating activities	4(66)(a)	11,323,919,554.24	9,121,273,475.49	7,623,550.31	4,887,646.51
2. Cash flows used in investing activities					
Cash received from disposal of investments		644,549,417.62	419,217,366.05	-	-
Cash received from returns on investments		506,633,059.11	258,922,603.68	1,189,143,659.28	1,004,492,602.75
Cash received from disposal of fixed assets and other long-term assets		64,920,908.80	49,125,406.40	-	-
Net cash received from disposal of subsidiaries and other business units		65,129,103.06	220,169,289.29	-	-
Net cash received from acquisition of subsidiaries	4(65)(c)	799,000,000.00	939,000,000.00	-	-
Cash received relating to other investing activities	4(65)(d)	112,187,103,321.49	47,171,108,814.70	23,613,762,864.42	2,070,418,479.15
Sub-total of investing cash inflows		114,267,335,810.08	49,057,543,480.12	24,802,906,523.70	3,074,911,081.90
Cash paid to acquire fixed assets and other long-term assets		(12,267,471,561.05)	(6,421,460,049.83)	(386,603,437.20)	(2,452,174.50)
Cash paid to acquire investments		(1,794,099,886.49)	(1,325,534,437.21)	(7,673,580,000.00)	-
Net cash paid to acquire subsidiaries	4(65)(c)	(92,043,418.92)	(5,167,526,650.16)	-	-
Cash paid relating to other investing activities	4(65)(e)	(114,998,027,175.18)	(50,191,733,497.02)	(16,403,068,581.94)	(7,594,667,711.54)
Sub-total of investing cash outflows		(129,151,642,041.64)	(63,106,254,634.22)	(24,463,252,019.14)	(7,597,119,886.04)
Net cash flows (used in)/from investing activities		(14,884,306,231.56)	(14,048,711,154.10)	339,654,504.56	(4,522,208,804.14)

S.F. HOLDING CO., LTD.

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	Note	2020	2019	2020	2019
		Consolidated	Consolidated	Company	Company
3. Cash flows from financing activities					
Cash received from capital contributions		686,746,448.52	203,711,460.07	–	–
Including: Cash received from capital contributions by minority interests of subsidiaries		686,746,448.52	203,711,460.07	–	–
Cash received from borrowings and issue of debentures		19,954,815,962.79	24,966,303,173.99	–	5,780,496,000.00
Sub-total of financing cash inflows		20,641,562,411.31	25,170,014,634.06	–	5,780,496,000.00
Cash repayments of borrowings		(17,307,160,430.95)	(15,341,594,253.22)	(6,029,679.43)	–
Cash payments for interest expenses and distribution of dividends or profits		(1,917,306,385.41)	(1,791,167,110.14)	(1,190,371,675.27)	(926,755,859.89)
Cash payments relating to other financing activities	4(65)(f)	(85,444,675.88)	(665,491,765.85)	(59,418,005.17)	(505,927,086.00)
Sub-total of financing cash outflows		(19,309,911,492.24)	(17,798,253,129.21)	(1,255,819,359.87)	(1,432,682,945.89)
Net cash flows from/(used in) financing activities		1,331,650,919.07	7,371,761,504.85	(1,255,819,359.87)	4,347,813,054.11
4. Effect of foreign exchange rate changes on cash and cash equivalents		(69,228,934.27)	20,853,078.03	(489.41)	(186.03)
5. Net (decrease)/increase in cash and cash equivalents	4(66)(b)	(2,297,964,692.52)	2,465,176,904.27	(908,541,794.41)	(169,508,289.55)
Add: Cash and cash equivalents at the beginning of the year	4(66)(b)	17,764,448,498.26	15,299,271,593.99	966,640,292.56	1,136,148,582.11
6. Cash and cash equivalents at the end of the year	4(66)(c)	15,466,483,805.74	17,764,448,498.26	58,098,498.15	966,640,292.56

The accompanying notes form an integral part of these financial statements.

Legal representative: Wang Wei

Principal in charge of accounting: Wu Weiting

Head of accounting department: Hu Xiaofei

S.F. HOLDING CO., LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

	Note	Equity attributable to shareholders of the parent company									Total equity	
		Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	General risk reserve	Special reserve	Surplus reserve	Retained earnings		Minority interests
Balance at 1 January 2019		4,418,767,258.00	-	16,219,619,165.67	(200,928,467.28)	544,649,395.59	185,084,995.61	-	601,132,890.32	14,960,062,609.04	352,931,633.27	37,081,319,480.22
Movements for the year ended 31 December 2019												
Total comprehensive income												
Net profit		-	-	-	-	-	-	-	5,796,505,532.20	-	(171,711,921.56)	5,624,793,610.64
Other comprehensive income		-	-	-	-	403,732,053.04	-	-	-	-	90,690.74	403,822,743.78
Total comprehensive income for the year		-	-	-	-	403,732,053.04	-	-	5,796,505,532.20	-	(171,621,230.82)	6,028,616,354.42
Capital contribution and withdrawal by shareholders												
Capital contribution by shareholders		-	-	160,086,629.14	-	-	-	-	-	-	44,959,839.86	205,046,469.00
Capital contribution by holders of convertible corporate debentures	4(41)	-	768,938,484.90	-	-	-	-	-	-	-	-	768,938,484.90
Shares repurchased	4(43)	-	-	-	(394,992,892.71)	-	-	-	-	-	-	(394,992,892.71)
Changes in share-based payment restricted shares		(4,181,993.00)	-	(104,584,725.90)	141,160,053.20	-	-	-	-	-	-	32,393,334.30
Share-based payments included in equity	9(1)	-	-	2,045,330.63	-	-	-	-	-	-	2,593,115.12	4,638,445.75
Others		-	-	(13,258,412.85)	-	-	-	-	-	-	(161,437,173.06)	(174,695,585.91)
Transfer within equity												
Transfer from other comprehensive income to retained earnings		-	-	-	-	54,334,158.75	-	-	-	(54,334,158.75)	-	-
Business combination involving enterprises not under common control											6,471,057.21	6,471,057.21
Consideration for business combinations involving enterprises under common control				(150,607,200.00)	-	-	-	-	-	-	-	(150,607,200.00)
Profit distribution												
Appropriation to general risk reserve	4(46)	-	-	-	-	-	40,698,251.73	-	-	(40,698,251.73)	-	-
Appropriation to surplus reserve	4(45)	-	-	-	-	-	-	108,347.22	-	(108,347.22)	-	-
Distribution to shareholders	4(46)	-	-	-	-	-	-	-	-	(924,234,773.27)	-	(924,234,773.27)
Other movements in capital reserve				10,717,807.47	-	-	-	-	-	-	-	10,717,807.47
Safety reserve												
Appropriation	4(44)	-	-	-	-	-	-	7,552,986.74	-	-	-	7,552,986.74
Utilisation	4(44)	-	-	-	-	-	-	(7,552,986.74)	-	-	-	(7,552,986.74)
Balance at 31 December 2019		4,414,585,265.00	768,938,484.90	16,124,018,594.16	(454,761,306.79)	1,002,715,607.38	225,783,247.34	-	601,241,237.54	19,737,192,610.27	73,897,241.58	42,493,610,981.38

S.F. HOLDING CO., LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

	Note	Equity attributable to shareholders of the parent company										Total equity
		Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	General risk reserve	Special reserve	Surplus reserve	Retained earnings	Minority interests	
Balance at 31 December 2019		4,414,585,265.00	768,938,484.90	16,124,018,594.16	(454,761,306.79)	1,002,715,607.38	225,783,247.34	-	601,241,237.54	19,737,192,610.27	73,897,241.58	42,493,610,981.38
Changes in accounting policies	2(31)	-	-	-	-	-	-	-	-	32,220,405.39	-	32,220,405.39
Balance at 1 January 2020		4,414,585,265.00	768,938,484.90	16,124,018,594.16	(454,761,306.79)	1,002,715,607.38	225,783,247.34	-	601,241,237.54	19,769,413,015.66	73,897,241.58	42,525,831,386.77
Movements for the year ended 31 December 2020												
Total comprehensive income												
Net profit		-	-	-	-	-	-	-	-	7,326,078,775.95	(394,045,843.36)	6,932,032,932.59
Other comprehensive income		-	-	-	-	139,455,357.09	-	-	-	-	2,391,679.86	141,847,036.95
Total comprehensive income for the year		-	-	-	-	139,455,357.09	-	-	-	7,326,078,775.95	(391,654,163.50)	7,073,879,969.54
Capital contribution and withdrawal by shareholders												
Capital contribution by shareholders		-	-	472,144,048.80	-	-	-	-	-	-	214,602,399.72	686,746,448.52
Transfer of convertible corporate debentures to share capital and capital reserve	4(35)(d)	144,311,758.00	(768,938,484.90)	5,758,688,018.73	-	-	-	-	-	-	-	5,134,061,291.83
Transfer of convertible corporate debentures issued by subsidiaries to equity	4(33)(b)	-	-	1,980,870,478.56	-	-	-	-	-	-	237,344,309.47	2,218,214,788.03
Changes in share-based payment restricted shares	4(43)	(2,456,568.00)	-	(57,311,846.08)	59,768,414.08	-	-	-	-	-	-	-
Share-based payments included in equity	9(1)	-	-	217,625,854.42	-	-	-	-	-	-	25,062,413.21	242,688,267.63
Others		-	-	(146,471,544.87)	-	-	-	-	-	-	154,713,558.52	8,242,013.65
Profit distribution												
Appropriation to general risk reserve	4(46)	-	-	-	-	-	53,359,243.95	-	-	(53,359,243.95)	-	-
Appropriation to surplus reserve	4(46)	-	-	-	-	-	-	-	143,802,110.91	(143,802,110.91)	-	-
Distribution to shareholders	4(46)	-	-	-	-	-	-	-	-	(1,188,301,851.36)	-	(1,188,301,851.36)
Transfer within equity												
Transfer from other comprehensive income to retained earnings		-	-	-	-	1,798,127.05	-	-	-	(1,798,127.05)	-	-
Other movements in capital reserve		-	-	55,653,682.78	-	-	-	-	-	-	2,685,061.64	58,338,744.42
Safety reserve												
Appropriation	4(44)	-	-	-	-	-	-	26,655,465.99	-	-	-	26,655,465.99
Utilisation	4(44)	-	-	-	-	-	-	(26,655,465.99)	-	-	-	(26,655,465.99)
Balance at 31 December 2020		4,556,440,455.00	-	24,405,217,286.50	(394,992,892.71)	1,143,969,091.52	279,142,491.29	-	745,043,348.45	25,708,230,458.34	316,650,820.64	56,759,701,059.03

The accompanying notes form an integral part of these financial statements.

Legal representative: Wang Wei

Principal in charge of accounting: Wu Weiting

Head of accounting department: Hu Xiaofei

S.F. HOLDING CO., LTD.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

	Note	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Surplus reserve	Retained earnings	Total equity
Balance at 1 January 2019		4,418,767,258.00	-	46,760,852,084.19	(200,928,467.28)	448,087,890.01	2,378,066,843.65	53,804,845,608.57
Movements for the year ended 31 December 2019								
Total comprehensive income								
Net profit		-	-	-	-	-	1,083,472.24	1,083,472.24
Capital contribution and withdrawal by shareholders								
Shares repurchased		-	-	-	(394,992,892.71)	-	-	(394,992,892.71)
Capital contribution by holders of convertible corporate debentures		-	768,938,484.90	-	-	-	-	768,938,484.90
Changes in share-based payment restricted shares		(4,181,993.00)	-	(104,584,725.90)	141,160,053.20	-	-	32,393,334.30
Share-based payments included in equity		-	-	(13,323,208.39)	-	-	-	(13,323,208.39)
Profit distribution								
Appropriation to surplus reserve		-	-	-	-	108,347.22	(108,347.22)	-
Distribution to shareholders		-	-	-	-	-	(924,234,773.27)	(924,234,773.27)
Balance at 31 December 2019		4,414,585,265.00	768,938,484.90	46,642,944,149.90	(454,761,306.79)	448,196,237.23	1,454,807,195.40	53,274,710,025.64
Balance at 1 January 2020		4,414,585,265.00	768,938,484.90	46,642,944,149.90	(454,761,306.79)	448,196,237.23	1,454,807,195.40	53,274,710,025.64
Movements for the year ended 31 December 2020								
Total comprehensive income								
Net profit		-	-	-	-	-	1,438,021,109.09	1,438,021,109.09
Capital contribution and withdrawal by shareholders								
Changes in share-based payment restricted shares	4(43)	(2,456,568.00)	-	(57,311,846.08)	59,768,414.08	-	-	-
Transfer of convertible corporate debentures to share capital and capital reserve	4(35)(d)	144,311,758.00	(768,938,484.90)	5,758,688,018.73	-	-	-	5,134,061,291.83
Profit distribution								
Appropriation to surplus reserve	4(46)	-	-	-	-	143,802,110.91	(143,802,110.91)	-
Distribution to shareholders	4(46)	-	-	-	-	-	(1,188,301,851.36)	(1,188,301,851.36)
Balance at 31 December 2020		4,556,440,455.00	-	52,344,320,322.55	(394,992,892.71)	591,998,348.14	1,560,724,342.22	58,658,490,575.20

The accompanying notes form an integral part of these financial statements.

Legal representative: Wang Wei

Principal in charge of accounting: Wu Weiting

Head of accounting department: Hu Xiaofei

S.F. HOLDING CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

1 General information and historical development

S.F. Holding Co., Ltd. (formerly "Ma'anshan Dingtai Rare Earth and New Materials Co., Ltd.", hereinafter "S.F. Holding" or "the Company"), formerly known as Ma'anshan Dingtai Science & Technology Co., Ltd., was established by 11 natural persons including Liu Jilu and the Labour Union of Ma'anshan Dingtai Metallic Products Co., Ltd. by cash contribution on 13 May 2003. Initiated by the original shareholders of the Company, the Company was formally changed as Ma'anshan Dingtai Rare Earth and New Materials Co., Ltd. with a registered capital of RMB50 million as approved by the shareholders' meeting on 18 October 2007 and the inaugural meeting on 22 October 2007.

On 11 January 2010, the Company successfully issued 19,500,000 ordinary shares at par value of RMB1.00 per share at Shenzhen Stock Exchange under the Regulatory Permission [2010] No. 41 as approved by the China Securities Regulatory Commission. The outstanding shares were listed for trading at Shenzhen Stock Exchange on 5 February 2010. After the shares were issued, the total share capital of the Company was changed to 77,830,780 shares.

Pursuant to the *Proposal on the Profit Distribution Plan for 2014* approved by 2014 annual shareholders' meeting held by the Company on 19 May 2015, the Company converted capital reserve into new shares on the basis of 5 shares for every 10 existing shares, with 77,830,780 shares in total at the end of 2014 as base. After the conversion, the total share capital of the Company was increased by 38,915,390 shares to 116,746,170 shares.

Pursuant to the *Proposal on the Profit Distribution Plan for 2015* approved by the 2015 annual shareholders' meeting held by the Company on 17 May 2016, the Company, with 116,746,170 shares in total at the end of 2015 as base, converted capital reserve into new shares on the basis of 10 shares for every 10 existing shares. After the conversion, the total share capital of the Company was increased by 116,746,170 shares to 233,492,340 shares.

Pursuant to the resolution of the 13th session of the 3rd Board of Directors of the Company dated 22 May 2016 and relevant resolutions approved on the first interim shareholders' meeting in 2016 held by the Company on 30 June 2016, including the *Resolution Concerning the Company Qualifying for Criteria for Major Assets Restructuring of Listed Companies*, the *Resolution on Related-party Transaction Composed of Major Assets Swap and Issuing Shares to Purchase Assets and Raise Matching Fund and the Resolution on 'Major Assets Swap and Issuing Shares to Purchase Assets and Raise Matching Fund and Related-party Transaction Report (Draft) of Ma'anshan Dingtai Rare Earth and New Materials Co., Ltd.' and Summaries*, the Company conducted a series of major assets restructuring as follows:

(1) Major assets swap

In December 2016, the Company swapped all the assets and liabilities ("exchange-out assets") it held as at 31 December 2015 ("assessment base date") for the equivalent portion ("exchange-in assets") of 68.40%, 9.93%, 6.75%, 6.75%, 6.75%, 1.35% and 0.07% of the equities in Shenzhen S.F. Taisen Holdings (Group) Co., Ltd. (formerly "S.F. Holding (Group) Co., Ltd.", "Taisen Holdings") respectively held by Shenzhen Mingde Holdings Development Co., Ltd. ("Mingde Holdings"), Ningbo Shunda Fengrun Investment Management Partnership (Limited Partnership) ("Shunda Fengrun"), Jiaqiang Shunfeng (Shenzhen) Equity Investment Partnership (Limited Partnership) ("Jiaqiang Shunfeng"), Shenzhen Zhaoguang Investment Co., Ltd. ("Zhaoguang Investment"), Suzhou Industrial Park Oriza Shunfeng Equity Investment Company (Limited Partnership) ("Oriza Shunfeng"), Suzhou Guyu Qiuchuang Equity Investment Partnership (Limited Partnership) ("Guyu Qiuchuang") and Ningbo Shunxin Fenghe Investment Management Partnership (Limited Partnership) ("Shunxin Fenghe"). For this transaction, the exchange-out assets were priced at RMB796 million and the exchange-in assets were priced at RMB43.30 billion. Pursuant to the second interim shareholders' meeting in 2016 dated 28 December 2016 ("restructuring date"), the Company approved and reelected a new Board of Directors, which indicated the completion of major assets swap transaction and the successful listing of Taisen Holdings on Shenzhen Stock Exchange through back door listing.

(2) Issuing shares to purchase assets

In December 2016, the Company issued 3,950,185,873 ordinary shares (A shares) at par value of RMB1.00 per share at an issuing price of RMB10.76 per share to Mingde Holdings, Shunda Fengrun, Jiaqiang Shunfeng, Zhaoguang Investment, Oriza Shunfeng, Guyu Qiuchuang and Shunxin Fenghe to cover the difference of the above swap (RMB42,504,000,000). The difference between the value of shares and the share capital amounting to RMB38,553,814,120.48 was recognised as capital reserve. The total share capital was changed to 4,183,678,213 shares. After the new shares were issued, Mingde Holdings, Shunda Fengrun, Jiaqiang Shunfeng, Zhaoguang Investment, Oriza Shunfeng and other shareholders held 64.58%, 9.38%, 6.37%, 6.37%, 6.37% and 6.92% respectively of the equities in the Company. The China Securities Regulatory Commission approved the above assets restructuring plan of the Company on 12 December 2016. The share change above was verified by PricewaterhouseCoopers Zhong Tian LLP with a capital verification report of PwC ZT Yan Zi (2016) No. 1757 issued on 28 December 2016. The Company registered the additional 3.95 billion shares at China Securities Depository and the Clearing Corporation Limited Shenzhen Branch on 18 January 2017.

(3) Raising matching fund

In July 2017, the Company issued 227,337,311 ordinary shares (A shares) at par value of RMB1.00 per share to specific investors through non-public offering at RMB35.19 per share. The total fund raised amounted to RMB7,999,999,974.09. Net of underwriter and sponsor's fees and other transaction costs, the net fund raised amounted to RMB7,822,179,636.78, including an increment of share capital of RMB227,337,311.00 and an increment of capital reserve by RMB7,604,681,212.80. The aforesaid fund was received on 31 July 2017 and verified by PricewaterhouseCoopers Zhong Tian LLP with a capital verification report of PwC ZT Yan Zi (2017) No. 745 issued.

The Company registered the additional shares at China Securities Depository and the Clearing Corporation Limited Shenzhen Branch on 15 August 2017. The total share capital was changed to 4,411,015,524 shares. Mingde Holdings, Shunda Fengrun, Jiaqiang Shunfeng, Zhaoguang Investment, Oriza Shunfeng and other shareholders held 61.25%, 8.89%, 6.04%, 6.04% and 11.74% of the equities in the Company respectively.

Afterwards, the Company conducted several restricted shares incentive plans, share repurchase and transfer of convertible corporate debentures to share capital. The total share capital of the Company as at 31 December 2020 was changed to 4,556,440,455 shares.

The approved business scope of the Company and its subsidiaries ("the Group") includes: assets management, capital management, investment management (trusts, financial assets management and security assets management are not allowed); auto rent; enterprise headquarters management; customs brokerage, inspection brokerage; investment in industries; domestic trade; marketing planning; investment consultancy and other information consultancy (excluding human resources intermediary service, securities and restricted projects); engagement in the development of network technology, information technology and electronic product technology and related technology services, consultancy and transfer of network technology, and provision of network information, E-Commerce service platform, business management, investment consultancy, investment management, enterprise management consulting, etc.; call centre business and information service (both are second type value-added telecommunication services) and road transportation of common cargo; international freight forwarding for air transportation and road transportation of imported and exported goods or transit goods, including solicitation, booking, shipping, warehousing and packaging; type-1 and type-2 (international and domestic) sales agency of air transport; common cargo transportation, stowage and logistics services; science and technology information consulting, project investment consulting and logistics information consulting; data

processing; research and development and sales of communication equipment, and related technology services (projects subject to approval could only be implemented after approval by relevant authorities), research and development of unmanned aerial vehicle ("UAV") and spare parts; supply chain management and related supporting services, and engagement in both export and import business; development, construction and operation of industrial park; property management; self-owned property leasing; network marketing promotion; E-Commerce training; information technology outsourcing and information services outsourcing; data mining, data analysis and data services; development and application of general software, industry application software and embedded software; operation of on-line trading, on-line consulting, on-line auction and on-line advertising; network business service and database service; services in respect of development and application of electronic government affairs system; communications industry value-added business services; international freight forwarding, domestic and international express (excluding business exclusively operated by postal enterprises), transportation of cargo shipping containers and large objects, economic and technical consulting, technical information consulting, and engagement in commercial activities by way of franchising; transport services of domestic (including Hong Kong, Macau and Taiwan) and international aviation cargo and related services, and import and export of goods and technology; cargo express agent services; international freight forwarding (excluding shipping agency business), loading, unloading and handling; international and domestic freight forwarding; technology development of software and hardware for financial payment systems; internet payment, bank card acquiring, supply chain management; non-securities equity investment activities and relevant consulting services; finance leasing; leasing; purchase of leased property from home and abroad; residual value processing and maintenance of leased property; leasing consulting; commercial factoring related to main operating activities; delivery of goods; freight equipment leasing; container yard operation and container leasing service; railway cargo transportation; ship freight; product marketing design and planning for enterprises and individuals and related business agency services; non-vessel operating common carrier business; maritime international freight forwarding business; building construction engineering; wholesale of medicine and medical equipment; sales of food; human resources service.

First-tier and second-tier subsidiaries included in the consolidation scope of the financial statements are detailed in Note 6(1). The changes in the scope of consolidation for the current year are set out in Note 5.

Mingde Holdings is the parent company and ultimate controlling company of the Company.

These financial statements were authorised for issue by the Board of Directors of the Company on 17 March 2021.

2 Summary of significant accounting policies and accounting estimates

The Group determines the specific accounting policies and estimates based on its features of production and operation, primarily comprising the methods of provision for expected credit losses on receivables and contract assets (Note 2(9)), valuation of inventories (Note 2(10)), measurement model of investment properties (Note 2(12)), depreciation of fixed assets and amortisation of intangible assets (Note 2(13), (16)), criterion for capitalisation of capitalised development expenditures (Note 2(17)), recognition and measurement of revenue (Note 2(25)), etc.

Details of the Group's critical judgements, critical accounting estimates and key assumptions used in determining significant accounting policies are set forth in Note 2(30).

(1) Basis of preparation

The financial statements are prepared in accordance with the *Accounting Standards for Business Enterprises – Basic Standard*, and the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereafter, referred to as "the Accounting Standards for Business Enterprises" or "CASs") and the disclosure requirements in the *Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Rules on Financial Reporting* issued by the China Securities Regulatory Commission.

The financial statements are prepared on a going concern basis.

(2) Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year ended 31 December 2020 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the consolidated and company financial position of the Company as at 31 December 2020 and their financial performance, cash flows and other information for the year then ended.

(3) Accounting year

The Company's accounting year starts on 1 January and ends on 31 December.

(4) Recording currency

The Company's recording currency is Renminbi (RMB). The Company's subsidiaries decide their recording currencies in line with the economic environments in which they operate, while the subsidiaries in Hong Kong and abroad mainly adopt currencies including HKD, USD, KRW, EUR, etc. as their recording currencies. The financial statements are presented in RMB.

(5) Business combinations

(a) Business combinations involving enterprises under common control

The consideration paid and net assets obtained by the Group in a business combination are measured at the carrying amount. If the acquiree is acquired from a third party by the ultimate controlling party in a prior year, the consideration paid and net assets obtained by the Group are measured based on the carrying amounts of the acquiree's assets and liabilities (including the goodwill arising from the acquisition of the acquiree by the ultimate controlling party) presented in the consolidated financial statements of the ultimate controlling party. The difference between the carrying amount of the net assets obtained from the combination and the carrying amount of the consideration paid for the combination is treated as an adjustment to capital reserve (share premium). If the capital reserve (share premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings. Costs directly attributable to the business combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

(b) Business combinations involving enterprises not under common control

The combination cost and identifiable net assets obtained by the Group in a business combination are measured at fair value at the acquisition date. Where the combination cost exceeds the Group's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill; where the combination cost is lower than the Group's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

(6) Preparation of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date on which such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realised before the combination date is presented separately in the consolidated income statement.

In preparing the consolidated financial statements, where the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of subsidiaries' equity and the portion of subsidiaries' net profit or loss and comprehensive income for the period not attributable to the Company are recognised as minority interests, minority interest income and total comprehensive income attributable to minority shareholders and presented separately in the consolidated financial statements under equity, net profit and total comprehensive income respectively. Where the loss for the current period attributable to the minority shareholders of the subsidiaries exceeds the share of the minority interests in the opening balance of equity, the excess is still deducted against minority interests. Unrealised profit or loss resulting from the sale of assets by the Company to its subsidiaries are fully eliminated against net profit attributable to owners of the parent. Unrealised profits and losses resulting from the sale of assets by a subsidiary to the Company are eliminated and allocated between net profit attributable to owners of the parent and minority interest income in accordance with the allocation proportion of the parent in the subsidiary. Unrealised profit or loss resulting from the sale of assets by one subsidiary to another are eliminated and allocated between net profit attributable to owners of the parent and minority interest income in accordance with the allocation proportion of the parent in the selling subsidiary.

If the accounting treatment of a transaction is inconsistent in the financial statements at the Group level and at the Company or its subsidiary level, adjustment will be made from the perspective of the Group.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Foreign currency translation

(a) Foreign currency transactions

Foreign currency transactions are translated into recording currency using the spot exchange rates and approximate exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into recording currency using the spot exchange rates on the balance sheet date. Exchange differences

arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(b) Translation of foreign currency financial statements

The asset and liability items in the balance sheets for overseas operations are translated at the spot exchange rates on the balance sheet date. Among the equity items, the items other than retained earnings are translated at the spot exchange rates of the transaction dates. The income and expense items in the income statement of foreign operations are translated at the spot exchange rates of the transaction dates. The differences arising from the above translation are recognised in other comprehensive income. The cash flows of foreign operations are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(9) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Classification and measurement

Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, financial assets are classified as: (1) financial assets at amortised cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

The financial assets are measured at fair value at initial recognition. Related transaction costs that are attributable to the acquisition of the financial assets are included in the initially recognised amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are recognised directly in profit or loss for the current period. Accounts receivable or notes receivable arising from sales of products or rendering of services (excluding or without regard to significant financing components) are initially recognised at the consideration that is entitled to be charged by the Group as expected.

Debt instruments

The debt instruments held by the Group refer to the instruments that meet the definition of financial liabilities from the perspective of the issuer, and are measured in the following ways:

Measured at amortised cost:

The objective of the Group's business model is to hold the financial assets to collect the contractual cash flows, and the contractual cash flow characteristics are consistent with a basic lending arrangement, which gives rise on specified dates to the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The interest income of such financial assets is recognised using the effective interest method. Such financial assets mainly comprise cash at bank and on hand, placements with and loans to banks and other financial institutions, notes receivable, accounts receivable, factoring receivables, loans and advances, other receivables and long-term receivables. Long-term receivables that are due within one year (inclusive) as from the balance sheet date are included in the current portion of non-current assets.

Measured at fair value through profit or loss:

Debt instruments held by the Group that are not divided into those at amortised cost, or those measured at fair value through other comprehensive income, are measured at fair value through profit or loss. At initial recognition, the Group designates a portion of financial assets as at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. Financial assets measured at fair value through profit or loss that are due after one year (inclusive) as from the balance sheet date and are expected to be held over one year are included in other non-current financial assets, others are included in financial assets held for trading.

Equity instruments

Investments in equity instruments, over which the Group has no control, joint control or significant influence, are measured at fair value through profit or loss under financial assets held for trading; investments in equity instruments expected to be held over one year as from the balance sheet date are included in other non-current financial assets.

In addition, a portion of certain investments in equity instruments not held for trading are designated as financial assets at fair value through other comprehensive income under other investments in equity instruments. The relevant dividend income of such financial assets is recognised in profit or loss for the current period.

(ii) Impairment

The Group confirms the loss provision based on expected credit losses for financial assets and contract assets measured at amortised cost.

Giving consideration to reasonable and supportable information on past events, current conditions and forecasts of future economic conditions, as well as the default risk weight, the Group recognises the expected credit loss as the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to collect.

As at each balance sheet date, the expected credit losses of financial instruments at different stages are measured respectively. 12-month expected credit loss provision is recognised for financial instruments in Stage 1 that have not had a significant increase in credit risk since initial recognition; lifetime expected credit loss provision is recognised for financial instruments in Stage 2 that have had a significant increase in credit risk yet without credit impairment since initial recognition; and lifetime expected credit loss provision is recognised for financial instruments in Stage 3 that have had credit impairment since initial recognition.

For the financial instruments with lower credit risk on the balance sheet date, the Group assumes there is no significant increase in credit risk since initial recognition and recognises the 12-month expected credit loss provision.

For the financial instruments in Stage 1, Stage 2 and with lower credit risk, the Group calculates the interest income by applying the effective interest rate to the gross carrying amount (before deduction of the impairment provision). For the financial instruments in Stage 3, the interest income is calculated by applying the effective interest rate to the amortised cost (after deduction of the impairment provision from the gross carrying amount).

For notes and accounts receivables and contract assets, the Group recognises the lifetime expected credit loss provision regardless of whether there exists a significant financing component.

In case the expected credit losses of an individually assessed financial asset cannot be evaluated with reasonable cost, the Group divides the receivables into certain groupings based on credit risk characteristics, and calculates the expected credit losses for the groupings. Basis for determining groupings and methods for provision are presented as follows:

Bank acceptance notes	Group of bank notes with low credit risk
Accounts receivable, other receivables	Group of receivables from related parties
Accounts receivable, other receivables and contract assets	Group of receivables from non-related parties
Long-term receivables	Group of finance leases
Long-term receivables	Group of interest-free loans to employees

Based on the exposure at default and the lifetime expected credit loss rate, the Group calculates the expected credit losses of notes and accounts receivables and contract assets that are classified into groupings with consideration to historical credit losses experience, current conditions and forecasts of future economic conditions.

Based on the exposure at default and the 12-month/lifetime expected credit loss rate, the Group calculates the expected credit losses of other receivables, factoring receivables, loans and advances, and long-term receivables that are classified into groupings with consideration to historical credit losses experience, the current conditions and forecasts of future economic conditions.

The Group recognises the loss provision made or reversed into profit or loss for the current period.

(iii) Derecognition

A financial asset is derecognised when any of the below criteria is met: (1) the contractual rights to receive the cash flows from the financial asset expire; (2) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; or (3) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

When a financial asset is derecognised, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that are previously recognised directly in other comprehensive income is recognised in profit or loss for the current period, except for those as investments in other equity instruments, the difference aforementioned is recognised in retained earnings instead.

(b) Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost and financial liabilities at fair value through profit or loss at initial recognition.

Financial liabilities of the Group mainly comprise financial liabilities at amortised cost, including convertible corporate debentures and other financial liabilities.

Convertible corporate debentures

Convertible corporate debentures comprise liability portion and equity portion. The liability portion is classified as liabilities, which reflects the obligation to pay fixed principal and interest, and its fair value is calculated by the market interest rate of similar debentures without embedded convertible option at initial recognition, and is subsequently measured at amortised cost using the effective interest method. The equity portion reflects the embedded option that converts liabilities into ordinary shares and is recognised as equity by the difference between the overall proceeds of issuance of convertible corporate debentures and the liability portion. Direct transaction costs are allocated based on the shares of the liability portion and the equity portion in issuance proceeds.

When convertible corporate debentures are converted into stock shares, the amount calculated by the number of shares converted and the par value per share is recognised as share capital, and the difference between the balance of relevant portion of convertible corporate debentures and the above share capital is recognised as share premium in capital reserve.

Other financial liabilities

Other financial liabilities measured at amortised cost mainly comprise notes and accounts payables, other payables, borrowings, other debentures payable except for convertible corporate debentures, etc. Such financial liabilities are initially recognised at fair value, net of transaction costs incurred, and subsequently measured using the effective interest method. Financial liabilities that are due within one year (inclusive) are classified as current liabilities; those with maturities over one year but are due within one year (inclusive) as from the balance sheet date are classified as current portion of non-current liabilities. Others are classified as non-current liabilities.

A financial liability is derecognised or partly derecognised when the underlying present obligation is discharged or partly discharged. The difference between the carrying amount of the derecognised part of the financial liability and the consideration paid is recognised in profit or loss for the current period.

(c) Equity instruments

An equity instrument is a contract that represents a residual interest in the assets of an entity after deducting all of its liabilities.

(d) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. In valuation, the Group adopts valuation techniques applicable in the current situation and supported by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered in relevant transactions of assets or liabilities by market participants, and gives priority to the use of relevant observable inputs. When relevant observable inputs are not available or feasible, unobservable inputs are adopted.

(e) Hedge accounting

The hedge accounting method refers to a method to recognise gains or losses arising from a hedging instrument and a hedged item in profit or loss for the current period (or other comprehensive income) to reflect the effect of the risk management activities.

The hedged item refers to an item which exposes the Group to risks of changes in fair value or cash flows and is designated as being hedged and can be measured reliably. The hedged item designated by the Group is the 5-year debentures denominated in USD which exposes the Group to risks of changes in cash flows.

The hedging instrument refers to a financial instrument which is designated by the Group and by which it is expected that changes in its fair value or cash flow can offset the changes in fair value or cash flow of the hedged item. The Group's hedging instruments are the 5-year forward exchange contracts denominated in USD.

The Group, on an ongoing basis, assess at inception of the hedging relationship and in subsequent periods, whether a hedging relationship qualifies for hedge accounting. A hedging relationship qualifies for hedge accounting only if all of the following criteria are met:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship becomes ineffective due to the hedge ratio but the risk management objective for designating such hedging relationship remains the same, the Group will make an adjustment to the quantity of the hedged item or the hedging instrument in the existing hedging relationship for the purpose of realigning the hedge ratio to achieve hedge effectiveness.

The hedging accounting is discontinued in case of one of the following conditions:

- the hedging relationship no longer meets the risk management objective on the basis of which it qualified for hedge accounting;
- the hedging instrument or instruments have been due, sold, or the contract has been terminated or exercised;
- there is no longer an economic relationship between the hedged item and the hedging instrument or the effect of credit risk starts to dominate the value changes that result from that economic relationship;
- other conditions that a hedging relationship no longer qualifies for hedge accounting.

(i) Cash flow hedge

The Group adopts the cash flow hedge. A cash flow hedge refers to a hedge of the exposure to changes in cash flows. The effective portion of gains or losses arising from the hedging instrument is recognised as cash flow hedging reserve in other comprehensive income. Amount of cash flow hedging reserve is the lower of the following two (in absolute amount):

- the cumulative gains or losses arising from the hedging instrument since inception of the hedge;
- the cumulative change in present value of the expected future cash flows on the hedged item since inception of the hedge.

The amount of cash flow hedging reserve included in other comprehensive income during each period represents the change in cash flow hedging reserve for the current period.

The ineffective portion of gains or losses arising from hedging instrument is recognised in profit or loss for the current period.

When the Group discontinues hedge accounting for a cash flow hedge, it shall account for the amount that has been accumulated in the cash flow hedging reserve recognised in other comprehensive income in accordance with the accounting policies as follows:

- if the hedged future cash flows are still expected to occur, that amount shall remain in the cash flow hedging reserve and be accounted for in accordance with the above-mentioned accounting policies;
- if the hedged future cash flows are not expected to occur, that amount shall be immediately reclassified from other comprehensive income to profit or loss for the current period.

(10) Inventories

(a) Classification

Inventories comprise low-value consumables, raw materials in stock, finished goods, aviation consumables and properties under development, and are stated at the lower of cost and net realisable value.

(b) Valuation method for inventory issued

Raw materials in stock and finished goods are accounted for using the weighted average method upon issuance. Aviation consumables are accounted for using the specific-unit-cost method upon issuance. Properties under development comprise land costs relating to real estate development, construction costs, other direct and indirect development expenses, etc., and are transferred to completed properties held for sale at actual cost upon completion.

(c) Amortisation methods of low-value consumables

Low-value consumables are amortised into expenses in full when issued for use.

(d) Basis for determining the net realisable value of inventories and provision for decline in the value of inventories

Provision for decline in the value of inventories is determined at the excess amount of the carrying amounts of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs and estimated costs necessary to make the sale and related taxes.

(e) The Group adopts the perpetual inventory system.

(11) Long-term equity investments

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries, and the Group's long-term equity investments in its joint ventures and associates.

A subsidiary is an investee over which the Company is able to exercise control. A joint venture is a joint arrangement which is structured through a separate vehicle over which the Group has joint control together with other parties and only has rights to the net assets of the arrangement based on legal forms, contractual terms and other facts and circumstances. An associate is the investee over which the Group has significant influence by participating in the financial and operating policy decisions.

Investments in subsidiaries are presented in the Company's financial statements using the cost method, and are adjusted to the equity method when preparing the consolidated financial statements, and investments in joint ventures and associates are accounted for using the equity method.

(a) Determination of investment cost

For long-term equity investments arising from business combination involving enterprises under common control, the initial investment cost shall be the share of the carrying amount of equity of the acquiree in the consolidated financial statements of the ultimate controlling party as at the combination date; for long-term equity investments arising from business combination involving enterprises not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investments acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued.

(b) Subsequent measurement and recognition methods of gains and losses

Long-term equity investments accounted for using the cost method are measured at the initial investment cost. Cash dividend or profit distribution declared by an investee is recognised as investment income in profit or loss for the current period.

For long-term equity investments that are accounted for using the equity method, where the initial investment cost exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the investment is initially measured at cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is included in profit or loss for the current period and the cost of the long-term equity investment is adjusted upwards accordingly.

Under the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. The Group discontinues recognising its share of the net losses of an investee after the carrying amounts of the long-term equity investment together with any long-term interests that in substance form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions are satisfied, the Group continues recognising the estimated losses that it needs to bear. The changes of the Group's share of the investee's equity other than those arising from the net profit or loss, other comprehensive income and profit distribution, are recognised in the Group's capital reserve and the carrying amounts of the long-term equity investment are adjusted accordingly. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee. The unrealised profits or losses arising from the transactions between the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, based on which the investment gain or losses are recognised. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment losses, any unrealised loss is not eliminated.

(c) Basis for determining existence of control, joint control, significant influence over investees

Control means having power over an investee, enjoying variable returns through involvement in relevant activities of the investee, and being able to impact the amount of such variable returns by using the power over the investee.

Joint control is the agreed sharing of control over an arrangement, and the decision of activities relating to such arrangement requires the unanimous consent of the Group and other parties sharing control.

Significant influence is the power to participate in making the decisions on financial and operating policies of the investee, but is not control or joint control over making those policies.

(d) Impairment of long-term equity investments

The carrying amounts of long-term equity investments in subsidiaries, joint ventures and associates are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2(19)).

(12) Investment properties

Investment properties, including land use rights that have already been leased out, buildings that are held for the purpose of leasing and buildings that are being constructed or developed for future use for leasing, are measured initially at cost. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognised in profit or loss for the period in which they are incurred.

The Group adopts the cost model for subsequent measurement of investment properties. Buildings and land use rights are depreciated or amortised to their estimated net residual values over their estimated useful lives. The estimated useful lives, the estimated net residual values that are expressed as a percentage of cost and the annual depreciation rates of investment properties are presented as follows:

	Estimated useful lives	Estimated net residual values	Annual depreciation/ amortisation rates
Buildings	10 to 50 years	5%	9.50% – 1.90%
Land use rights	20 to 50 years	0%	5.00% – 2.00%

The investment property's estimated useful life, net residual value and depreciation (amortisation) method applied are reviewed and adjusted as appropriate at each year-end.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sale, transfer, retirement or damage of an investment property net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

(13) Fixed assets

(a) Recognition and initial measurement of fixed assets

Fixed assets comprise buildings, motor vehicles, computers and electronic equipment, aircraft and aircraft engines, rotables and high-value aircraft maintenance tools, machinery and equipment, office equipment and other equipment.

Fixed assets are recognised when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. Fixed assets purchased or constructed are initially measured at cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss for the period in which they are incurred.

(b) Depreciation method for fixed assets

Except for replacement parts for overhaul of engine, fixed assets are depreciated using the straight-line method to allocate the recorded amount of the assets to their estimated residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, the estimated net residual values expressed as a percentage of cost and the annual depreciation rates of fixed assets are presented as follows:

	Estimated useful lives	Estimated net residual values	Annual depreciation rates
Buildings	10 to 50 years	5%	9.50% – 1.90%
Motor vehicles (excluding electromobiles)	2 to 5 years	0% – 5%	50.00% – 19.00%
Motor vehicles (electromobiles)	2 years	5%	47.50%
Machinery and equipment (excluding automatic sorting equipment imported from abroad)	2 to 10 years	0% – 5%	50.00% – 9.50%
Machinery and equipment (automatic sorting equipment imported from abroad)	15 years	5%	6.33%
Computers and electronic equipment	2 to 5 years	0% – 5%	50.00% – 19.00%
Aircraft and engine bodies	10 years	5%	9.50%
Replacement parts for overhaul of aircraft fuselage	1.5 to 10 years	0%	66.67% – 8.33%
Rotables	10 years	5%	9.50%
High-value aircraft maintenance tools	5 years	5%	19.00%
Office equipment and other equipment	2 to 10 years	0% – 5%	50.00% – 9.50%

Replacement parts for overhaul of engines are depreciated using the units-of-production method and taking the expected usable recurring number as the unit of production.

The estimated useful life/expected usable recurring number and the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at each year-end.

(c) The carrying amounts of fixed assets are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2(19)).

(d) Basis for identification of fixed assets held under finance leases and related measurement

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. The leased asset is recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The difference between the recorded amount of the leased asset and the minimum lease payments is accounted for as unrecognised finance charge (Note 2(28)(b)).

Fixed assets held under a finance lease is depreciated on a basis consistent with the depreciation policy adopted for fixed assets that are self-owned. When a leased asset can be reasonably determined that its ownership will be transferred at the end of the lease term, it is depreciated over its estimated useful life; otherwise, the leased asset is depreciated over the shorter period of the lease term and its estimated useful life.

(e) Disposal of fixed assets

A fixed asset is derecognised on disposal or when no future economic benefit is expected from its use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

(14) Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the construction in progress ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month. The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is below its carrying amount (Note 2(19)).

(15) Borrowing costs

The Group's borrowing costs that are directly attributable to the acquisition and construction of a fixed asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For the specific borrowings obtained for the acquisition or construction of an asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by deducting any interest income earned from depositing the unused specific borrowings in the banks or any investment income arising on the temporary investment of those borrowings during the capitalisation period.

For general borrowings utilised for the acquisition and construction of an asset qualifying for capitalisation, the capitalised amount of the general borrowings is determined by the weighted average of the excess of accumulated capital expenditure over capital expenditure of the special borrowings multiplied by the weighted average effective interest rate of the utilised general borrowings. The effective interest rate is the interest rate at which the future cash flows of the borrowings over the estimated life or a shorter applicable period are discounted into the initial recognised amount of the borrowings.

(16) Intangible assets

Intangible assets include software, land use rights, trademark rights, customer relationships, patents, etc.

(a) Software

Software is measured at actual cost and amortised on the straight-line basis over 2 to 10 years.

(b) Land use rights

Land use rights are amortised on the straight-line basis over 33 to 50 years.

(c) Trademark rights

Purchased trademark rights are measured at cost at the time of acquisition. Trademark rights recognised under business combinations involving enterprises not under common control are recorded at fair value. Trademark rights are amortised on the straight-line basis over 5 to 20 years.

(d) Customer relationships

Customer relationships refer to intangible assets recognised under business combinations involving enterprises not under common control. Customer relationships are recorded at fair value and amortised on the straight-line basis over the expected beneficial period.

(e) Patents

Patents are amortised on the straight-line basis over 5 to 10 years.

(f) Periodical review of useful life and amortisation method

For an intangible asset with a finite useful life, review of its useful life and amortisation method is performed at each year-end, with adjustment made as appropriate.

(g) Impairment of intangible assets

The carrying amounts of intangible assets are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2(19)).

(17) Research and development

The expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at the end of the project.

Expenditure on the research phase is recognised in profit or loss in the period in which it is incurred. Expenditure on the development phase is capitalised only if all of the following conditions are satisfied:

- it is technically feasible to complete the intangible asset so that it will be available for use or sales;
- management intends to complete the intangible asset, and use or sell it;
- it can be demonstrated how the intangible asset will generate economic benefits;

- there are adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development phase can be reliably measured.

Other development expenditures that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred. Capitalised development expenditures previously recognised as expenses are not recognised as an asset in a subsequent period. Capitalised expenditure on the development phase is presented as capitalised development expenditures in the balance sheet and transferred to intangible assets at the date when the asset is ready for its intended use.

(18) Long-term prepaid expenses

Long-term prepaid expenses include settling-in allowance and introduction fee for pilots, the expenditure for improvements to fixed assets held under operating leases, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on a straight-line basis over the expected beneficial period (2 to 15 years) and are presented at actual expenditure net of accumulated amortisation.

(19) Impairment of long-term assets

Fixed assets, construction in progress, intangible assets with finite useful lives, investment properties measured using the cost model and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date; intangible assets not ready for their intended use are tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an asset impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying amount of goodwill is allocated to the related asset groups or sets of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group

or a set of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or the set of asset groups, and then deducted from the carrying amounts of other assets within the asset group or the set of asset groups in proportion to the carrying amounts of assets other than goodwill.

Once the above asset impairment loss is recognised, it will not be reversed for the value recovered in the subsequent periods.

(20) Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for termination of employment relationship, which include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

(a) Short-term employee benefits

Short-term employee benefits include employee wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs. The employee benefit liabilities are recognised in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Employee benefits which are non-monetary benefits are measured at fair value.

(b) Post-employment benefits

The Group classifies post-employment benefits plans into defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Group's post-employment benefits mainly included basic pension insurance and unemployment insurance, both of which belong to defined contribution plans.

Basic pension insurance

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the pensions are calculated according to local regulations for pension plan. When employees retire, the local labour and social security authority is obliged to pay the basic pensions to them. The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(c) Termination benefits

The Group provides compensation for terminating the employment relationship with employees before the end of the employment contracts or as an offer to encourage employees to accept voluntary redundancy before the end of the employment contracts. The Group recognises a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to profit or loss for the current period at the earlier of the following dates: 1) when the Group cannot unilaterally withdraw an employment termination plan or a curtailment proposal; 2) when the Group recognises costs or expenses related to a restructuring that involves the payment of termination benefits.

The termination benefits expected to be settled within one year since the balance sheet date are classified as current liabilities.

(d) Employee incentives

The Group provides incentive plans for on-the-job employees who comply with certain conditions, and makes payments based on the schedule. Provisions for employee incentives are initially measured at the best estimate necessary to settle the present obligation, and expensed as incurred. The Group integrates separation rate, time value of money and other factors into account at initial measurement. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is expensed as incurred. The carrying amount of provisions for employee incentives is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

(21) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible tax losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible tax losses). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, deductible tax losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible tax losses and tax credits can be utilised.

Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, associates and joint ventures will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilised, the corresponding deferred tax assets are recognised.

Deferred tax assets and deferred tax liabilities are offset when:

- the deferred tax assets and liabilities are related to the same tax payer within the Group and the same taxation authority; and,
- that tax payer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

(22) Provisions

Provisions are recognised when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognised as interest expense.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The provisions expected to be settled within one year since the balance sheet date are classified as current liabilities.

(23) Share-based payments

(a) Categories of share-based payments

A share-based payment is a transaction in which an enterprise grants equity instruments or assumes liabilities that are determined based on equity instruments, in exchange for services rendered by employees or another party. Equity instruments include the equity instruments that are linked to the enterprise, the parent company of the enterprise or another accounting entity within the same group. Share-based payments comprise equity-settled and cash-settled payments.

(b) Basis for determining the best estimate of exercisable equity instruments

At each balance sheet date in the vesting period, the Group would make best estimate in accordance with the newly acquired information such as changes in the number of employees entitled to equity instruments, and amend the number of exercisable equity instruments. On the exercisable date, the ultimate estimated number of exercisable equity instruments coincides with the actual number.

(c) Accounting treatment of implementation of share-based payments**(i) Equity-settled share-based payments**

The equity-settled share-based payments where the Group grants shares or other equity instruments as a consideration in return for services, is measured at the fair value of the equity instruments at the grant date. Where the share-based payments are not exercisable until the service in the vesting period is completed or specified performance conditions are met, then at each balance sheet date within the vesting period, the service obtained in the current period shall be included in relevant cost or expenses and in capital reserve at the fair value of the equity instruments at the grant date based on the best estimates of the quantity of exercisable equity instruments made by the Group, in accordance with latest changes in the number of exercisable employees and subsequent information.

(ii) Cash-settled share-based payments

The cash-settled share-based payments where the Group calculates and determines the cash payments or any other asset obligation on the basis of shares or other equity instruments in return for services, is measured at the fair value of the liabilities calculated based on relevant equity instruments. Where the share-based payments is not exercisable until the service in the vesting period is completed or specified performance conditions are met, then at each balance sheet date within the vesting period, the service obtained in the current period shall be included in cost or expenses and in liabilities at the fair value of the Group's liabilities based on the best estimates of the quantity of exercisable equity instruments made by the Group. At each balance sheet date and settlement date before relevant liabilities are settled, the fair value of the liabilities is remeasured and the changes are recognised in profit or loss.

(24) Factoring

The factoring business of the Group mainly represents factoring with recourse. Factoring with recourse is a kind of financing activity where the customer transfers the creditor's rights of accounts receivable that meet relevant requirements and are accepted by the Group to the Group according to the purchase and sale contract and relevant agreements, so as to obtain short-term trade financing, and agrees to repurchase the financing business in full if the creditor's rights cannot be recovered in full. The Group's factoring business is accounted for with factoring receivables based on the amount paid for the creditor's rights of accounts receivable (Note 2(9)).

(25) Revenue recognition

The Group recognises revenue at the consideration that the Group is entitled to charge as expected when the Group has fulfilled the performance obligations in the contract, that is, the customer obtains control over relevant goods or services.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control over relevant goods or services.

In respect of a contract obligation that is to be fulfilled within a period, the Group should recognise the revenue based on the progress of the obligation fulfilment within the period, except that the progress of the obligation fulfilment fails to be reasonably determined; in respect of a contract obligation that is to be fulfilled at a point in time, the Group should recognise the revenue once the customer obtains the control over relevant goods.

(a) Rendering express & logistics and supply chain services

The Group's revenue from express & logistics and supply chain services includes revenue from inbound express delivery services including time-definite express and economy express, revenue from outbound express delivery services, revenue from cold-chain transportation services, revenue from domestic and international transport services of aviation cargoes, revenue from express delivery agency services; revenue from rendering of warehousing service; revenue from freight services; revenue from intra-city instant delivery and revenue from supply chain service etc.

The Group recognises revenue based on the progress of the service performed within period, which is determined based on proportion of costs incurred to date to the estimated total costs. As at the balance sheet date, the Group re-estimates the progress of the service performed to reflect the actual status of contract performance.

When the Group recognises revenue based on the progress of the service performed, the amount with unconditional right to consideration obtained by the Group is recognised as accounts receivable, and the rest is recognised as contract assets. Meanwhile, provision for accounts receivable and contract assets is recognised on the basis of expected credit losses (Note 2(9)). If the contract consideration received or receivable exceeds the progress of the service performed, the excess portion will be recognised as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

Contract costs include costs to fulfil a contract and costs to obtain a contract. Costs incurred for provision of the aforesaid services are recognised as costs to fulfil a contract, which is carried forward to the cost of revenue when revenue recognised based on the progress of the service performed. Incremental costs incurred by the Group for the acquisition of the aforesaid service contract are recognised as the costs to obtain a contract. For the costs to obtain a contract with the amortisation period within one year, the costs are charged to profit or loss when incurred. For the costs to obtain a contract with the amortisation period beyond one year, the costs are charged in the current profit or loss on the same basis as aforesaid revenue of rendering of services recognised under the relevant contract. If the carrying amount of the contract costs is higher than the remaining consideration expected to be obtained by rendering of the service net of the estimated cost to be incurred, the Group makes provision for impairment on the excess portion and recognises it as asset impairment losses. As at the balance sheet date, based on whether the amortisation period of the costs to fulfil a contract is more than one year when initially recognised, the amount of the Group's costs to fulfil a contract net of related provision for asset impairment is presented as inventories or other non-current assets. For costs to obtain a contract with amortisation period beyond one year at the initial recognition, the amount net of related provision for asset impairment is presented as other non-current assets.

(b) Sales of goods

Revenue from sales of goods is recognised when the Group has delivered goods to the agreed delivery location pursuant to the contract and the customer has confirmed the acceptance of the goods, and the delivery note is signed by both parties.

The credit terms granted to customers by the Group are generally short, in line with industry practice, and do not have a significant financing component.

(c) Other services

The Group's services also includes communication service, maintenance service, research and development and technical service and other services.

With regard to certain maintenance service and research and development service, the Group recognises revenue at a point in time when the services are delivered to customers. For other services, the Group recognises revenue based on the progress of

the service performed within period, which is determined based on proportion of costs incurred to date to the estimated total costs as at the balance sheet date.

(26) Government grants

Government grants refer to the monetary or non-monetary assets obtained by the Group from the government, including tax return, fiscal subsidy, etc.

Government grants are recognised when the grants can be received and the Group can comply with all attached conditions. If a government grant is a monetary asset, it will be measured at the amount received or receivable. If a government grant is a non-monetary asset, it will be measured at its fair value. If it is unable to obtain its fair value reliably, it will be measured at its nominal amount.

Government grants related to assets refer to the government grants which are obtained by the Group for the purposes of purchase, construction or acquisition of the long-term assets. Government grants related to income refer to the government grants other than those related to assets.

Government grants related to assets are recorded as deferred income and recognised in profit or loss on a systemic basis over the useful lives of the assets. Government grants related to income that compensate the future costs, expenses or losses are recorded as deferred income and recognised in profit or loss, or deducted against related costs, expenses or losses in reporting the related expenses; government grants related to income that compensate the incurred costs, expenses or losses are recognised in profit or loss, or deducted against related costs, expenses or losses directly in the current period. The Group applies the presentation method consistently to the similar government grants in the financial statements.

Government grants related to daily corporate activities are included in operating profit. Government grants not related to daily corporate activities are included in non-operating income or expenses.

Policy-based loans with prime rate to the Group are recorded at actual amount of borrowing received, and related borrowing costs are calculated with borrowing principal and policy-based prime rate. Financial discounts directly received by the Group are deducted against related borrowing costs.

(27) Dividend distribution

Cash dividends are recognised as liabilities in the period in which the dividends are approved by the shareholders' meeting.

(28) Leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

(a) Operating leases

Lease payments under an operating lease are recognised on a straight-line basis over the period of the lease, and are either capitalised as part of the cost of related assets, or charged as an expense for the current period.

Lease income under an operating lease is recognised on a straight-line basis over the period of the lease.

For the rental exemptions directly due to COVID-19 and being granted before 30 June 2021 only, the Group applies the practical expedient and records the exemption amount in profit or loss in the exemption period.

(b) Finance leases (as the lessee)

The leased asset is recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The difference between the recorded amount of the leased asset and the minimum lease payments is accounted for as unrecognised finance charge and is amortised using the effective interest method over the period of the lease. A long-term payable is recorded at the amount equal to the minimum lease payments less the unrecognised finance charge.

(c) Finance leases (as the lessor)

At the commencement date of the lease term, lease finance receivables are accounted at the sum of the minimum lease proceeds and the initial direct cost on the lease commencement date; unrealised finance gains are recognised at the difference between the sum of the minimum lease proceeds and the initial direct cost and its present value. Finance lease income is recognised using the effective interest method over the lease term.

(29) Segment information

The Group identifies operating segments based on the internal organisation structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments.

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenue and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

(30) Critical accounting estimates and judgements

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

(a) Critical accounting estimates and key assumptions**(i) Measurement of expected credit losses**

For financial assets and contract assets at amortised cost, the Group calculates expected credit losses based on exposure at default and expected credit loss rates. When determining expected credit loss rates, the Group refers to internal historical information, such as credit losses, and evaluates its impact on historic credit loss experience according to current situation and forward-looking information, and management takes the customer's credit status, credit history, operating status as well as collaterals and the guarantee ability of the guarantor into consideration. The Group monitors and reviews relevant assumptions about expected credit losses regularly. Where there is a difference between the actual bad debts and the original estimate, such difference will affect the Group's provision for bad debts of the above assets in the future period.

(ii) Risk of impairment on long-term assets other than goodwill

As described in Note 2(19), fixed assets with impairment indication, construction in progress, intangible assets, investment properties measured using cost model, long-term equity investments and other long-term assets are tested for impairment annually at the end of each year.

When assessing whether the above assets are impaired, management mainly evaluates and analyses: (1) whether events affecting asset impairment occurred; (2) whether the present value of expected cash flows arising from the continuing use or disposal of the asset is lower than its carrying amount; and (3) whether the significant assumptions used in the calculation of the present value of the estimated cash flows are appropriate.

Relevant assumptions adopted by the Group to determine impairment, e.g. changes in assumptions on discount rate and growth rate used to calculate the present value of future cash flows, may have material impact on the present value used in the impairment test, and cause impairment in the above-mentioned long-term assets of the Group.

(iii) Provision for impairment of goodwill

The Group performed impairment assessment of goodwill at each balance sheet date. The recoverable amounts of asset groups and sets of asset groups that include goodwill have been determined by the higher of the fair value less costs of disposal and the present value of the future cash flows expected to be derived from the assets. These calculations require estimations and judgements. When the estimated recoverable amount is marginal, goodwill might suffer impairment. The details of the key assumptions applied by management please refer to Note 4(21).

(iv) Determination of fair value of financial instruments by valuation techniques

The fair value of a financial instrument that is not traded in an active market is determined by valuation techniques. Valuation techniques primarily refer to direct comparison method and income method, including reference to the prices used in recent orderly transactions between market participants, reference to the current fair value of other financial instruments that are substantially identical, discounted cash flow analysis, option pricing models, etc. Observable market information is applied in valuation techniques to the extent possible. When observable market information is not available, management will make estimate of significant unobservable information included in the valuation method. Different valuation techniques or inputs may lead to significant differences between fair value estimates.

(v) Recognition of deferred tax assets

Deferred tax assets are recognised for the deductible tax losses and deductible temporary differences that can be carried forward to subsequent years to the extent that it is probable that taxable profit in the future will be available against which the deductible tax losses and deductible temporary differences can be utilised. Whether to recognise the deferred tax assets arising from deductible tax losses and deductible temporary differences largely depends on the judgement of management on: (i) whether the accumulated deductible tax losses and deductible temporary differences in prior years are still effective, and (ii) whether sufficient taxable income that can be used to deduct deductible tax losses and deductible temporary differences can be obtained in the future period. Where there is a difference between the situation and the original estimate, such difference will affect the Group's deferred tax assets and income tax expenses in the future period.

(b) Critical judgements in applying the accounting policies**(i) Judgement on significant influence of the Group over investees**

The investees over which the Group has significant influence are accounted for under the equity method. In judging the significant influence over an investee, management considers based on one or more of the following circumstances and all facts and circumstances: (1) the shareholding in the investee; (2) whether it appoints representative in the Board of Directors or a similar authority of the investee; (3) whether it participates in making decisions on financial and operating policies of the investee; (4) whether it has significant transaction with the investee; (5) whether it assigns management personnel to the investee; (6) whether it provides key technical materials to the investee, and all facts and circumstances are considered.

(ii) Determination of the scope of consolidation

As stated in Note 2(6), the Group consolidates a subsidiary from the date of obtaining actual control, and excludes it out of the scope of consolidation from the date of losing the actual control. Control exists when the Group has all three of the following elements: (1) the investor possesses power over the investee; (2) has exposure to variable returns from its involvement with the investee's related activities; and (3) the ability to use the power over the investee to affect the returns.

When assessing whether it has powers over the asset-backed special scheme ("Special Scheme") entity, the Group mainly considers the following aspects: (1) related activities of the Special Scheme and ways to make decisions on such activities; (2) the scope of decision-making authority of the Group, including the proportion of the equity-grade securities it held, the right to carry out daily operation management of the logistics industrial parks under entrustment and certain other rights entitled to and other obligations undertaken by the Group to the Special Scheme; and (3) other parties' substantive rights.

When assessing the entitlements to variable returns in virtue of participation in related activities of the Special Scheme, the Group mainly considers the return level for the Group and the risks borne by the Group, including return on its investment in equity-grade securities and compensation and commitment for property operation management service provided.

Where variations in relevant facts and circumstances cause a change of these factors, a reassessment will be made.

(31) Significant changes in accounting policies

The Ministry of Finance released the revised *CAS 14 – Revenue* ("new revenue standard") in 2017, the *Circular on Accounting Regulations of Rental Waivers Against COVID-19* (Cai Kuai [2020] No. 10) in 2020 and the *Q&A on the Implementation of Accounting Standards for Business Enterprises* (issued on 11 December 2020). The financial statements for the year ended 31 December 2020 are prepared in accordance with the above standard, circular and Q&A, and impacts on the Group and the Company's financial statements are as follows:

(a) Revenue

In accordance with relevant provisions of the new revenue standard, the Group and the Company recognised the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings and other relevant line items in the financial statements at the beginning of 2020. The comparatives for the year ended 31 December 2019 were not restated.

The contents and reasons of the changes in accounting policies	The line items affected	The amounts affected	
		1 January 2020	
		Consolidated	Company
Due to the implementation of the new revenue standard, the Group changed the revenue recognition of rendering of part of services from at a point in time to over time based on the progress of the service performed, and recognised contract assets and accounts payable, with an adjustment to the opening balance of retained earnings accordingly.	Contract assets	281,523,856.59	–
	Accounts payable	238,563,316.07	–
	Taxes payable	10,740,135.13	–
	Retained earnings	32,220,405.39	–
Due to the implementation of the new revenue standard, the Group reclassified the advances from customers relevant to service provision to contract liabilities.	Contract liabilities	647,619,339.93	–
	Advances from customers	(647,619,339.93)	–

Compared with the original revenue standard, the impact of the implementation of the new revenue standard on related items of the financial statements for the year ended 31 December 2020 is as follows:

Balance sheet items affected	The amounts affected	
	31 December 2020	
	Consolidated	Company
Contract assets – Cost	401,040,381.85	–
Contract assets – Provision for impairment	(2,005,201.91)	–
Deferred tax assets	501,300.48	–
Accounts payable	339,805,764.62	–
Contract liabilities	1,539,264,096.14	–
Advances from customers	(1,631,619,941.91)	–
Other current liabilities	92,355,845.77	–
Taxes payable	15,308,654.31	–
Retained earnings	44,422,061.49	–

Income statement items affected	The amounts affected	
	For the year ended 31 December 2020	
	Consolidated	Company
Revenue	119,516,525.26	–
Cost of revenue	(101,242,448.55)	–
Asset impairment losses	(2,005,201.91)	–
Income tax expenses	(4,067,218.70)	–

(b) Accounting treatment of rental waivers against COVID-19

For the rental waivers as a result of COVID-19, agreed with lessees and lessors respectively and for the period ended 30 June 2021 only, the Group and the Company have applied the practical expedient in the above circular for the preparation of the financial statements for the year ended 31 December 2020; and the circular exerts no significant impacts on the Group and the Company's financial statements.

3 Taxation

The main categories and rates of taxes applicable to the Group are set out below:

Category	Tax rate	Tax base
Enterprise income tax	Note (1)	Taxable income
Value-added tax ("VAT")	Note (2)	Taxable value-added amount (Tax payable is calculated using the taxable sales amount/taxable service income multiplied by the applicable tax rate less deductible VAT input of the current period or taxable turnover amount multiplied by the VAT rate)
City maintenance and construction tax	7%, 5%, 1%	Amount of VAT paid
Educational surcharge	3%	Amount of VAT paid
Local educational surcharge	2%	Amount of VAT paid
Customs duty	At applicable tax rate	Customs dutiable value through examination and approval of the Customs

In addition, pursuant to the *Interim Measures for the Collection, Use and Management of the Civil Aviation Development Fund* (Cai Zong [2012] No. 17) issued by the Ministry of Finance, SF Airlines Company Limited ("SF Airlines") pays the civil aviation development fund based on classification of flight routes, maximum take-off weight, flight mileage and applicable collection standards, and includes such payment in cost.

Pursuant to the *Announcement on the Exemption of Certain Administrative Fees and Government-managed Funds During the Prevention and Control of the Outbreak of Novel Coronavirus Pneumonia (COVID-19)* (Announcement [2020] No. 11) jointly issued by the Ministry of Finance and the National Development and Reform Commission on 6 February 2020, and the *Announcement on the Implementation Period of the Tax and Fee Policies Supporting the Prevention and Control of the COVID-19 Outbreak, the Guarantee of Supply during the COVID-19 Outbreak and Other Matters* (Announcement [2020] No. 28) jointly issued by the Ministry of Finance and the State Taxation Administration on 15 May 2020, the Group shall be exempted from the above civil aviation development funds from 1 January 2020 to 31 December 2020.

(1) Enterprise income tax

Pursuant to the *Announcement on Implementation of the Policy of Deduction of Relevant Enterprise Income Tax for Equipment and Appliance* (Cai Shui [2018] No. 54) and related regulations issued by the State Taxation Administration, for equipment newly purchased from 1 January 2018 to 31 December 2020 and with a unit value of less than RMB5 million, the one-time period cost can be deducted against the taxable income in the following month after the asset is put into use, instead of being deducted annually in its useful life.

Besides, the preferential enterprise income tax policies to which the Group is entitled mainly include:

(a) Pursuant to the *Notice on the Policies and Catalogue of Income Tax Preferences for Enterprises in Guangdong Hengqin New Area, Fujian Pingtan Comprehensive Experimental Zone, and Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperative Zone* (Cai Shui [2014] No. 26) jointly issued by the Ministry of Finance and the State Taxation Administration, the Group's subsidiaries as below are subject to enterprise income tax at the preferential rate of 15% from 2014 to 2020.

Name of subsidiary	Local statutory tax rate	Preferential tax rate
Guangdong S.F. E-commerce Co., Ltd.	25%	15%
Shenzhen S.F. Supply Chain Co., Ltd.	25%	15%
Shenzhen S.F. International Logistics Co., Ltd.	25%	15%
Shenzhen S.F. Information Service Technology Co., Ltd.	25%	15%

(b) Pursuant to the *Notice on Tax Policy Issues Concerning Further Implementing the Western China Development Strategy* (Cai Shui [2011] No. 58) and the *Notice on Issues Concerning the Implementation of the Tax Policies for the Development of Western China by Ganzhou City* (Cai Shui [2013] No. 4) jointly issued by the Ministry of Finance, the General Administration of Customs and the State Taxation Administration, and the *Announcement on Continuing the Enterprise Income Tax Policies for the Development of Western China* (Announcement [2020] No. 23) jointly issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on 23 April 2020, the Group's subsidiaries as below are subject to enterprise income tax at the preferential rate of 15% until the end of 2030:

Name of subsidiary	Local statutory tax rate	Preferential tax rate
Xi'an Shunlu Logistics Co., Ltd.	25%	15%
Chengdu Taishun Logistics Co., Ltd.	25%	15%
Chongqing Huiyifeng Logistics Co., Ltd.	25%	15%
S.F. Express (Chongqing) Co., Ltd.	25%	15%
Guizhou S.F. Express Co., Ltd.	25%	15%
Yunnan S.F. Express Co., Ltd.	25%	15%
Sichuan S.F. Express Co., Ltd.	25%	15%
Ganzhou S.F. Express Co., Ltd.	25%	15%
Xi'an S.F. Express Co., Ltd.	25%	15%
Guangxi S.F. Express Co., Ltd.	25%	15%
S.F. Express (Ningxia) Co., Ltd.	25%	15%
Inner Mongolia S.F. Express Co., Ltd.	25%	15%
Xinjiang S.F. Express Co., Ltd.	25%	15%
Qinghai S.F. Express Co., Ltd.	25%	15%
Lanzhou S.F. Express Co., Ltd.	25%	15%
Yunnan Shunhe Freight Co., Ltd.	25%	15%
Qinghai S.F. Juyi Supply Chain Management Co., Ltd.	25%	15%
Gansu Shunhefeng Freight Co., Ltd.	25%	15%
Sichuan Wu Lian Yi Da Technology Co., Ltd.	25%	15%
Chongqing Xuefeng Refrigerates Logistics Co., Ltd.	25%	15%
Ningxia S.F. Freight Co., Ltd.	25%	15%

(c) Pursuant to the *Notice on Tax Policy Issues Concerning Further Implementing the Western China Development Strategy* (Cai Shui [2011] No. 58) jointly issued by the Ministry of Finance, the General Administration of Customs and the State Taxation Administration, and the *Announcement on Continuing the Enterprise Income Tax Policies for the Development of Western China* (Announcement [2020] No. 23) jointly issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on 23 April 2020, the Group's subsidiaries, which are registered in Tibet Autonomous Region, are subject to enterprise income tax at the preferential rate of 15% as stipulated in the Western China Development Strategy from 1 January 2011 to 31 December 2030. Pursuant to the *Notice of the People's Government of the Tibet Autonomous Region on Issuing the Regulations on Preferential Policies for Investment Promotion of the Tibet Autonomous Region (Provisional)* (Zang Zheng Fa [2018] No. 25), the Group's subsidiaries, which are registered in Tibet Autonomous Region are temporarily exempt from the region's share of entitlement to enterprise income tax payable from 1 January 2018 to 31 December 2021. In other words, the region's share of entitlement to 40% in the enterprise income tax payable at the rate of 15% is exempted during the above period.

Name of subsidiary	Local statutory tax rate	Preferential tax rate
Tibet S.F. Express Co., Ltd.	25%	9%

(d) In accordance with Article 2 of the *Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises* (Cai Shui [2019] No. 13) jointly issued by the Ministry of Finance and the State Taxation Administration, the portion of annual taxable income of the Group's subsidiaries not exceeding RMB1 million is recognised at 25%; the portion of annual taxable income of the Group's subsidiaries exceeding RMB1 million but not exceeding RMB3 million is recognised at 50%, and they are subject to enterprise income tax at the rate of 20%:

Name of subsidiary	Local statutory tax rate	Preferential tax rate
Ningbo Shuncheng Logistics Co., Ltd.	25%	20%
Guizhou Shunlu Logistics Co., Ltd.	25%	20%
Ezhou Shunlu Logistics Co., Ltd.	25%	20%
Zhengzhou Shuncheng Logistics Co., Ltd.	25%	20%
Shenzhen S.F. Research Institution Co., Ltd.	25%	20%
Shanghai Chengbai Technology Co., Ltd.	25%	20%
Shenyang Fengtai E-Commerce Industrial Park Management Co., Ltd.	25%	20%
Xuzhou Fengtai Industrial Park Management Co., Ltd.	25%	20%
Ezhou Fengtai Qisheng Logistics Development Co., Ltd.	25%	20%
Ezhou Fengyutai Helin Logistics Development Co., Ltd.	25%	20%
Ganzhou Fengtai Industrial Park Management Co., Ltd.	25%	20%
Yangzhou Fengyutai Enterprise Management Co., Ltd.	25%	20%
Shanghai Fengtai Yuanxing Property Management Service Co., Ltd.	25%	20%
Shenzhen Fengtai E-Commerce Industrial Park Property Service Co., Ltd.	25%	20%
Taizhou Fengtai E-Commerce Industrial Park Operation and Management Co., Ltd.	25%	20%
Taixing Fengtai Industrial Park Operation and Management Co., Ltd.	25%	20%
Wuxi Jietai Enterprise Management Co., Ltd.	25%	20%
Huai'an Fengtai Enterprise Management Co., Ltd.	25%	20%
Quanzhou Fengyutai Enterprise Management Co., Ltd.	25%	20%
Hefei Jietai Enterprise Management Co., Ltd.	25%	20%
Beijing Fengyutai Operations and Management Co., Ltd.	25%	20%
Shenzhen Shunfeng Runtai Management Consulting Co., Ltd.	25%	20%
Guangxi Shunnongfengwei Technology Co., Ltd.	25%	20%
Caihuilian Technology (Shenzhen) Co., Ltd.	25%	20%
Dongguan Jiada Express Service Co., Ltd.	25%	20%
Shenzhen Xuefeng Cold Chain Logistics Co., Ltd.	25%	20%
Changsha Xueyuan Cold Chain Logistics Co., Ltd.	25%	20%
Shanghai S.F. Cold Chain Co., Ltd.	25%	20%
Shanghai Taigenrun Enterprise Management Co., Ltd.	25%	20%
Dongguan Fengtai Enterprise Management Co., Ltd.	25%	20%

Name of subsidiary	Local statutory tax rate	Preferential tax rate
Beijing Fengjietai Enterprise Management Co., Ltd.	25%	20%
Dalian Fengtai Industrial Park Operation and Management Co., Ltd.	25%	20%
Liuzhou Fengyutai Industrial Park Management Co., Ltd.	25%	20%
Jinan Fengtai Industrial Park Management Co., Ltd.	25%	20%
Weifang Fengtai Industrial Park Management Co., Ltd.	25%	20%
Exel Supply Chain (Xiamen) Co., Ltd.	25%	20%
Shanxi S.F. Zhida Supply Chain Management Co., Ltd.	25%	20%

(e) Pursuant to the *Notice on Enterprise Income Tax Policies for Further Encouraging the Development of Software and Integrated Circuit Industries* (Cai Shui [2012] No. 27) jointly issued by the Ministry of Finance and the State Taxation Administration, the *Notice on the Issues of the Policies of Enterprise Income Tax Preferences for Software and Integrated Circuit Industries* (Cai Shui [2016] No. 49) jointly issued by the Ministry of Finance, the State Taxation Administration, National Development and Reform Commission and the Ministry of Industry and Information Technology, and the *Announcement on Issuing the Revised Measures for the Matters Concerning Preferential Enterprise Income Tax Policies* (Announcement [2018] No. 23) issued by the State Taxation Administration, and through filing with Shenzhen Nanshan District Taxation Bureau, the Group's subsidiary below is subject to enterprise income tax at the preferential rate of 10% from 1 January 2017 as a key software enterprise under the national planning and layout:

Name of subsidiary	Local statutory tax rate	Preferential tax rate
SF Technology Co., Ltd. ("SF Technology")	25%	10%

(f) As per Article 28 of the *Enterprise Income Tax Law of the People's Republic of China*, the high and new technology enterprises eligible for key support from the State are entitled to a reduced tax rate of 15%. Through filing with local taxation bureaus, the Group's subsidiaries as below are qualified as high and new technology enterprises, and entitled to the preferential tax rates for high and new technology enterprises eligible for key support from the State. The subsidiaries as below are subject to a tax rate of 15% in the reporting period.

Name of subsidiary	Local statutory tax rate	Preferential tax rate
S.F. Hengtong Pay Co., Ltd.	25%	15%
Beijing S.F. Intra-city Technology Co., Ltd.	25%	15%
Shenzhen Fengyi Technology Co., Ltd.	25%	15%
Fengtū Technology (Shenzhen) Co., Ltd.	25%	15%

(g) Pursuant to the *Notice on the Policies of Income Tax Preferences for Enterprises in Hainan Free Trade Port* (Cai Shui [2020] No. 31) jointly issued by the Ministry of Finance and the State Taxation Administration, the Group's subsidiaries, which are registered in Hainan Free Trade Port, are subject to enterprise income tax at the preferential rate of 15% from 1 January 2020 to 31 December 2024.

Name of subsidiary	Local statutory tax rate	Preferential tax rate
Hainan S.F. Express Co., Ltd.	25%	15%
Hainan SF Freight Co., Ltd.	25%	15%

In addition, the Group's subsidiaries located in Hong Kong, Macao, Singapore, Japan, Korea and USA are subject to enterprise income tax at the rates of 16.5%, 12%, 17%, 23.2%, 22% and 21% respectively in the reporting period.

In addition to the above subsidiaries, the Company and the Group's other major subsidiaries are subject to enterprise income tax at the rate of 25%.

(2) VAT

According to different businesses, VAT rates applicable to the Group include:

Business type	Applicable VAT rates
Sales of goods and leasing (i)	16% (before 1 April 2019), 13% (since 1 April 2019)
Transportation service (i) (ii) (iii)	10% (before 1 April 2019), 9% (since 1 April 2019)
Logistics supporting service (ii) (iii) (iv)	6% 3% (applicable to small-scale taxpayers before 1 March 2020) 1% (applicable to small-scale taxpayers excluding those of Hubei Province from 1 March to 31 December 2020), 0% (applicable to small-scale taxpayers of Hubei Province from 1 March to 31 December 2020)
Research and development and technical service	6%
Information technology service	6%
Property leases (i)	10% (before 1 April 2019), 9% (since 1 April 2019)

(i) Pursuant to the *Announcement on Policies for Deepening the Value-Added Tax Reform* (Cai Shui [2019] No. 39), the VAT taxable sales or goods import, which were subject to the tax rates of 16% and 10%, are subject to 13% and 9% respectively upon adjustment. The aforesaid circular has been effective since 1 April 2019.

(ii) Pursuant to the *Announcement on Policies for Deepening the Value-Added Tax Reform* (Cai Shui [2019] No. 39) and the *Announcement on Clarifying the Additional Value-Added Tax Credit Policy for the Life Service Industry* (Cai Shui [2019] No. 87), from 1 April 2019 to 31 December 2021, taxpayers whose sales amount from providing postal service, telecommunication service, modern service and life services accounts for more than 50% of the total sales amount are allowed to credit the amount of input tax deductible in the current period plus 10% thereof against the amount of taxes payable; from 1 October 2019 to 31 December 2021, taxpayers whose sales amount from providing life services accounts for more than 50% of the total sales amount are allowed to credit the amount of input tax deductible in the current period plus 15% thereof against the amount of taxes payable.

(iii) In accordance with the *Announcement on Relevant Tax Policies Supporting the Prevention and Control of the Outbreak of Novel Coronavirus Pneumonia (COVID-19)* (Announcement [2020] No. 8) and the *Announcement on the Implementation Period of the Tax and Fee Policies Supporting the Prevention and Control of the COVID-19 Outbreak, the Guarantee of Supply During the COVID-19 Outbreak and Other Matters* (Announcement [2020] No. 28) jointly issued by the Ministry of Finance and the State Taxation Administration on 6 February 2020 and 15 May 2020 respectively, from 1 January 2020 to 31 December 2020, taxpayers' revenue from transportation of key supporting materials for epidemic prevention and control, provision of public transportation services, living services as well as the express delivery service of essential living materials for residents will be exempted from VAT, city maintenance and construction tax, educational surcharge and local educational surcharge.

(iv) Pursuant to the *Announcement on the Value-Added Tax Policies on Supporting the Resumption of Work and Business of Individual Industrial and Commercial Households* (Announcement [2020] No. 13) and the *Announcement on Extending the Applicable Period of the Policies for Reduction and Exemption of Value-added Tax on Small-scale Taxpayers* (Announcement [2020] No. 24) jointly issued by the Ministry of Finance and the State Taxation Administration on 28 February 2020 and 30 April 2020 respectively, from 1 March to 31 December 2020, taxable sales revenue of small-scale taxpayers of Hubei Province subject to VAT at the rate of 3% before shall be exempted from VAT; while the prepaid VAT items subject to the prepaid collection rate of 3% before shall be suspended for the prepayment of VAT. Taxable sales revenue of small-scale taxpayers in other provinces, autonomous regions and municipalities directly under the central government excluding Hubei Province subject to VAT at the rate of 3% before shall be subject to VAT at the preferential rate of 1%; while the prepaid VAT items in such regions subject to the prepaid collection rate of 3% before shall be subject to prepaid VAT at the preferential rate of 1%.

4 Notes to the consolidated financial statements

(1) Cash at bank and on hand

	31 December 2020	31 December 2019
Cash on hand	78,882.36	188,281.28
Cash at bank	15,197,052,949.11	17,654,474,529.50
Balances with central bank from Group Finance Company	1,066,630,262.57	792,594,922.81
Including: Balances with central bank		
– statutory reserve (a)	1,001,338,112.80	785,012,298.46
Balances with central bank		
– excess reserve (b)	65,292,149.77	7,582,624.35
Other cash balances (c)	126,993,032.50	51,599,389.56
Accrued interest	27,136,580.65	22,134,613.95
	16,417,891,707.19	18,520,991,737.10
Including: Total overseas deposits	1,478,584,839.35	967,339,663.84

(a) On 18 September 2016, the Group incorporated S.F. Holding Group Finance Co., Ltd. (“Group Finance Company”). Statutory reserve of Group Finance Company deposited with the central bank represents required statutory reserve paid by financial enterprises in the People’s Bank of China (“PBOC”) at 6% of deposits from customers denominated in RMB. Statutory reserve deposits are not available for use by the Group in its day to day operations, which are restricted cash.

(b) Surplus reserve of Group Finance Company deposited with the central bank represents the excess over the required statutory reserve paid by financial institutions in the central bank, and it is bank deposit that can be readily drawn on demand.

(c) As at 31 December 2019, RMB30,000,000.00 of the other cash balances represented guarantees for bank acceptance notes and was restricted.

(2) Placements with and loans to banks and other financial institutions

As at 31 December 2019, placements with and loans to banks and other financial institutions came from the Group Finance Company, a subsidiary of the Group.

	31 December 2020	31 December 2019
Placements with domestic banks	–	200,000,000.00
Accrued interest	–	728,611.11
Less: Provision for impairment loss	–	–
	–	200,728,611.11

(3) Financial assets held for trading

	31 December 2020	31 December 2019
Structural deposits	6,276,847,839.67	2,909,852,581.06
Others	74,830.02	320,347.14
	6,276,922,669.69	2,910,172,928.20

(4) Accounts receivable

	31 December 2020	31 December 2019
Accounts receivable	17,076,916,966.24	12,170,272,296.49
Less: Provision for bad debts	(227,852,715.45)	(125,729,570.66)
	16,849,064,250.79	12,044,542,725.83

The Group adopts regular settlement method for logistic services provided to some customers. At each month-end, the outstanding part becomes accounts receivable.

(a) The ageing of accounts receivable is analysed as follows:

	31 December 2020	31 December 2019
Within 1 year (inclusive)	16,941,299,144.73	12,064,412,162.95
1 to 2 years (inclusive)	102,274,081.92	82,722,342.92
Over 2 years	33,343,739.59	23,137,790.62
	17,076,916,966.24	12,170,272,296.49

(b) As at 31 December 2020, the five largest accounts receivable aggregated by debtor were summarised and analysed as follows:

	31 December 2020		
	Amount	Amount of provision for bad debts	% of total balance
Sum of the five largest accounts receivable	2,366,200,543.68	(11,831,002.72)	13.86%

(c) Provision for bad debts

For accounts receivable, the Group recognises the lifetime expected credit loss provision.

As at 31 December 2020, accounts receivable for which the related provision for bad debts was provided on the individual basis were analysed as follows:

	Ending balance	Lifetime expected credit loss rate	Provision for bad debts	Reason
Receivables from related parties	–	–	–	The debtor encountered financial distress, etc.
Receivables from non-related parties	130,646,629.92	100.00%	(130,646,629.92)	
	130,646,629.92		(130,646,629.92)	

As at 31 December 2019, accounts receivable for which the related provision for bad debts was provided on the individual basis were analysed as follows:

	Ending balance	Lifetime expected credit loss rate	Provision for bad debts	Reason
Receivables from related parties	–	–	–	The debtor encountered financial distress, etc.
Receivables from non-related parties	56,740,345.11	100.00%	(56,740,345.11)	
	56,740,345.11		(56,740,345.11)	

As at 31 December 2020, accounts receivable for which the related provision for bad debts was provided on the grouping basis were analysed as follows:

	31 December 2020		
	Ending balance	Provision for bad debts	
	Amount	Lifetime expected credit loss rate	Amount
Related party grouping	292,870,255.13	–	–
Non-related party grouping	16,653,400,081.19	0.58%	(97,206,085.53)
	16,946,270,336.32		(97,206,085.53)

As at 31 December 2019, accounts receivable for which the related provision for bad debts was provided on the grouping basis were analysed as follows:

	31 December 2019		
	Ending balance	Provision for bad debts	
	Amount	Lifetime expected credit loss rate	Amount
Related party grouping	231,430,940.86	–	–
Non-related party grouping	11,882,101,010.52	0.58%	(68,989,225.55)
	12,113,531,951.38		(68,989,225.55)

(d) In 2020, the Group's provision for bad debts amounted to RMB218,487,810.06 (2019: RMB142,227,367.20), and there was no provision for bad debts reversed (Note 4(24)).

(e) For the year ended 31 December 2020, the provision for bad debts of accounts receivable that was written off amounted to RMB116,334,085.59 (Note 4(24)) and no accounts receivable with amounts that were individually significant were written off.

(5) Advances to suppliers

(a) The ageing of advances to suppliers was analysed below:

Ageing	31 December 2020		31 December 2019	
	Amount	% of total balance	Amount	% of total balance
Within 1 year (inclusive)	2,985,169,213.54	93.97%	2,595,294,276.41	97.78%
1 to 2 years (inclusive)	165,666,219.04	5.22%	31,784,063.41	1.20%
Over 2 years	25,683,494.41	0.81%	27,166,624.43	1.02%
	3,176,518,926.99	100.00%	2,654,244,964.25	100.00%

As at 31 December 2020, advances to suppliers with ageing over one year were mainly prepaid property rents, materials, transportation expenses, etc. That is because relevant business transactions were still being performed.

(b) As at 31 December 2020, the amount of top five advances to suppliers was analysed as follows:

	31 December 2020	
	Amount	% of total balance
Sum of the five largest advances to suppliers	397,555,889.94	12.52%

(6) Factoring receivables

As at 31 December 2020 and 31 December 2019, factoring receivables were from Shenzhen Shuncheng Lefeng Factoring Co., Ltd. ("Lefeng Factoring"), a subsidiary of the Group, for provision of factoring business to external parties.

	31 December 2020	31 December 2019
Factoring receivables	124,396,330.79	127,216,839.72
Less: Provision for bad debts	(124,086,398.51)	(74,519,671.86)
	309,932.28	52,697,167.86

(a) Factoring receivables are disclosed by category as follows:

	31 December 2020			
	Amount	Proportion	Provision for bad debts	Net amount
Factoring with recourse	124,396,330.79	100.00%	(124,086,398.51)	309,932.28

	31 December 2019			
	Amount	Proportion	Provision for bad debts	Net amount
Factoring with recourse	127,216,839.72	100.00%	(74,519,671.86)	52,697,167.86

(b) Overdue factoring receivables are presented by past-due ageing as follows:

	31 December 2020				
	Within 1 month	1 to 6 months	6 months to 1 year	Over 1 year (inclusive)	Total
Factoring receivables	-	-	476,489.89	123,919,840.90	124,396,330.79
Less: Provision for bad debts	-	-	(166,557.61)	(123,919,840.90)	(124,086,398.51)
	-	-	309,932.28	-	309,932.28

	31 December 2019				
	Within 1 month	1 to 6 months	6 months to 1 year	Over 1 year (inclusive)	Total
Factoring receivables	-	19,221.36	1,190,999.41	122,709,620.13	123,919,840.90
Less: Provision for bad debts	-	(6,608.30)	(895,670.51)	(73,617,393.05)	(74,519,671.86)
	-	12,613.06	295,328.90	49,092,227.08	49,400,169.04

As at 31 December 2020, the book balance of the Group's third-stage factoring receivables was RMB123,919,840.90 and bad debts have been fully accrued.

(c) For the year ended 31 December 2020, the Group's provision for bad debts amounted to RMB49,566,726.65, and there was no provision for bad debts reversed or written-off (Note 4(24)).

(d) As at 31 December 2020, the Group's factoring receivables for which the provision for bad debts was provided on the individual basis amounted to RMB123,919,840.90, of which the provision for bad debts amounted to RMB123,919,840.90.

(7) Loans and advances

As at 31 December 2020, the balance of loans and advances was formed by the external loans issued by S.F. Finance (Hong Kong) Limited ("S.F. Finance"), a subsidiary of the Group in Hong Kong, and Group Finance Company; as at 31 December 2019, the balance of loans and advances was formed by the external loans issued by S.F. Finance.

(a) Loans and advances by individual and enterprise

	31 December 2020	31 December 2019
Personal loans	74,684.98	111,590.41
Enterprise loans		
Non-related party loans	92,660,902.41	96,849,628.97
Related party loans (Note 8(4)(c))	63,938,698.94	–
Loans and advances – total	156,674,286.33	96,961,219.38
Less: Provision for loan losses	(95,756,387.15)	(15,219,113.18)
Loans and advances – net	60,917,899.18	81,742,106.20

(b) Loans and advances analysed by type of collateral

	31 December 2020	31 December 2019
Credit loans	149,699,752.35	89,672,228.97
Guaranteed loans	6,974,533.98	7,288,990.41
Loans and advances – total	156,674,286.33	96,961,219.38

(c) Overdue loans are presented by pass-due ageing as follows:

	31 December 2020				
	Within 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Total
Credit loans	1,380,133.04	6,634,930.14	5,292,970.93	–	13,308,034.11

	31 December 2019				
	Within 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Total
Credit loans	1,680,290.35	3,264,446.60	591,181.80	–	5,535,918.75

As at 31 December 2020, the book balance of the Group's third-stage loan is RMB94,197,354.49, and bad debts have been fully accrued.

(d) In 2020, the Group's provision for bad debts amounted to RMB88,209,290.56 (2019: RMB4,060,387.27), and there was no provision for bad debts reversed (Note 4(24)).

(e) As at 31 December 2020, the Group's loans and advances for which the provision for bad debts was provided on the individual basis amounted to RMB94,197,354.49 (31 December 2019: RMB21,218,553.90), of which the provision for bad debts amounted to RMB94,197,354.49 (31 December 2019: RMB14,459,712.52).

(8) Other receivables

	31 December 2020	31 December 2019
Current accounts receivable from related parties (Note 8(4)(d))	325,199,649.05	294,204,283.58
Guarantees and deposits	844,765,330.84	680,953,317.24
Cash on delivery service	504,889,025.07	284,688,435.91
Receivables from equity transfer and capital reductions	207,603,864.00	156,997,540.37
Airlines subsidy and financial rebate	202,548,660.91	148,867,767.85
Tax collected by others	118,849,744.78	143,431,840.62
Employee borrowings and advances	76,333,587.99	145,969,805.47
Entrusted loan principal receivable	27,000,000.00	27,000,000.00
Social insurance premium prepaid	18,053,631.18	21,044,410.69
Others	296,137,075.61	226,255,553.81
	2,621,380,569.43	2,129,412,955.54
Less: Provision for bad debts	(127,816,168.32)	(27,205,716.14)
	2,493,564,401.11	2,102,207,239.40

(a) The ageing of other receivables based on the point of occurrence is analysed as follows:

	31 December 2020	31 December 2019
Within 1 year (inclusive)	2,001,897,653.15	1,709,844,656.77
1 to 2 years (inclusive)	333,174,159.82	187,996,839.38
Over 2 years	286,308,756.46	231,571,459.39
	2,621,380,569.43	2,129,412,955.54

As at 31 December 2020, other receivables with ageing over 1 year mainly represented guarantees, deposits and receivables from equity transfer.

(b) Provision for losses and changes in book balance statements

(i) The Group measures the loss provision for other receivables based on the expected credit losses for the next twelve months or the entire duration.

	Stage 1		Stage 3		Total
	Expected credit losses in the following 12 months (Portfolio)		Lifetime expected credit losses (credit impaired)		
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts	Provision for bad debts
31 December 2019	2,102,161,329.94	(10,754,090.54)	27,251,625.60	(16,451,625.60)	(27,205,716.14)
Net increase/provision in the current year	504,447,441.83	(15,229,703.12)	–	(97,860,577.00)	(113,090,280.12)
Write-off/Disposal in the current year	–	–	(12,479,827.94)	12,479,827.94	12,479,827.94
Transfer to Stage 3	(111,551,394.34)	13,690,817.34	111,551,394.34	(13,690,817.34)	–
31 December 2020	2,495,057,377.43	(12,292,976.32)	126,323,192.00	(115,523,192.00)	(127,816,168.32)

As at 31 December 2020 and 31 December 2019, the Group did not have any other receivables at Stage 1 for which the related provision for bad debts was provided on the individual basis.

As at 31 December 2020, other receivables at Stage 1 for which the related provision for bad debts was provided on the grouping basis were analysed as follows:

	Ending balance	Expected credit loss rate in the following 12 months	Provision for bad debts	Reason
Provided on the grouping basis:				
Related party grouping	325,199,649.05	–	–	Expected credit loss method
Non-related party grouping	2,169,857,728.38	0.57%	(12,292,976.32)	
	2,495,057,377.43		(12,292,976.32)	

As at 31 December 2019, other receivables at Stage 1 for which the related provision for bad debts was provided on the grouping basis were analysed as follows:

	Ending balance	Expected credit loss rate in the following 12 months	Provision for bad debts	Reason
Provided on the grouping basis:				
Related party grouping	294,204,283.58	–	–	Expected credit loss method
Non-related party grouping	1,807,957,046.36	0.59%	(10,754,090.54)	
	2,102,161,329.94		(10,754,090.54)	

As at 31 December 2020 and 31 December 2019, the Group did not have any other receivables at Stage 2.

As at 31 December 2020, other receivables at Stage 3 for which the related provision for bad debts was provided on the individual basis were analysed as follows:

	Ending balance	Lifetime expected credit losses	Provision for bad debts	Reason
Provided on the individual basis:				
Entrusted loans receivable	27,000,000.00	60.00%	(16,200,000.00)	The debtor encountered financial distress
Receivables from equity transfer and capital reductions	92,455,115.00	100.00%	(92,455,115.00)	The debtor encountered financial distress
Others	6,868,077.00	100.00%	(6,868,077.00)	The debtor encountered financial distress
	126,323,192.00		(115,523,192.00)	

As at 31 December 2019, other receivables at Stage 3 for which the related provision for bad debts was provided on the individual basis were analysed as follows:

	Ending balance	Lifetime expected credit losses	Provision for bad debts	Reason
Provided on the individual basis:				
Entrusted loans receivable	27,000,000.00	60.00%	(16,200,000.00)	The debtor encountered financial distress
Others	251,625.60	100.00%	(251,625.60)	The debtor encountered financial distress
	27,251,625.60		(16,451,625.60)	

As at 31 December 2020 and 31 December 2019, the Group did not have any other receivables at Stage 3 for which the related provision for bad debts was provided on the grouping basis.

(c) In 2020, the Group's provision for bad debts amounted to RMB113,090,280.12 (2019: RMB26,821,581.16), and there was no provision for bad debts reversed (Note 4(24)).

(d) For the year ended 31 December 2020, the provision for bad debts of other receivables that was written off amounted to RMB12,474,573.41 (Note 4(24)) and no other receivables with amounts that were individually significant were written off.

(e) As at 31 December 2020, the five largest other receivables aggregated by debtor were summarised and analysed as follows:

	Nature of business	Ageing	31 December 2020		
			Amount	Amount of provision for bad debts	% of total balance
Shenzhen Hive Box Technology Co., Ltd. ("Hive Box Technology")	Agency collection and payment	Within 3 months	279,996,905.15	–	10.68%
Changsha Municipal People's Government	Airlines subsidy	Within 1 year	78,600,000.00	(393,000.00)	3.00%
Hangzhou International Airport	Airlines subsidy	Within 1 year	59,593,800.00	(297,969.00)	2.27%
IKEA	Agency collection and payment	Within 1 year	45,459,601.54	(227,298.01)	1.73%
Suzhou Lake District Development Co., Ltd.	Deposit margin	Within 1 year	40,000,000.00	(200,000.00)	1.53%
			503,650,306.69	(1,118,267.01)	19.21%

(9) Inventories

Inventories are summarised by category as follows:

	31 December 2020		
	Ending balance	Provision for decline in the value of inventories	Carrying amount
Raw materials in stock	423,928,000.21	–	423,928,000.21
Aviation consumables	241,874,487.58	–	241,874,487.58
Finished goods	191,150,994.59	(5,279,698.19)	185,871,296.40
Properties under development	79,095,456.31	–	79,095,456.31
Low-value consumables	56,181,354.54	–	56,181,354.54
	992,230,293.23	(5,279,698.19)	986,950,595.04

	31 December 2019		
	Ending balance	Provision for decline in the value of inventories	Carrying amount
Raw materials in stock	386,155,813.35	–	386,155,813.35
Aviation consumables	184,488,934.08	–	184,488,934.08
Finished goods	198,782,950.13	–	198,782,950.13
Properties under development	79,095,456.31	–	79,095,456.31
Low-value consumables	33,135,819.82	–	33,135,819.82
	881,658,973.69	–	881,658,973.69

(10) Contract assets

	31 December 2020	31 December 2019
Contract assets	401,040,381.85	–
Less: Provision for impairment of contract assets	(2,005,201.91)	–
	399,035,179.94	–

(11) Other current assets

	31 December 2020	31 December 2019
Input VAT to be offset	4,536,908,043.47	2,608,089,009.64
Prepaid enterprise income tax	153,562,561.05	67,680,195.25
Bank wealth management products	–	622,533,561.64
Others	2,606,785.14	1,381,954.41
	4,693,077,389.66	3,299,684,720.94

(12) Long-term receivables

	31 December 2020	31 December 2019
Interest-free loans to employees receivable (a)	377,265,003.74	321,819,622.61
Deposit for house purchase	277,904,430.00	246,757,710.00
Finance lease receivables	122,344,982.71	13,269,315.40
Less: Current portion of long-term receivables	(156,240,777.09)	(105,344,257.09)
Provision for bad debts	(14,169,999.15)	(10,769,078.64)
	607,103,640.21	465,733,312.28

(a) Interest-free loans to employees receivable

	31 December 2020	31 December 2019
Interest-free loans to employees receivable	406,677,491.48	349,400,218.00
Less: Prepaid discount interest	(29,412,487.74)	(27,580,595.39)
Amortised cost of interest-free loans to employees	377,265,003.74	321,819,622.61
Less: Current portion of interest-free loans to employees	(124,107,464.52)	(101,130,736.14)
Provision for bad debts	(2,033,387.46)	(1,713,284.19)
	251,124,151.76	218,975,602.28

Interest-free loans to employees receivable represented the interest-free loans to qualified employees with a term of 5 years.

(13) Long-term equity investments

	31 December 2020	31 December 2019
Cost:		
Joint ventures	2,457,553,213.43	1,363,650,397.32
Associates	1,337,754,074.20	1,018,085,534.62
	3,795,307,287.63	2,381,735,931.94
Less: Provision for impairment of long-term equity investments		
– Joint ventures	(22,587,342.22)	(22,587,342.22)
– Associates	(125,488,667.51)	(137,635,916.58)
	(148,076,009.73)	(160,223,258.80)
Joint ventures (a)	2,434,965,871.21	1,341,063,055.10
Associates (b)	1,212,265,406.69	880,449,618.04
	3,647,231,277.90	2,221,512,673.14

(a) Joint ventures

	Carrying amount as at 31 December 2019	Movements in the current year							Carrying amount as at 31 December 2020	Balance of provision for impairment loss at the end of the year
		Increase in investments	Decrease in investments	Share of net profit/(loss) under equity method	Exchange differences on translation of foreign currency financial statements	Cash dividends or profits declared	Other changes in equity (I)	Provision for impairment loss		
Hubei International Logistics Airport Co., Ltd.	919,124,467.58	460,000,000.00	-	(5,823,490.59)	-	-	-	-	1,373,300,976.99	-
Gem-year Logistics Co., Ltd.	-	488,603,002.00	-	2,058,573.24	-	-	-	-	490,661,575.24	-
ZBHA Group Co., Ltd. ("ZBHA")	216,803,467.42	-	-	13,625,758.69	-	-	-	-	230,429,226.11	-
Jimfeng Borun (Xiamen) Equity Investment Partnership (Limited Partnership)	-	150,000,000.00	-	(645,958.52)	-	-	-	-	149,354,041.48	-
Beijing Wulian Shuntong Technology Co., Ltd. ("Wulian Shuntong")	94,963,169.82	-	-	(5,391,653.64)	-	-	-	-	89,571,516.18	-
CR-SF International Express Co., Ltd.	24,837,458.98	-	-	4,984,277.52	-	-	(67,483.26)	-	29,754,253.24	-
Shenzhen Fensgu Technology Co., Ltd.	-	20,846,880.10	-	2,058,054.64	-	-	-	-	22,904,934.74	-
POST110U	25,772,983.59	-	-	(1,506,653.77)	(1,825,219.18)	-	-	-	22,441,110.64	-
Shenzhen Shenghai Information Service Co., Ltd. ("Shenghai Information")	8,736,100.81	-	-	1,847,291.69	-	(5,086,621.00)	-	-	5,496,771.50	-
JV PT Surya Fajar Indonesia	-	4,629,172.50	-	-	(128,871.31)	-	-	-	4,500,301.19	-
Global Connect Holding Limited	2,284,910.20	-	-	2,358,251.35	(262,058.60)	-	-	-	4,381,102.95	-
Xiaoyi Technology (Shanghai) Co., Ltd.	-	3,000,000.00	-	(322,848.90)	-	-	-	-	2,677,151.10	-
Smarcle (Zhuhai) Brand Management Co., Ltd.	-	2,000,000.00	-	-	-	-	-	-	2,000,000.00	-
REX Logistics Co., Ltd.	-	2,662,416.86	-	(652,030.40)	(79,217.01)	-	-	-	1,931,169.45	-
Wenzhou Fengbaoke Technology Co., Ltd.	720,959.64	-	-	850,301.67	-	-	52,072.58	-	1,623,333.89	-
Shanghai Geling Information Technology Co., Ltd. ("Geling Information")	2,098,546.48	-	-	(632,041.17)	-	-	-	-	1,466,505.31	-
Shanghai Fengdu Haixuan Digital Technology Co., Ltd.	-	1,510,000.00	-	(311,979.33)	-	-	-	-	1,198,020.67	-
Beijing Shunhe Tongxin Technology Co., Ltd.	3,151,501.44	-	-	(2,203,785.91)	-	-	-	-	947,715.53	-
CC-SF China Logistics Properties Investment GP Limited	-	357,315.00	-	-	(31,150.00)	-	-	-	326,165.00	-
Shanghai Pharma International Supply Chain Co., Ltd.	1,974,388.13	-	(1,974,388.13)	-	-	-	-	-	-	-
Zhongyunda Aviation Ground Services Co., Ltd.	-	-	-	-	-	-	-	-	-	(22,587,342.22)
Hubei International Aviation Industry Metro Development Co., Ltd.	40,595,101.01	-	(40,000,000.00)	(595,101.01)	-	-	-	-	-	-
	1,341,063,055.10	1,133,608,786.46	(41,974,388.13)	9,696,965.56	(2,326,516.10)	(5,086,621.00)	(15,410.68)	-	2,434,965,871.21	(22,587,342.22)

(b) Associates

	Carrying amount as at 31 December 2019	Movements in the current year								Carrying amount as at 31 December 2020	Balance of provision for impairment loss at the end of the year
		Increase in investments	Decrease in investments	Share of net profit/(loss) under equity method	Exchange differences on translation of foreign currency financial statements	Cash dividends or profits declared	Share of other comprehensive income	Other changes in equity (I)	Provision for impairment loss		
Amass Freight International Co. Ltd.	-	208,700,000.00	-	-	-	-	-	-	-	208,700,000.00	-
Zhejiang Galaxis Technology Co., Ltd.	161,882,794.44	-	-	(2,418,527.53)	-	-	-	46,470,765.33	-	205,935,032.24	-
Zhuhai Biyao Industrial Technology Co., Ltd.	112,362,306.63	-	-	(137,621.93)	-	-	-	-	-	112,224,684.70	(8,031,343.63)
Jiangsu Chiata Foton Co., Ltd.	107,476,830.50	-	-	(4,766,558.11)	-	-	-	-	-	102,710,272.39	-
Beijing Dazhangfang Network Technology Co., Ltd. ("Beijing Dazhangfang")	103,704,048.34	-	-	(9,075,140.29)	-	-	-	5,276,959.79	-	99,905,867.84	-
KENGIC Intelligent Technology Co., Ltd. ("KENGIC Intelligent")	-	100,726,338.75	(28,638,114.18)	3,304,651.46	-	-	-	813,166.24	-	76,206,042.27	-
Dunho Weiheng (Zhuhai) Supply Chain Management Co., Ltd.	63,171,010.36	-	-	(815,164.07)	-	-	-	-	-	62,355,846.29	-
Feng Wang Investment Co., Ltd.	48,457,487.11	-	-	(1,517,207.69)	-	-	873,013.64	-	-	47,813,293.06	-
Langxing UAV System Co., Ltd.	40,463,275.86	-	-	(1,176,812.65)	-	-	-	-	-	39,286,463.21	-
Shenzhen Canbeidou Supply Chain Management Co., Ltd. ("Canbeidou Supply Chain")	32,044,873.83	-	-	(1,016,192.81)	-	-	-	-	-	31,028,681.02	-
Beijing GreenValley Technology Limited	23,280,413.84	-	-	1,470,826.51	-	-	-	5,176,651.46	-	29,927,891.81	-
SCS Logistics Co., Ltd.	-	31,914,566.93	-	1,087,831.84	-	(3,150,000.00)	-	-	-	29,852,398.77	-
Shenzhen Zhi Hang UAV Co., Ltd.	18,053,709.37	-	-	5,121,497.28	-	-	-	616,612.28	-	23,791,818.93	-
KOSPA	26,979,321.88	-	-	(2,722,931.15)	(1,522,047.32)	-	-	-	-	22,734,343.41	-
Guangdong Shucheng Technology Co., Ltd.	9,586,857.99	11,111,112.00	-	(1,555,089.60)	-	-	-	-	-	19,142,880.39	-

	Carrying amount as at 31 December 2019	Movements in the current year								Carrying amount as at 31 December 2020	Balance of provision for impairment loss at the end of the year
		Increase in investments	Decrease in investments	Share of net profit/(loss) under equity method	Exchange differences on translation of foreign currency financial statements	Cash dividends or profits declared	Share of other comprehensive income	Other changes in equity (i)	Provision for impairment loss		
Wuhan Shunluo Supply Chain Management Co., Ltd.	17,344,007.27	-	-	(1,036,537.19)	-	-	-	-	-	16,307,470.08	-
PT TRI ADI BERSAMA	14,764,955.26	10,240,467.14	-	(9,786,939.71)	(882,975.74)	-	-	-	-	14,335,506.95	-
Shenzhen Shunjie Fengda Express Co., Ltd. ("Shenzhen Shunjie Fengda")	11,743,640.56	-	-	2,139,212.16	-	-	-	-	-	13,882,852.72	(20,480,557.60)
Shanghai EYouTong Technology Development Co., Ltd.	5,000,000.00	5,000,000.00	-	(610,835.66)	-	-	-	-	-	9,389,164.34	-
Xi'an Huahan Air Passenger and Freight Service Co., Ltd.	8,563,952.67	-	-	(24,917.20)	-	-	-	-	-	8,539,035.47	-
State Grid E-Commerce Yunfeng Logistics Technology Co., Ltd.	-	7,840,000.00	-	59,507.10	-	-	-	-	-	7,899,507.10	-
Zhongshun Xintean Supply Chain Co., Ltd.	7,271,247.64	-	-	(916,183.22)	-	-	-	-	-	6,355,064.42	-
PT ADI SARANA LOGISTIK	5,680,228.00	-	-	(935,068.50)	(329,133.55)	-	-	-	-	4,416,025.95	-
Chongqing Boqiang Logistics Co., Ltd.	4,444,827.25	-	-	(68,078.52)	-	-	-	-	-	4,376,748.73	-
Wuhan Jinyu Shunhao Logistics Co., Ltd.	3,575,499.44	-	-	(91,037.60)	-	-	-	-	-	3,484,461.84	-
Qingdao Dakai Cargo Agency Co., Ltd.	3,076,701.10	-	-	16,816.75	-	-	-	-	-	3,093,517.85	-
Shenzhen Zhongwang Finance and Tax Management Co., Ltd.	3,776,552.80	-	-	(919,692.42)	-	-	-	-	-	2,856,860.38	-
KINGS (HK) INTERNATIONAL LIMITED	2,425,798.14	-	-	(90,672.73)	(143,086.71)	-	-	-	-	2,192,038.70	-
Shanghai Tingdi Logistics Service Co., Ltd.	-	2,000,000.00	-	(263,364.15)	-	-	-	-	-	1,736,635.85	-
Shenzhen Fengyi Intelligent Technology Co., Ltd.	1,000,000.00	-	-	(159,382.23)	-	-	-	-	-	840,617.77	-

	Carrying amount as at 31 December 2019	Movements in the current year								Carrying amount as at 31 December 2020	Balance of provision for impairment loss at the end of the year
		Increase in investments	Decrease in investments	Share of net profit/(loss) under equity method	Exchange differences on translation of foreign currency financial statements	Cash dividends or profits declared	Share of other comprehensive income	Other changes in equity (i)	Provision for impairment loss		
Qingdao Shunlianda Agricultural Science and Technology Co., Ltd.	2,371,202.69	-	-	(1,759,910.81)	-	-	-	-	-	611,291.88	-
Shenzhen Changfeng Electronic Information Co., Ltd.	-	400,000.00	-	(66,909.67)	-	-	-	-	-	333,090.33	-
Little Red Hat Issuance Co., Ltd. ("Little Red Hat")	19,589,988.00	-	(20,445,708.79)	855,720.79	-	-	-	-	-	-	-
Kin Shun Information Technology Limited	3,782,528.57	-	-	(3,782,528.57)	-	-	-	-	-	-	-
GS EXPRESS HOLDINGS PTE. LTD	14,169,210.35	-	(13,832,113.45)	(53,054.62)	(284,042.28)	-	-	-	-	-	-
Beijing Prettyfeather Brand Management Co., Ltd.	4,038,975.21	-	-	(338,493.48)	-	-	-	-	(3,700,481.73)	-	(3,700,481.73)
Shenzhen Xiaofeng Technology Co., Ltd. ("Xiaofeng Technology")	367,372.94	-	(900,000.00)	532,627.06	-	-	-	-	-	-	-
Shenzhen Bai Mi Life Co., Ltd.	-	-	-	-	-	-	-	-	-	-	(93,276,284.55)
	880,449,618.04	377,932,484.82	(63,815,936.42)	(31,516,161.16)	(3,161,285.60)	(3,150,000.00)	873,013.64	58,354,155.10	(3,700,481.73)	1,212,265,406.69	(125,488,667.51)

(i) Those represent changes in equity resulting from capital injections by investors other than the Group.

(14) Investments in other equity instruments

	31 December 2020	31 December 2019
Equity of listed companies	891,158,779.32	806,383,940.40
Equity of unlisted companies	4,136,330,274.98	4,127,308,996.79
	5,027,489,054.30	4,933,692,937.19

Item	Dividend income recognised in the current year	Accumulated gains or losses recognised in other comprehensive income
Equity of listed companies	29,554,237.74	281,809,283.93
Equity of unlisted companies	-	937,163,570.29
	29,554,237.74	1,218,972,854.22

	31 December 2019	Increase in the current year	Changes in fair value in the current year	Decrease in the current year	Exchange rate changes in the current year	Exchange differences on translation of foreign currency financial statements	31 December 2020
Equity of listed companies	806,383,940.40	-	284,066,169.33	(143,873,225.00)	-	(55,418,105.41)	891,158,779.32
Equity of unlisted companies	4,127,308,996.79	650,000.00	270,577,309.36	-	(10,179,812.50)	(252,026,218.67)	4,136,330,274.98
	4,933,692,937.19	650,000.00	554,643,478.69	(143,873,225.00)	(10,179,812.50)	(307,444,324.08)	5,027,489,054.30

(15) Other non-current financial assets

	31 December 2020	31 December 2019
Financial assets held for trading (over 1 year):		
Industry fund investments	441,134,721.34	218,615,943.17
Special scheme equity-class securities	390,391,319.74	260,424,488.45
	831,526,041.08	479,040,431.62

(16) Investment properties

	Buildings	Land use rights	Total
Cost			
31 December 2019	1,242,691,385.60	943,851,986.13	2,186,543,371.73
Transfer from self-used assets in the current year (Note 4(17), (18), (19))	1,340,119,894.77	125,302,756.44	1,465,422,651.21
Transfer to self-used assets in the current year (Note 4(17), (19))	(922,752,948.92)	(212,487,498.78)	(1,135,240,447.70)
Effect of translation of foreign currency financial statements	(28,682,617.26)	(40,247,550.34)	(68,930,167.60)
31 December 2020	1,631,375,714.19	816,419,693.45	2,447,795,407.64
Accumulated depreciation			
31 December 2019	80,869,528.27	86,147,942.85	167,017,471.12
Transfer from self-used assets in the current year (Note 4(17), (19))	55,210,474.53	10,532,872.32	65,743,346.85
Provision in the current year	36,682,999.05	17,836,823.03	54,519,822.08
Transfer to self-used assets in the current year (Note 4(17), (19))	(29,695,495.74)	(22,360,071.44)	(52,055,567.18)
Effect of translation of foreign currency financial statements	(3,075,942.42)	(3,758,544.16)	(6,834,486.58)
31 December 2020	139,991,563.69	88,399,022.60	228,390,586.29
Carrying amount			
31 December 2020	1,491,384,150.50	728,020,670.85	2,219,404,821.35
31 December 2019	1,161,821,857.33	857,704,043.28	2,019,525,900.61

As at 31 December 2020, the Group was still in the process of applying for certificates of ownership for certain buildings with carrying amount of RMB656,266,461.64 (cost of RMB671,020,713.68) (31 December 2019: carrying amount of RMB365,383,308.15 and cost of RMB374,700,631.83). As at 31 December 2020, the Group had no land use rights without certificates of ownership (31 December 2019: carrying amount of RMB9,641,930.52 and cost of RMB9,924,283.34).

As at 31 December 2020, investment properties with carrying amount of RMB77,180,832.16 (cost of RMB81,475,559.44) (31 December 2019: carrying amount of RMB260,204,371.91 and cost of RMB275,172,362.41) were pledged as collateral for long-term borrowings (Note 4(34)(b)).

As at 31 December 2020 and 31 December 2019, the Group assessed that no impairment loss should be recognised for investment properties.

(17) Fixed assets

	Buildings	Motor vehicles	Computers and electronic equipment	Aircraft, aircraft engines, rotables and high-value maintenance tools	Machinery and equipment	Office equipment and other equipment	Total
Cost							
31 December 2019	7,393,215,121.80	5,091,728,471.88	3,216,929,397.29	7,801,375,592.48	3,070,600,492.08	4,143,569,817.71	30,717,418,893.24
Increase arising from business combination involving enterprises not under common control	5,439,225.92	17,047,016.36	1,165,001.45	-	47,763,436.00	2,862,756.76	74,277,436.49
Transfer from construction in progress (Note 4(18))	288,208,172.82	113,091,153.33	38,370,032.42	1,166,475,994.03	1,135,608,989.95	1,953,656,690.56	4,695,411,033.11
Transfer from investment properties in the current year (Note 4(16))	922,752,948.92	-	-	-	-	-	922,752,948.92
Increase in the current year	172,399,025.73	946,012,450.18	699,945,102.70	246,296,610.33	281,093,132.59	246,052,875.57	2,591,799,197.10
Transfer to investment properties in the current year (Note 4(16))	(163,225,465.67)	-	-	-	-	-	(163,225,465.67)
Decrease in the current year	(25,000.00)	(677,661,588.64)	(333,908,797.62)	(40,076,808.64)	(54,337,708.19)	(172,888,155.43)	(1,278,898,058.52)
Decrease due to disposal of subsidiaries in the current year	(793,870,584.78)	(25,431.03)	(1,105,871.12)	-	(4,759,100.00)	(412,558.84)	(800,173,545.77)
Effect of translation of foreign currency financial statements	(88,894,272.25)	(14,561,734.16)	(5,677,775.28)	(2,085,981.17)	(19,070,161.62)	(1,504,733.07)	(131,794,657.55)
31 December 2020	7,735,999,172.49	5,475,630,337.92	3,615,717,089.84	9,171,985,407.03	4,456,899,080.81	6,171,336,693.26	36,627,567,781.35
Accumulated depreciation							
31 December 2019	714,065,052.65	3,517,214,219.88	1,955,602,800.09	2,584,195,303.06	928,504,641.35	2,114,009,813.79	11,813,591,830.82
Increase arising from business combination involving enterprises not under common control	1,019,740.65	14,344,403.40	516,327.40	-	9,425,721.44	2,184,806.87	27,490,999.76
Transfer from investment properties in the current year (Note 4(16))	29,695,495.74	-	-	-	-	-	29,695,495.74
Provision in the current year	229,024,260.99	780,502,253.76	668,122,878.46	946,365,593.23	279,302,267.36	726,644,406.06	3,629,961,659.86
Transfer to investment properties in the current year (Note 4(16))	(55,210,474.53)	-	-	-	-	-	(55,210,474.53)
Decrease in the current year	(25,000.00)	(621,459,356.08)	(288,337,403.01)	(25,933,453.16)	(30,942,025.57)	(135,804,897.45)	(1,102,502,135.27)
Decrease due to disposal of subsidiaries in the current year	(39,077,568.36)	(24,159.48)	(431,635.79)	-	(1,043,476.04)	(144,088.59)	(40,720,928.26)
Effect of translation of foreign currency financial statements	(8,990,476.10)	(9,591,103.57)	(4,106,494.19)	(162,086.94)	(7,122,430.21)	(1,417,830.36)	(31,390,421.37)
31 December 2020	870,501,031.04	3,680,986,257.91	2,331,366,472.96	3,504,465,356.19	1,178,124,698.33	2,705,472,210.32	14,270,916,026.75
Carrying amount							
31 December 2020	6,865,498,141.45	1,794,644,080.01	1,284,350,616.88	5,667,520,050.84	3,278,774,382.48	3,465,864,482.94	22,356,651,754.60
31 December 2019	6,679,150,069.15	1,574,514,252.00	1,261,326,597.20	5,217,180,289.42	2,142,095,850.73	2,029,560,003.92	18,903,827,062.42

(i) In 2020, the amount of depreciation expenses charged to cost of revenue, selling and distribution expenses, general and administrative expenses and research and development expenses was RMB3,580,529,910.34 (2019: RMB3,005,247,806.88).

(ii) As at 31 December 2020, fixed assets with carrying amount of RMB181,287,156.79 (cost of RMB185,653,990.63) (31 December 2019: carrying amount of RMB249,515,825.00 and cost of RMB263,866,480.94) were pledged as collateral for long-term borrowings (Note 4(34)(b)).

(iii) Fixed assets with pending certificates of ownership

	31 December 2020			
	Cost	Accumulated depreciation	Provision for impairment loss	Carrying amount
Buildings	1,782,960,049.03	(96,133,702.99)	–	1,686,826,346.04

	31 December 2019			
	Cost	Accumulated depreciation	Provision for impairment loss	Carrying amount
Buildings	3,832,878,464.87	(7,512,115.30)	–	3,825,366,349.57

In addition, as at 31 December 2020, buildings with carrying amount of RMB22,375,366.18 and cost of RMB29,844,036.64 (31 December 2019: carrying amount of RMB23,782,253.69 and cost of RMB29,844,036.64) represented public rental houses with restricted property rights purchased by the Group for enterprise talents.

(iv) As at 31 December 2020 and 31 December 2019, the Group assessed that no impairment loss should be recognised for fixed assets.

(v) Disposal of aircraft engines, rotables and high-value maintenance tools

	Reason for disposal	2020			
		Cost	Accumulated depreciation	Provision for impairment loss	Carrying amount
Aircraft rotables	Scrapped	2,022,695.60	(641,044.12)	–	1,381,651.48
Aircraft rotables	Sold	1,826,802.84	(75,222.29)	–	1,751,580.55
High-value maintenance tools	Scrapped	34,126.62	(22,908.94)	–	11,217.68
		3,883,625.06	(739,175.35)	–	3,144,449.71

	Reason for disposal	2019			
		Cost	Accumulated depreciation	Provision for impairment loss	Carrying amount
Aircraft rotables	Scrapped	6,350,577.09	(2,465,588.66)	–	3,884,988.43
Aircraft rotables	Sold	49,746.38	(6,204.17)	–	43,542.21
High-value maintenance tools	Scrapped	20,211.45	(19,200.88)	–	1,010.57
		6,420,534.92	(2,490,993.71)	–	3,929,541.21

(18) Construction in progress

	31 December 2020	31 December 2019
Aircraft import and refit	848,657,662.30	316,317,636.93
Wuhan E-Commerce Industrial Park Project	522,065,007.56	316,888,129.83
Qianhai S.F. Headquarters Office	724,189,959.49	613,625,693.09
Relocation and Renovation Project of Distribution Hubs	614,476,732.51	3,008,930.56
Xi'an E-Commerce Industrial Park Project	304,437,146.68	38,419,568.13
Tianjin Fengtai E-Commerce Industrial Park Project	268,165,252.88	293,070,248.84
Chengdu Fengtai E-Commerce Industrial Park Project	256,888,014.72	18,618,059.67
Guiyang Fengtai E-Commerce Industrial Park Project	194,125,117.04	4,813,433.58
Beijing S.F. Full-automatic Storage & Sorting Centre and Supporting Facilities Project	168,730,745.48	22,441,091.92
S.F. Nanjing Innovation Industrial Park Project	164,512,642.20	64,145,993.56
Ezhou Civil Airport Transit Centre	117,410,589.62	8,638,051.09
Changsha E-Commerce Industrial Park Project	96,068,074.65	61,192,813.43
Haikou Fengtai Industrial Park Project	77,924,993.11	5,960,194.22
Ganzhou Fengtai Industrial Park Project	77,904,906.75	3,123,497.70
Hangzhou Beicheng Intelligent Park	76,320,340.29	1,405,340.94
Jiaxing Xiuzhou Phase I	74,696,103.44	–
Zhengzhou S.F. E-Commerce Industrial Park Project	69,219,841.76	76,581,451.75
S.F. Nantong Smart E-Commerce Logistics Park	67,188,215.88	–
Changchun E-Commerce Industrial Park Project	66,553,674.01	169,493,927.07
Nanchang Fengtai Industrial Park Project	61,065,523.07	1,360,924.95
Shanghai Headquarters & Intelligent Logistics Technology Industrial Park Project	43,260,355.40	–
Tibet Lhasa E-Commerce Industrial Park Project	40,949,714.68	4,432,335.54
Intelligent Sorting Hefei Base Project	30,750,245.51	239,469,936.44
Nanning S.F. Innovation Industrial Base	19,686,338.93	–
S.F. Ma'anshan Innovation Industrial Park Project	6,480,824.53	21,659,696.90
Foshan Guicheng Fengtai E-Commerce Industrial Park Project	1,653,739.60	166,000,698.78
Weihai S.F. E-Commerce Industrial Park Project	–	91,088,518.37
Dongguan Songshan Lake Zhigu Industrial Park Project	–	55,700,314.11
Chongqing Fengtai E-Commerce Industrial Park Project	–	245,524,145.25
Others	386,472,699.97	273,509,985.61
	5,379,854,462.06	3,116,490,618.26

As at 31 December 2020, the Group considered that no impairment loss should be recognised for construction in progress.

Name of projects	Budget	31 December 2019	Increase in the current year	Transfer to other long-term assets in the current year (iii)	Decrease in the current year	31 December 2020	% of project investment in budget (i)	Progress of project	Accumulative amount of capitalised borrowing costs	Including: Borrowing costs capitalised in the current year (Note 4(53))	Capitalisation rate	Source of funds
Aircraft import and refit	2,000,923,805.45	316,317,636.93	1,753,382,733.32	(1,221,042,707.95)	-	848,657,662.30	87.63%	100.00%	-	-	-	Self-owned funds
Wuhan E-Commerce Industrial Park Project	641,214,351.51	316,888,129.83	249,746,152.61	(44,569,274.88)	-	522,065,007.56	88.37%	88.37%	-	-	-	Self-owned funds
Qianhai S.F. Headquarters Office	854,177,097.57	613,625,693.09	110,564,266.40	-	-	724,189,959.49	84.78%	84.78%	78,692,093.55	20,049,818.68	4.73%	Self-owned funds and loans from financial institutions
Relocation and Renovation Project of Distribution Hubs	4,413,991,335.83	3,008,930.56	2,925,534,542.82	(2,306,897,478.45)	(7,169,262.42)	614,476,732.51	66.28%	66.28%	-	-	-	Self-owned funds
Xian E-Commerce Industrial Park Project	473,295,722.77	38,419,568.13	266,017,578.55	-	-	304,437,146.68	64.32%	64.32%	-	-	-	Self-owned funds
Tianjin Fengtai E-Commerce Industrial Park Project	687,809,082.89	293,070,248.84	132,778,276.07	(157,683,272.03)	-	268,165,252.88	92.22%	92.22%	-	-	-	Self-owned funds
Chengdu Fengtai E-Commerce Industrial Park Project	483,030,955.57	18,618,059.67	238,269,955.05	-	-	256,888,014.72	53.18%	53.18%	-	-	-	Self-owned funds
Guiyang Fengtai E-Commerce Industrial Park Project	362,753,996.14	4,813,433.58	189,311,683.46	-	-	194,125,117.04	53.51%	53.51%	-	-	-	Self-owned funds
Beijing S.F. Full-automatic Storage & Sorting Centre and Supporting Facilities Project	333,402,731.55	22,441,091.92	146,289,653.56	-	-	168,730,745.48	50.61%	50.61%	-	-	-	Self-owned funds
S.F. Nanjing Innovation Industrial Park Project	186,322,638.06	64,145,993.56	100,366,648.64	-	-	164,512,642.20	88.29%	88.29%	-	-	-	Self-owned funds
Ezhou Civil Airport Transit Centre	1,450,260,000.00	8,638,051.09	108,772,538.53	-	-	117,410,589.62	8.02%	8.02%	-	-	-	Self-owned funds
Changsha E-Commerce Industrial Park Project	462,495,439.26	61,192,813.43	74,827,943.44	(39,952,682.22)	-	96,068,074.65	77.11%	77.11%	-	-	-	Self-owned funds
Haikou Fengtai Industrial Park Project	230,682,991.79	5,960,194.22	71,964,798.89	-	-	77,924,993.11	31.20%	31.20%	-	-	-	Self-owned funds
Ganzhou Fengtai Industrial Park Project	227,737,393.75	3,123,497.70	74,781,403.05	-	-	77,904,906.75	34.21%	34.21%	-	-	-	Self-owned funds
Hangzhou Beicheng Intelligent Park	397,372,626.61	1,405,340.94	74,914,999.35	-	-	76,320,340.29	19.21%	19.21%	-	-	-	Self-owned funds
Jiaxing Xiuzhou Phase I	374,138,297.94	-	74,696,103.44	-	-	74,696,103.44	19.96%	19.96%	-	-	-	Self-owned funds
Zhengzhou S.F. E-Commerce Industrial Park Project	479,605,898.08	76,581,451.75	174,332,553.10	(181,694,163.09)	-	69,219,841.76	52.32%	52.32%	-	-	-	Self-owned funds

Name of projects	Budget	31 December 2019	Increase in the current year	Transfer to other long-term assets in the current year (iii)	Decrease in the current year	31 December 2020	% of project investment in budget (i)	Progress of project	Accumulative amount of capitalised borrowing costs	Including: Borrowing costs capitalised in the current year (Note 4(53))	Capitalisation rate	Source of funds
S.F. Nantong Smart E-Commerce Logistics Park	104,234,548.68	-	67,188,215.88	-	-	67,188,215.88	64.46%	64.46%	-	-	-	Self-owned funds
Changchun E-Commerce Industrial Park Project	409,451,249.44	169,493,927.07	48,800,463.21	(150,854,111.65)	(886,604.62)	66,553,674.01	53.31%	53.31%	-	-	-	Self-owned funds
Nanchang Fengtai Industrial Park Project	251,082,066.74	1,360,924.95	59,704,598.12	-	-	61,065,523.07	23.78%	23.78%	-	-	-	Self-owned funds
Shanghai Headquarters & Intelligent Logistics Technology Industrial Park Project	547,923,528.67	-	43,260,355.40	-	-	43,260,355.40	7.90%	7.90%	-	-	-	Self-owned funds
Tibet Lhasa E-Commerce Industrial Park Project	116,728,188.53	4,432,335.54	36,517,379.14	-	-	40,949,714.68	31.28%	31.28%	-	-	-	Self-owned funds
Intelligent Sorting Hefei Base Project	536,693,808.46	239,469,936.44	14,103,270.55	(222,822,961.48)	-	30,750,245.51	75.83%	75.83%	-	-	-	Self-owned funds
Nanning S.F. Innovation Industrial Base	105,849,353.40	-	19,686,338.93	-	-	19,686,338.93	18.60%	18.60%	-	-	-	Self-owned funds
S.F. Ma'anistan Innovation Industrial Park Project	268,120,145.01	21,659,696.90	10,630,373.38	(25,809,245.75)	-	6,480,824.53	50.42%	50.42%	-	-	-	Self-owned funds
Foshan Guicheng Fengtai E-Commerce Industrial Park Project	249,991,372.12	166,000,698.78	58,739,732.64	(223,086,691.82)	-	1,653,739.60	89.90%	89.90%	-	-	-	Self-owned funds
Weihai S.F. E-Commerce Industrial Park Project	110,834,072.72	91,088,518.37	4,788,484.71	(95,877,003.08)	-	-	86.50%	100.00%	-	-	-	Self-owned funds
Dongguan Songshan Lake Zhigu Industrial Park Project	455,809,848.49	55,700,314.11	3,513,985.06	(59,214,299.17)	-	-	100.00%	100.00%	-	-	-	Self-owned funds
Chongqing Fengtai E-Commerce Industrial Park Project	254,645,174.90	245,524,145.25	9,121,029.65	(254,645,174.90)	-	-	100.00%	100.00%	-	-	-	Self-owned funds
Others	-	273,509,985.61	1,656,945,321.79	(1,502,869,630.31)	(41,112,977.12)	386,472,699.97	-	-	-	-	-	-
		3,116,490,618.26	8,799,551,384.74	(6,487,018,696.78)	(49,168,844.16)	5,379,854,462.06			78,692,093.55	20,049,818.68		

(i) As at 31 December 2020, construction in progress with carrying amount of RMB52,268,484.85 (31 December 2019: RMB171,224,485.06) was pledged as collateral for long-term borrowings (Note 4(34)(b)).

(ii) For aircraft import and refit, the percentage of project investment in budget is related to the investment for the current period; for the other projects, the percentage of project investment in budget is related to the accumulative investment.

(iii) The construction in progress transferred to other long-term assets for the current year amounted to RMB6,467,018,696.78, including RMB4,695,411,033.11 transferred to fixed assets, RMB1,176,894,429.10 transferred to investment properties and RMB614,713,234.57 transferred to long-term prepaid expenses.

(19) Intangible assets

	Land use rights	Purchased software	Self-developed software	Patents	Trademark rights	Customer relationships	Others	Total
Cost								
31 December 2019	5,474,502,965.31	511,321,828.19	2,875,846,805.97	15,543,605.12	236,061,827.88	2,710,578,325.00	105,616,019.64	11,929,471,377.11
Business combination involving enterprises not under common control	-	996,273.84	-	-	-	48,000,000.00	-	48,996,273.84
Transfer from investment properties in the current year (Note 4(16))	212,487,498.78	-	-	-	-	-	-	212,487,498.78
Transfer from capitalised development expenditures in the current year (Note 4(20))	-	-	1,251,316,311.52	-	-	-	-	1,251,316,311.52
Addition in the current year	819,240,389.96	103,568,444.47	-	3,909,228.04	2,875,307.70	-	2,449,935.84	932,043,306.01
Transfer to investment properties in the current year (Note 4(16))	(125,302,756.44)	-	-	-	-	-	-	(125,302,756.44)
Disposal in the current year	-	(18,218,830.55)	(147,075,360.97)	(251,623.54)	(594,454.77)	-	(22,270,284.79)	(188,410,554.62)
Decrease due to disposal of subsidiaries	(183,389,755.78)	(21,026,191.21)	-	-	-	-	-	(204,415,946.99)
Effect of translation of foreign currency financial statements	(119,782,828.31)	(2,388,738.62)	-	(100,538.48)	(14,321,973.54)	(168,373,539.22)	(536,652.37)	(305,504,270.54)
31 December 2020	6,077,755,513.52	574,252,786.12	3,980,087,756.52	19,100,671.14	224,020,707.27	2,590,204,785.78	85,259,018.32	13,550,681,238.67
Accumulated amortisation								
31 December 2019	460,386,321.83	342,788,423.42	903,112,992.48	3,674,397.90	17,911,578.99	143,915,537.75	19,532,258.90	1,891,321,511.27
Business combination involving enterprises not under common control	-	834,417.40	-	-	-	-	-	834,417.40
Transfer from investment properties in the current year (Note 4(16))	22,360,071.44	-	-	-	-	-	-	22,360,071.44
Provision in the current year	120,843,118.54	105,888,000.87	659,529,182.96	1,733,060.04	12,325,551.01	157,205,726.20	13,634,959.92	1,071,159,599.54
Transfer to investment properties in the current year (Note 4(16))	(10,532,872.32)	-	-	-	-	-	-	(10,532,872.32)
Disposal in the current year	-	(1,208,997.04)	(38,173,110.85)	(232,243.82)	(195,501.41)	-	(7,017,283.29)	(46,827,136.41)
Decrease due to disposal of subsidiaries	(23,528,883.01)	(6,068,439.22)	-	-	-	-	-	(29,597,322.23)
Effect of translation of foreign currency financial statements	(11,313,834.54)	(1,699,118.38)	-	(82,137.72)	(1,850,168.41)	(20,260,354.82)	(131,547.53)	(35,337,161.40)
31 December 2020	558,213,921.94	440,534,287.05	1,524,469,064.59	5,093,076.40	28,191,460.18	280,860,909.13	26,018,388.00	2,863,381,107.29
Provision for impairment loss								
31 December 2019	-	-	30,113,509.80	-	-	-	-	30,113,509.80
Increase in the current year (d)	-	-	24,072,531.32	-	-	-	-	24,072,531.32
31 December 2020	-	-	54,186,041.12	-	-	-	-	54,186,041.12
Carrying amount								
31 December 2020	5,519,541,591.58	133,718,499.07	2,401,432,650.81	14,007,594.74	195,829,247.09	2,309,343,876.65	59,240,630.32	10,633,114,090.26
31 December 2019	5,014,116,643.48	168,533,404.77	1,942,620,303.69	11,869,207.22	218,150,248.89	2,566,662,787.25	86,083,760.74	10,008,036,356.04

In 2020, the amount of amortisation expenses charged to cost of revenue, selling and distribution expenses, general and administrative expenses and research and development expenses was RMB982,309,961.19 (2019: RMB735,757,728.66).

(a) The Group's land use rights pledged as collateral for long-term borrowings (Note 4(34)(b)):

	31 December 2020		
	Cost	Accumulated amortisation	Carrying amount
Land use rights	1,480,732,998.05	(193,471,483.90)	1,287,261,514.15

	31 December 2019		
	Cost	Accumulated amortisation	Carrying amount
Land use rights	1,403,515,678.80	(153,966,421.27)	1,249,549,257.53

(b) As at 31 December 2020, the Group was still in the process of applying for certificates of ownership for land use rights with carrying amount of RMB589,104,756.34 (cost of RMB595,620,420.23) (31 December 2019: carrying amount of RMB359,996,671.97 and cost of RMB366,392,599.88).

(c) As at 31 December 2020, the intangible assets developed by the Group accounted for 22.58% (31 December 2019: 19.41%) of the carrying amount of intangible assets.

	31 December 2020	31 December 2019
Carrying amount of self-developed intangible assets	2,401,432,650.81	1,942,620,303.69
Carrying amount of intangible assets	10,633,114,090.26	10,008,036,356.04
Proportion	22.58%	19.41%

(d) As at 31 December 2020, due to the discontinuation or upcoming discontinuation of some self-developed software, the Group made a provision for impairment loss of RMB24,072,531.32 upon assessment (31 December 2019: RMB45,275,469.86).

(20) Capitalised development expenditures

	31 December 2019	Increase in the current year	Transfer to intangible assets in the current year (Note 4(19))	31 December 2020
Unmanned Aerial Vehicle Project	72,918,596.25	22,219,062.82	(34,487,273.41)	60,650,385.66
International Business System	11,262,048.03	89,168,511.93	(63,449,884.08)	36,980,675.88
Customer Service System	10,147,670.43	62,548,561.20	(51,239,732.96)	21,456,498.67
SF Intra-city Projects	3,094,056.20	34,244,988.31	(15,962,966.68)	21,376,077.83
Ezhou Airport Project Management System	7,322,855.00	13,995,660.06	–	21,318,515.06
Warehousing Management System	14,088,760.28	30,493,463.55	(24,010,546.98)	20,571,676.85
Settlement Platform System	25,836,659.51	43,413,901.54	(50,610,164.53)	18,640,396.52
Quick Delivery System	13,858,061.23	11,793,230.84	(7,577,971.43)	18,073,320.64
Big Data Platform System	4,507,666.55	30,187,382.19	(19,342,438.87)	15,352,609.87
Geographic Information System	11,331,994.60	6,267,855.36	(4,419,564.59)	13,180,285.37
Car-free Carriage Platform	5,389,841.00	39,478,999.71	(31,732,416.10)	13,136,424.61
Airfreight Capacity Platform Phase II	5,268,376.56	23,996,632.36	(17,708,835.97)	11,556,172.95
TS Industrial Solutions System	9,720,902.26	30,866,196.18	(29,303,284.26)	11,283,814.18
Fengyuan Platform	2,561,555.00	20,226,184.52	(12,051,518.62)	10,736,220.90
Fengsheng System	40,743,943.72	23,031,182.20	(53,630,701.67)	10,144,424.25
Others	344,574,990.58	727,659,971.69	(835,789,011.37)	236,445,950.90
	582,627,977.20	1,209,591,784.46	(1,251,316,311.52)	540,903,450.14

As at 31 December 2020, the Group assessed that no impairment loss should be recognised for capitalised development expenditures.

(21) Goodwill

	31 December 2019	Increase in the current year	Decrease in the current year	Exchange differences on translation of foreign currency financial statements	31 December 2020
Cost:					
SF Supply Chain Business	3,040,084,262.82	-	-	(188,841,496.29)	2,851,242,766.53
SF/HAVI China Logistics (Cayman Islands) ("New Havi")	362,722,412.14	-	-	(22,531,301.06)	340,191,111.08
Guangdong Shunxin Freight Co., Ltd. ("Guangdong Shunxin")	149,587,124.73	-	-	-	149,587,124.73
Chongqing Xuefeng Refrigerates Logistics Co., Ltd.	-	24,068,704.92	-	-	24,068,704.92
Suzhou Hengding Logistics Co., Ltd.	5,677,452.73	-	-	-	5,677,452.73
Sichuan Wu Lian Yi Da Technology Co., Ltd. ("Wu Lian Yi Da")	4,940,247.25	-	-	-	4,940,247.25
Chengdu Shunyifeng Pharmaceuticals Co., Ltd.	2,434,509.81	-	-	-	2,434,509.81
Hanxing Industrial Co., Ltd.	1,528,959.13	-	-	(94,974.66)	1,433,984.47
	3,566,974,968.61	24,068,704.92	-	(211,467,772.01)	3,379,575,901.52
Less: Provision for impairment loss (Note 4(24))					
Chengdu Shunyifeng Pharmaceuticals Co., Ltd.	(2,434,509.81)	-	-	-	(2,434,509.81)
	3,564,540,458.80	24,068,704.92	-	(211,467,772.01)	3,377,141,391.71

During the goodwill impairment assessment, the Group compares the carrying amount of the relevant assets or sets of asset groups (including goodwill) with their recoverable amount. If the recoverable amount is lower than the carrying amount, the difference shall be recognised in profit or loss for the current period.

The Group's allocation of goodwill was not changed for the year ended 31 December 2020.

The recoverable amounts of SF Supply Chain Business's relevant asset group are calculated based on the eight-year forecast approved by management, together with a long-term growth rate in the remaining forecast period, determined by the present value of the future cash flows. The major assumptions applied in cash flows projections are presented as follows:

	2020	2019
Revenue growth rates in the first eight-year forecast period	3.60%~32.10%	3.00%~29.00%
Long-term growth rate	3.00%	3.00%
Profit margin	0.80%~6.87%	1.70%~8.80%
Pre-tax discount rate	12.50%	11.80%

The Group determined revenue growth rates and profit margin based on past performance and expectations of market development. Long-term growth rate is for the remaining forecast period which exclude first Eight-year forecast period. According to the long-term inflation rate of Mainland China and Hong Kong, the Group adopts a long-term growth rate of 3%. The discount rate adopted by management is the pre-tax interest rates which is able to reflect the risks specific to the related asset groups and sets of asset groups.

(22) Long-term prepaid expenses

	31 December 2019	Increase in the current year	Amortisation in the current year	Decrease in the current year	Decrease due to disposal of subsidiaries in the current year	31 December 2020
Leasehold improvements	1,168,505,861.57	787,083,511.64	(582,343,833.77)	(64,659,346.49)	(11,388,993.54)	1,297,197,199.41
Settling-in allowance and introduction fee for pilots	492,115,710.89	101,477,816.67	(71,094,947.93)	(2,949,671.44)	-	519,548,908.19
Prepaid discount interest on interest-free loans to employees	27,580,595.39	22,195,004.06	(11,957,226.30)	(8,405,885.41)	-	29,412,487.74
Others	25,970,965.62	1,749,609.16	(9,280,127.54)	(3,472,021.65)	(390,086.04)	14,578,339.55
	1,714,173,133.47	912,505,941.53	(674,676,135.54)	(79,486,924.99)	(11,779,079.58)	1,860,736,934.89

(23) Other non-current assets

	31 December 2020	31 December 2019
Advances for engineering equipment	804,531,338.54	532,637,819.99
Prepaid land use rights	405,424,800.00	30,448,790.00
Prepaid leases	222,391,070.65	-
Prepaid equity	30,300,000.00	-
	1,462,647,209.19	563,086,609.99

(24) Asset/Credit impairment and provision for losses

	31 December 2019	Provision in the current year	Decrease in the current year			Exchange differences on translation of foreign currency financial statements	31 December 2020
			Reversal in the current year	Write-off in the current year	Decrease due to disposal of subsidiaries/ long-term equity investment in the current year		
Provision for bad debts	163,704,365.44	334,979,010.69	-	(128,808,659.00)	(35,834.21)	-	369,838,882.92
Including: Provision for bad debts of accounts receivable (Note 4(4))	125,729,570.66	218,487,810.06	-	(116,334,085.59)	(30,579.68)	-	227,852,715.45
Provision for bad debts of other receivables (Note 4(8))	27,205,716.14	113,090,280.12	-	(12,474,573.41)	(5,254.53)	-	127,816,168.32
Provision for bad debts of long-term receivables (Note 4(12))	10,769,078.64	3,400,920.51	-	-	-	-	14,169,999.15
Provision for impairment of factoring receivables (Note 4(6))	74,519,671.86	49,566,726.65	-	-	-	-	124,086,398.51
Provision for impairment of loans and advances (Note 4(7))	15,219,113.18	88,209,290.56	-	-	-	(7,672,016.59)	95,756,387.15
Sub-total	253,443,150.48	472,755,027.90	-	(128,808,659.00)	(35,834.21)	(7,672,016.59)	589,681,668.58
Provision for impairment of long-term equity investments (Note 4(13))	160,223,258.80	3,700,481.73	-	-	(15,847,730.80)	-	148,076,009.73
Provision for impairment of intangible assets (Note 4(19))	30,113,509.80	24,072,531.32	-	-	-	-	54,186,041.12
Provision for impairment of goodwill (Note 4(21))	2,434,509.81	-	-	-	-	-	2,434,509.81
Provision for impairment of inventory (Note 4(9))	-	5,279,698.19	-	-	-	-	5,279,698.19
Provision for impairment of contract assets (Note 4(10))	-	2,005,201.91	-	-	-	-	2,005,201.91
Sub-total	192,771,278.41	35,057,913.15	-	-	(15,847,730.80)	-	211,981,460.76
	446,214,428.89	507,812,941.05	-	(128,808,659.00)	(15,883,565.01)	(7,672,016.59)	801,663,129.34

(25) Short-term borrowings

	31 December 2020	31 December 2019
Unsecured borrowings	7,438,650,702.16	5,807,413,760.65
Guaranteed borrowings (a)	440,749,083.34	135,486,216.75
Rediscounted notes (b)	102,356,334.16	110,474,665.10
Re-factoring	14,814,193.07	–
	7,996,570,312.73	6,053,374,642.50

(a) As at 31 December 2020, guaranteed borrowings of RMB440,749,083.34 (31 December 2019: RMB135,486,216.75) were guaranteed by subsidiaries within the Group.

(b) As at 31 December 2020, the amount of unmatured notes held by the Group that are rediscounted by the PBOC was RMB102,356,334.16 (31 December 2019: RMB110,474,665.10) with a rediscounted interest rate of 2.90% (31 December 2019: 2.25%).

(c) As at 31 December 2020, the range of annual interest rate of short-term borrowings was 2.50% to 4.35% (31 December 2019: 2.25% to 5.00%).

(26) Accounts payable

	31 December 2020	31 December 2019
Payables to related parties (Note 8(4)(g))	314,264,984.33	235,963,975.43
Outsourcing cost payable	10,065,154,438.11	7,389,860,646.60
Transportation cost payable	2,044,198,469.96	1,806,769,493.30
Supply and material expenses payable	1,261,801,093.96	1,239,591,306.99
Office and rental fees payable	1,005,735,544.46	864,876,400.59
Customs cost payable	37,069,556.32	30,614,446.33
Others	756,716,264.81	420,579,741.10
	15,484,940,351.95	11,988,256,010.34

Accounts payable with ageing over 1 year are analysed as follows:

	31 December 2020	31 December 2019	Main reason for unsettlement
Office and rental fees payable	25,312,773.48	15,360,331.60	No invoice issued by supplier
Outsourcing cost payable	12,029,708.68	13,790,520.88	No invoice issued by supplier
Supply and material expenses payable	10,962,158.40	8,255,987.64	No invoice issued by supplier
Transportation cost payable	5,657,852.76	3,125,442.73	No invoice issued by supplier
Others	50,095,317.02	19,775,522.07	
	104,057,810.34	60,307,804.92	

(27) Advances from customers

	31 December 2020	31 December 2019
Advances from related parties (Note 8(4)(h))	37,417.86	33,825,257.10
Advances of freight charges and others	–	613,794,082.83
Advances of rental and others	27,538,251.61	22,329,590.79
	27,575,669.47	669,948,930.72

As at 31 December 2020, the Group had no advances from customers with ageing over 1 year (31 December 2019: Nil).

(28) Contract liabilities

	31 December 2020	31 December 2019
Advances from related parties (Note 8(4)(i))	19,977,073.17	–
Advances of freight charges and others	1,519,287,022.97	–
	1,539,264,096.14	–

As at 1 January 2020, the balance of the Group's contract liabilities was RMB647,619,339.93, which had been transferred to revenue for the year ended 31 December 2020.

(29) Employee benefits payable

	31 December 2020	31 December 2019
Short-term employee benefits payable (a)	4,276,901,616.86	3,251,514,851.48
Defined contribution plans payable (b)	33,927,529.94	29,547,658.55
	4,310,829,146.80	3,281,062,510.03

(a) Short-term employee benefits payable

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Wages and salaries, bonus, allowances and subsidies	2,876,056,562.67	22,007,818,805.49	(21,023,919,034.88)	3,859,956,333.28
Employee welfare	7,584,222.03	346,952,707.81	(347,453,660.85)	7,083,268.99
Social security contributions	9,894,134.53	449,222,412.66	(441,293,895.25)	17,822,651.94
Including: Medical insurance	8,617,050.36	390,393,427.11	(382,494,754.84)	16,515,722.63
Work injury insurance	66,242.02	36,126,730.24	(35,463,280.14)	729,692.12
Maternity insurance	1,210,842.15	22,702,255.31	(23,335,860.27)	577,237.19
Housing funds	11,030,177.99	291,464,599.61	(290,788,837.95)	11,705,939.65
Labour union funds and employee education funds	302,729,297.48	235,988,596.14	(185,758,903.23)	352,958,990.39
Non-monetary welfare	17,537,841.99	1,065,965,129.36	(1,059,460,415.07)	24,042,556.28
Others	26,682,614.79	249,750,034.06	(273,100,772.52)	3,331,876.33
	3,251,514,851.48	24,647,162,285.13	(23,621,775,519.75)	4,276,901,616.86

Non-monetary welfare provided by the Group for employees primarily was non-monetary subsidies in various forms which were measured at fair value.

(b) Defined contribution plans

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Basic pension insurance	28,370,990.71	511,352,368.59	(506,701,539.84)	33,021,819.46
Unemployment insurance	1,176,667.84	15,358,795.61	(15,629,752.97)	905,710.48
	29,547,658.55	526,711,164.20	(522,331,292.81)	33,927,529.94

(30) Taxes payable

	31 December 2020	31 December 2019
Enterprise income tax payable	1,264,422,727.03	681,286,022.05
Unpaid VAT	448,742,681.47	317,323,139.66
Individual income tax payable	90,188,333.18	98,726,851.56
City maintenance and construction tax payable	20,748,815.50	13,065,277.94
Educational surcharge payable	15,255,154.95	9,980,350.61
Others	15,905,797.11	18,762,363.84
	1,855,263,509.24	1,139,144,005.66

(31) Other payables

	31 December 2020	31 December 2019
Current accounts payable to related parties (Note 8(4)(j))	375,953,817.77	30,142,576.37
Engineering equipment payable	3,681,941,835.74	1,955,006,954.01
Payables of cash on delivery service	1,393,659,038.39	1,395,911,162.92
Deposits payable	901,720,755.25	553,202,067.88
Management fees payable	186,269,115.84	93,317,776.80
Warranty deposits payable	128,945,874.86	138,508,695.73
Temporary collection payable	65,391,753.40	76,437,292.85
Professional service fee payable	11,551,338.02	5,472,382.85
Investments payable	–	26,710,805.23
Restricted share repurchases payable	–	59,252,503.45
Others	785,360,254.97	373,197,612.53
	7,530,793,784.24	4,707,159,830.62

Other payables with ageing over 1 year:

	31 December 2020	31 December 2019	Main reason for unsettlement
Deposits payable	282,912,917.46	287,706,582.64	Continuing business not expired
Management fees payable	66,999,357.73	–	Management service fees unsettled
Engineering equipment payable	63,932,116.06	116,856,305.32	Project payment unsettled
Warranty deposits payable	30,852,760.05	28,617,237.83	Warranty in effect
Others	29,589,206.06	16,264,052.12	Other payments on hold
	474,286,357.36	449,444,177.91	

(32) Current portion of non-current liabilities

	31 December 2020	31 December 2019
Current portion of debentures payable (a)	1,939,714,467.86	1,304,443,269.76
Current portion of long-term borrowings (Note 4(34))	803,722,191.93	743,765,598.22
Current portion of employee incentives (Note 4(37))	189,480,233.50	40,000,000.00
Current portion of long-term payables (Note 4(36))	12,434,000.99	3,683,423.76
	2,945,350,894.28	2,091,892,291.74

(a) Current portion of debentures payable

	31 December 2019	Interest accrual at par value	Amortisation of premium/discount	Repayment for the current year	Reclassification from debentures payable in the current year (Note 4(35))	Reclassification to debentures payable in the current year (Note 4(35))	Conversion amount in the current year	Exchange differences on translation of foreign currency financial statements	31 December 2020
The First Debentures of 2017	534,903,660.11	28,021,666.67	175,506.61	(179,459,166.72)	–	(380,000,000.00)	–	–	3,641,666.67
The First Debentures of 2018	14,204,666.67	–	–	(14,204,666.67)	814,009,100.82	–	–	–	814,009,100.82
The Second Debentures of 2018	675,055,504.81	27,939,000.00	221,861.86	(703,216,366.67)	–	–	–	–	–
Overseas debentures denominated in USD of 2018	62,773,077.61	–	–	(134,543,111.23)	125,880,701.07	–	–	4,498,523.59	58,609,191.04
Overseas debentures denominated in USD of 2020	–	–	–	(65,640,688.93)	113,477,495.06	–	–	–	47,836,806.13
The First Middle-term Notes of 2018	13,034,035.22	–	–	(12,636,666.72)	1,012,114,584.70	–	–	–	1,012,511,953.20
The First Debentures of 2019	3,105,750.00	–	–	(3,105,750.00)	3,105,750.00	–	–	–	3,105,750.00
Convertible corporate debentures	1,366,575.34	–	–	–	–	–	(1,366,575.34)	–	–
	1,304,443,269.76	55,960,666.67	397,368.47	(1,112,806,416.94)	2,068,587,631.65	(380,000,000.00)	(1,366,575.34)	4,498,523.59	1,939,714,467.86

(33) Other current liabilities

	31 December 2020	31 December 2019
Super&short term commercial paper (a):		
The First Phase of 2019	–	511,760,777.99
The Third Phase of 2019	–	505,686,080.51
Convertible corporate debentures of Shenzhen S.F. Express Co., Ltd. (“Convertible Corporate Debentures of S.F. Express”) (b)	–	–
Output VAT to be transferred (contract liabilities)	92,355,845.77	–
	92,355,845.77	1,017,446,858.50

(a) Super&short term commercial paper is detailed as follows:

	Par value (RMB)	Date of issue	Term	Interest rate
The First Phase of 2019	500,000,000.00	10 April 2019	270 days	3.20%
The Third Phase of 2019	500,000,000.00	23 August 2019	270 days	3.30%

(b) On 28 February 2020, Shenzhen S.F. Express Co., Ltd. (“S.F. Express”), a subsidiary of the Company, entered into a convertible corporate debentures agreement with investors. Pursuant to the agreement, the investors will subscribe the Convertible Corporate Debentures of S.F. Express with a total consideration of USD300,000,000.00 or equivalent in RMB according to the terms and conditions of the agreement. Such debentures are interest free and have a term of 1 year. Subject to the conditions agreed upon, the Convertible Corporate Debentures of S.F. Express will be converted into 150 million ordinary shares newly issued by S.F. Express with a par value of RMB1 per share at a price of USD2 per share or equivalent in RMB. The settlement date of the Convertible Corporate Debentures of S.F. Express is 25 March 2020, and any amount denominated in USD involved in the agreement will be converted into RMB at the mid-price of RMB against USD as announced by the PBOC two working days prior to the settlement date. On 23 November 2020, S.F. Express and all its shareholders concluded a Shareholder Agreement with investors, under which all parties agreed to convert the Convertible Corporate Debentures of USD300 million provided by the investors for S.F. Express into 150 million of ordinary shares newly issued by S.F. Express.

The Convertible Corporate Debentures of S.F. Express are listed as follows:

	Liability portion	Equity portion	Total
Amount of Convertible Corporate Debentures issued	1,989,243,749.00	138,956,251.00	2,128,200,000.00
Direct issuance expenses	(6,893,375.17)	(191,724.83)	(7,085,100.00)
Balance at the date of issue	1,982,350,373.83	138,764,526.17	2,121,114,900.00
Amortisation in the current year	97,099,888.03	–	97,099,888.03
Conversion amount in the current year	(2,079,450,261.86)	(138,764,526.17)	(2,218,214,788.03)
Balance as at 31 December 2020	–	–	–

(34) Long-term borrowings

	31 December 2020	31 December 2019
Unsecured borrowings	1,955,997,660.72	1,775,899,754.43
Guaranteed borrowings (a)	202,750,385.20	4,802,429,633.76
Secured borrowings (b)	510,794,412.06	704,992,994.44
	2,669,542,457.98	7,283,322,382.63
Less: Current portion of long-term borrowings (Note 4(32))		
Unsecured borrowings	(636,019,395.23)	(571,699,370.26)
Guaranteed borrowings	(102,750,385.20)	(110,367,331.68)
Secured borrowings	(64,952,411.50)	(61,698,896.28)
	(803,722,191.93)	(743,765,598.22)
	1,865,820,266.05	6,539,556,784.41

(a) As at 31 December 2020, the Group's guaranteed borrowings of RMB140,000,000.00 (31 December 2019: RMB4,727,304,787.70) were guaranteed by subsidiaries within the Group and guaranteed borrowings of RMB60,000,000.00 (31 December 2019: RMB70,000,000.00) were guaranteed by Taisen Holdings and Havi Group LP (U.S.).

(b) As at 31 December 2020, the secured bank borrowings of RMB103,270,000.00 (31 December 2019: RMB123,270,000.00) were secured by construction in progress with carrying amount of RMB52,268,484.85 (31 December 2019: RMB171,224,485.06), fixed assets with carrying amount of RMB181,287,156.79 (31 December 2019: RMB52,082,818.28), investment properties with carrying amount of RMB77,180,832.16 (31 December 2019: RMB83,440,831.58) and intangible assets with carrying amount of RMB110,836,987.85 (31 December 2019: RMB10,716,573.85) respectively and were fully guaranteed by Taisen Holdings. The interest is paid quarterly. The principal should be repaid during the period from 19 October 2020 to 20 October 2033 by instalments.

As at 31 December 2020, the secured bank borrowings of RMB406,788,098.16 (31 December 2019: RMB433,317,756.72) were secured by the Group's intangible assets with carrying amount of RMB1,176,424,526.30 (31 December 2019: RMB1,210,441,621.04). The interest is paid quarterly. The principal should be repaid during the period from 18 November 2019 to 18 November 2026 by instalments.

In addition, as at 31 December 2019, the secured bank borrowings of RMB76,800,000.00 were secured by the Group's intangible assets with carrying amount of RMB18,990,102.62, fixed assets with carrying amount of RMB151,669,732.02 and investment properties with carrying amount of RMB27,374,741.45 and were fully guaranteed by Taisen Holdings. The borrowings were repaid in advance on 5 June 2020. The secured bank borrowings of RMB70,661,000.00 were secured by fixed assets with carrying amount of RMB45,763,274.70, intangible assets with carrying amount of RMB9,400,960.02 and investment properties with carrying amount of RMB149,388,798.88 and were fully guaranteed by Taisen Holdings. The borrowings were repaid in advance on 12 October 2020.

(c) As at 31 December 2020, the rate of long-term borrowings ranged from 3.20% to 5.39% (31 December 2019: 3.33% to 5.39%).

(35) Debentures payable

	31 December 2019	Issued in the current year	Issuance expenses	Amortisation of premium/discount	Interest expenses	Exchange differences on translation of foreign currency financial statements	Conversion amount in the current year	Payment in cash	Current portion of non-current liabilities reclassified to debentures payable	Reclassification to current portion of non-current liabilities	31 December 2020
Overseas debentures denominated in USD of 2020	-	4,903,115,000.00	(74,204,391.98)	5,241,847.23	113,477,495.06	(332,448,921.07)	-	-	-	(113,477,495.06)	4,501,703,534.18
Overseas debentures denominated in USD of 2018	3,467,514,126.93	-	-	6,405,729.46	125,880,701.07	(230,008,548.42)	-	-	-	(125,880,701.07)	3,243,911,307.97
The First Debentures of 2017	-	-	-	-	-	-	-	-	380,000,000.00	-	380,000,000.00
The First Debentures of 2019	299,713,387.03	-	-	102,239.59	3,105,750.00	-	-	-	-	(3,105,750.00)	299,815,626.62
The First Debentures of 2018	799,478,889.93	-	-	325,544.22	14,204,666.67	-	-	-	-	(814,009,100.82)	-
The First Middle-term Notes of 2018	999,309,244.49	-	-	168,673.45	12,636,666.76	-	-	-	-	(1,012,114,584.70)	-
Convertible corporate debentures	5,031,969,368.14	-	-	100,622,868.28	6,132,159.50	-	(5,133,373,135.78)	(5,351,260.14)	-	-	-
	10,597,985,016.52	4,903,115,000.00	(74,204,391.98)	112,866,902.23	275,437,439.06	(562,457,469.49)	(5,133,373,135.78)	(5,351,260.14)	380,000,000.00	(2,068,587,631.65)	8,425,430,468.77

	Currency	Par value	Date of issue	Term	Amount (equivalent to RMB)
The First Debentures of 2017 (a)	RMB	530,000,000.00	17 October 2017	3+2 years	530,000,000.00
The First Debentures of 2018 (a) (Note 4(32(a)))	RMB	800,000,000.00	From 1 August 2018 to 2 August 2018	3 years	800,000,000.00
The Second Debentures of 2018 (a) (Note 4(32(a)))	RMB	670,000,000.00	From 22 October 2018 to 23 October 2018	2+1 years	670,000,000.00
Overseas debentures denominated in USD of 2018 (b)	USD	500,000,000.00	27 July 2018	5 years	3,407,508,933.00
The First Middle-term Notes of 2018 (c) (Note 4(32(a)))	RMB	1,000,000,000.00	19 September 2018	3 years	1,000,000,000.00
The First Debentures of 2019 (a)	RMB	300,000,000.00	20 September 2019	3 years	300,000,000.00
Convertible corporate debentures (d)	RMB	5,800,000,000.00	18 November 2019	6 years	5,800,000,000.00
Overseas debentures denominated in USD of 2020 (e)	USD	700,000,000.00	20 February 2020	10 years	4,903,115,000.00

(a) Taisen Holdings was approved to issue corporate debentures of no more than RMB2 billion (inclusive) in instalments to the public under the Regulatory Permission [2017] No. 1015 as issued by the China Securities Regulatory Commission. In 2017, Taisen Holdings publicly issued the corporate debentures (1st instalment) (“the First Debentures of 2017”) to qualified investors. The debenture interest shall be annually calculated at simple interest rate, and the nominal interest rate is 4.6%, with interest paid annually and the final instalment of interest paid with the principal. The debenture has the put options for investors, and investors are entitled to the right to choose to put all or part of the debenture held by them at par value to Taisen Holdings on the interest payment date for the third year since issued such debenture, namely in October 2020. In October 2020, the debenture at par value of RMB150,000,000.00 was paid in advance.

In 2018, Taisen Holdings publicly issued the corporate debentures (1st instalment) (“the First Debentures of 2018”) to qualified investors. The debenture interest shall be annually calculated at simple interest rate, and the nominal interest rate is 4.29%, with interest paid annually and the final instalment of interest paid with the principal. Such debentures are included in current portion of non-current liabilities as they will be due in August 2021.

In 2018, Taisen Holdings publicly issued the corporate debentures (2nd instalment) (“the Second Debentures of 2018”) to qualified investors. The debenture interest shall be annually calculated at simple interest rate, and the nominal interest rate is 4.17%, with interest paid annually and the final instalment of interest paid with the principal. The debenture has the put options for investors, and investors are entitled to the right to choose to put all or part of the debenture held by them at par value to Taisen Holdings on the interest payment date which is expected in October 2020 for the second year since issued such debenture. On 29 October 2020, the Second Debentures of 2018 was fully paid in advance.

Taisen Holdings was approved to issue corporate debentures of no more than RMB2 billion (inclusive) in instalments to the public under the Regulatory Permission [2019] No. 388 as issued by the China Securities Regulatory Commission. In 2019, Taisen Holdings publicly issued the corporate debentures (1st instalment) (“the First Debentures of 2019”) to qualified investors. The debenture interest shall be annually calculated at simple interest rate, and the nominal interest rate is 3.69%, with interest paid annually and the final instalment of interest paid with the principal.

(b) On 26 July 2018, S.F. Holding Investment Limited, a wholly-owned overseas subsidiary of the Company, issued debentures of USD500 million overseas. The debentures were listed on the Stock Exchange of Hong Kong Limited on 27 July 2018. The nominal interest rate is 4.13% per annum, and the interest is paid semi-annually, for which the Company provides unconditional and irrevocable cross-border guarantee.

(c) According to the *Notice of Acceptance of Registration* issued by the National Association of Financial Market Institutional Dealers (Zhong Shi Zhu Xie [2017] MTN443), Taisen Holdings’ quota of middle-term notes was RMB2 billion. On 19 September 2018, Taisen Holdings issued the first middle-term notes of 2018 (“the First Middle-term Notes of 2018”) totalling RMB1 billion at a nominal interest rate of 4.46%, with interest paid annually and the final instalment of interest paid with the principal. Such middle-term notes are included in the current portion of non-current liabilities as they will be due in September 2021.

(d) The Company publicly issued convertible corporate debentures (“Convertible Corporate Debentures”) totalling RMB5.8 billion on 18 November 2019 under the Regulatory Permission [2019] No. 1903 as issued by the China Securities Regulatory Commission. The Convertible Corporate Debentures have a term of six years, that is, from 18 November 2019 to 18 November 2025, with a nominal interest rate of 0.20% for the first year, and thereafter it will be gradually increased to 2.00% over the remaining years. Holders of the Convertible Corporate Debentures can exercise the right to convert the Convertible Corporate Debentures into shares of the Company at the current conversion price during the period from the first trading day after six months following the end of the issuance of Convertible Corporate Debentures to the maturity date (the “Conversion Period”), from 22 May 2020 to 18 November 2025. Within five trading days after the expiration of the Conversion Period, the Company will redeem all the Convertible Corporate Debentures that have not been converted at 106% of the par value of such Convertible Corporate Debentures (including the final instalment of interest).

During the Conversion Period, if the closing price of the Company's shares is not less than 130% (inclusive) of the current conversion price for at least 15 out of 30 consecutive trading days, the Company shall have the right to redeem all or part of the outstanding Convertible Corporate Debentures at par value of the Convertible Corporate Debentures plus the current accrued interest.

In addition, the Company shall have the right to redeem all or part of the outstanding Convertible Corporate Debentures at par value of the debentures plus the current accrued interest if the balance of the outstanding Convertible Corporate Debentures is less than RMB30 million.

Such Convertible Corporate Debentures were issued at the initial conversion price of RMB40.41 per share, which was not less than the average trading price of the Company's stocks in the first twenty trading days before the announcement date of the prospectus (the average trading price on the trading day before adjustment shall be adjusted accordingly in case of stock price adjustment arising from ex-right and ex-dividend within such twenty trading days), and the average trading price on the previous trading day. After the issuance, the Company will adjust the conversion price accordingly in the event of bonus shares distribution, transfer to share capital, issuance of new shares (excluding share capital increased due to issuance of Convertible Corporate Debentures into shares), allotment of shares and distribution of cash dividends. During the duration of the Convertible Corporate Debentures issued, where the closing price of the Company's shares is lower than 80% of the current conversion price in at least 15 of 30 consecutive trading days, the Board of Directors of the Company shall have the right to propose a plan for conversion price reduction and submit it to the shareholders' meeting of the Company for deliberation and voting.

The Company implemented the annual equity distribution scheme of 2019 on 24 April 2020. Pursuant to issuance provisions stipulated in the *Prospectus for the Public Issuance of Convertible Corporate Debentures of S.F. Holding Co., Ltd.* and relevant regulations of China Securities Regulatory Commission on issuance of convertible corporate debentures, the conversion price of Convertible Corporate Debentures was adjusted from RMB40.41 per share to RMB40.14 per share since 24 April 2020. In June 2020, the Company completed the repurchase and cancellation procedures for restricted shares at China Securities Depository and the Clearing Corporation Limited Shenzhen Branch. The total share capital of the Company decreased by 2,182,222.00 shares from 4,422,030,407.00 shares to 4,419,848,185.00 shares. Pursuant to issuance provisions stipulated in the *Prospectus for the Public Issuance of Convertible Corporate Debentures of S.F. Holding Co., Ltd.* and relevant regulations of China Securities Regulatory Commission on issuance of convertible corporate debentures, the conversion price of Convertible Corporate Debentures was adjusted from RMB40.14 per share to RMB40.15 per share since 19 June 2020.

As the Convertible Corporate Debentures met the provisions of conditional redemption set out in the Prospectus, on 4 August 2020, the Company exercised the right to redeem the registered Convertible Corporate Debentures of S.F. Holding in full as of the redemption registration date (the trading day prior to the redemption date: 3 August 2020) after the market close.

In 2020, 144,311,758 A-share ordinary shares (2019: Nil) were converted from the convertible corporate debentures upon the exercise of conversion rights. The share capital was increased by RMB144,311,758.00 and the capital reserve increased by RMB5,758,688,018.73, while other equity-instruments were written down by RMB768,938,484.90.

Convertible Corporate Debentures are listed as follows:

	Liability portion (including current portion of debentures payable)	Equity portion	Total
Amount of Convertible Corporate Debentures issued	5,028,196,096.65	771,803,903.35	5,800,000,000.00
Direct issuance expenses	(18,667,806.36)	(2,865,418.45)	(21,533,224.81)
Balance at the date of issue	5,009,528,290.29	768,938,484.90	5,778,466,775.19
Accumulated amortisation at the beginning of the year	22,441,077.85	–	22,441,077.85
Accumulated interest expenses accrued at the beginning of the year	1,366,575.34	–	1,366,575.34
Balance as at 1 January 2020	5,033,335,943.48	768,938,484.90	5,802,274,428.38
Amortisation in the current year	100,622,868.28	–	100,622,868.28
Interest expenses accrued for the current year	6,132,159.50	–	6,132,159.50
Conversion amount in the current year	(5,134,739,711.12)	(768,260,065.61)	(5,902,999,776.73)
Payment in cash	(5,351,260.14)	(678,419.29)	(6,029,679.43)
Balance as at 31 December 2020	–	–	–

(e) On 20 February 2020, SF Holding Investment Limited, a wholly-owned overseas subsidiary of the Company, completed the issuance of USD700 million debentures. The debentures were listed on the Stock Exchange of Hong Kong Limited on 21 February 2020. The nominal interest rate is 2.875% per annum, the interest is paid semi-annually and guaranteed by the Company.

(36) Long-term payables

	31 December 2020	31 December 2019
Finance leases payable	15,131,771.29	3,467,874.00
Long-term advances payable	–	45,895,615.85
Long-term payables to China Development Fund Co., Ltd.	–	20,362,534.49
Others	7,503,856.60	12,267,729.19
Less: Current portion of long-term payables (Note 4(32))	(12,434,000.99)	(3,683,423.76)
	10,201,626.90	78,310,329.77

(37) Long-term employee benefits payable

	31 December 2020	31 December 2019
Employee incentives	189,480,233.50	158,434,634.21
Less: Current portion of employee incentives (Note 4(32))	(189,480,233.50)	(40,000,000.00)
Cash-settled share-based payments	119,062,850.83	69,392,342.16
Long-term service bonus	26,477,376.10	16,639,470.36
	145,540,226.93	204,466,446.73

(38) Deferred income

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020	Source
Government grants (a)	201,496,411.81	277,518,885.01	(64,279,092.01)	414,736,204.81	Received government grants pending for future recognition in income

(a) The government grants related to deferred income in the current year are presented as follows:

Government grants	31 December 2019	Increase in grants in the current year	Amount recognised in other income in the current year (Note 4(55))	Decrease in disposal of subsidiaries in the current year	31 December 2020	Related to assets/income
Huanggang Baitan Lake Organising Committee Project	-	203,324,004.00	-	-	203,324,004.00	Related to assets
Construction development fund for Tianjin Project	41,742,674.75	-	(412,331.28)	-	41,330,343.47	Related to assets
Grant for maintenance of aircraft engines	9,502,005.06	21,188,766.00	(2,185,298.05)	-	28,505,473.01	Related to assets
Ancillary grant of infrastructure for Wuhu E-Commerce Industrial Park	25,869,122.25	-	(561,251.76)	-	25,307,870.49	Related to assets
Comprehensive pilot program of Shanghai modern service industry	25,927,848.88	-	(1,009,584.96)	-	24,918,263.92	Related to assets
Weihai industrial development support fund	16,389,000.00	-	(77,768.55)	-	16,311,231.45	Related to assets
Ma'anshan Industrial Park Project	11,441,226.58	3,000,000.00	(240,338.44)	-	14,200,888.14	Related to assets
Subsidy for new energy vehicles	6,306,194.54	4,222,500.00	(1,397,312.60)	-	9,131,381.94	Related to assets
Guangzhou Modern Supply Chain System Construction Project	-	10,825,500.00	(1,759,135.20)	-	9,066,364.80	Related to assets
Subsidy for investment and construction of Ganzhou Development Zone	3,000,000.00	3,488,685.00	-	-	6,488,685.00	Related to assets
Special fund for service industry development in Changchun	-	4,200,000.00	(39,033.45)	-	4,160,966.55	Related to assets
Subsidy for Guangdong Yue Cai Ke Jiao Projects	-	3,200,000.00	-	-	3,200,000.00	Related to assets
Subsidy for Nanjing Fengtai Industrial Park Project	-	3,000,000.00	-	-	3,000,000.00	Related to assets
Shenzhen intelligent logistics project fund	4,488,888.88	-	(1,666,666.68)	-	2,822,222.20	Related to assets
Special fund of Shenzhen industrial design development	2,789,473.68	-	(20,000.04)	-	2,769,473.64	Related to assets
Commercial circulation development project	2,531,991.51	-	(748,622.39)	-	1,783,369.12	Related to assets
Tianjin Port Free Trade Zone supply chain system construction project	2,751,248.24	-	(1,037,292.68)	-	1,713,955.56	Related to assets
Compensation for land acquisition of Nanning Distribution Hub	2,603,441.31	-	(1,007,459.31)	-	1,595,982.00	Related to assets
Enterprise Expansion Fund	8,799,344.09	1,000,000.00	(1,601,220.30)	(7,514,911.39)	683,212.40	Related to assets
Special subsidy for logistics standardisation granted by the Bureau of Commerce	2,543,361.74	-	(2,199,734.36)	-	343,627.38	Related to assets
Yancheng Smart E-Commerce Logistics Park Project	14,959,794.08	-	(297,035.64)	(14,662,758.44)	-	Related to assets
Others	19,850,796.22	20,069,430.01	(23,010,350.57)	(2,830,985.92)	14,078,889.74	Related to assets
	201,496,411.81	277,518,885.01	(39,270,436.26)	(25,008,655.75)	414,736,204.81	

(39) Deferred tax assets and deferred tax liabilities

(a) Deferred tax assets not taking into consideration the offsetting of balances

	31 December 2020		31 December 2019	
	Deductible temporary differences and deductible tax losses	Deferred tax assets	Deductible temporary differences and deductible tax losses	Deferred tax assets
Deductible tax losses	4,293,803,363.96	1,019,822,622.30	3,024,282,948.11	733,828,350.94
Accrued expenses	916,494,818.02	211,149,453.98	775,827,657.83	184,724,565.33
Unrealised profits from internal transactions	567,805,482.90	141,951,370.73	466,329,274.44	116,582,318.61
Employee incentives	–	–	118,166,438.48	29,541,609.62
Provision for asset impairment	418,871,236.81	97,647,556.61	251,281,539.04	61,105,136.91
Deferred income	379,953,251.04	93,473,271.68	183,305,261.85	44,134,413.21
Depreciation and amortisation differences	803,136,041.33	176,076,498.61	482,238,954.05	101,302,957.45
	7,380,064,194.06	1,740,120,773.91	5,301,432,073.80	1,271,219,352.07
Including:				
Expected to be recovered within 1 year (inclusive)		385,849,550.76		294,225,505.65
Expected to be recovered after 1 year		1,354,271,223.15		976,993,846.42
		1,740,120,773.91		1,271,219,352.07

(b) Deductible tax losses and deductible temporary differences that are not recognised as deferred tax assets are analysed as follows:

	31 December 2020	31 December 2019
Deductible tax losses (c)	6,200,346,659.44	3,224,474,481.50
Deductible temporary differences	229,507,703.41	28,468,543.55
	6,429,854,362.85	3,252,943,025.05

(c) The following table shows unrecognised deductible tax losses based on its expiration date:

	31 December 2020	31 December 2019
2020	–	235,896,007.94
2021	221,049,045.31	307,466,976.93
2022	249,846,567.01	284,043,639.97
2023	523,916,110.63	626,565,480.16
2024	1,508,970,519.19	1,116,618,889.70
2025 and subsequent years	3,696,564,417.30	653,883,486.80
	6,200,346,659.44	3,224,474,481.50

(d) Deferred tax liabilities before offsetting

	31 December 2020		31 December 2019	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of investments in other equity instruments	932,870,364.02	233,217,591.00	744,088,970.00	186,022,242.50
Changes in fair value of other non-current financial assets	27,391,319.76	6,847,829.94	9,424,488.44	2,356,122.11
Changes in fair value upon reclassification of remaining equity of Hive Box Technology	446,796,225.96	111,699,056.49	446,796,225.96	111,699,056.49
Changes in fair value upon reclassification of remaining equity of Shenzhen Fengyi Technology Co., Ltd. ("Fengyi Technology")	28,000,000.00	7,000,000.00	28,000,000.00	7,000,000.00
Depreciation of fixed assets	3,824,110,621.39	905,252,293.68	2,713,479,796.13	594,029,414.30
Appreciation in asset value arising from business combination involving enterprises not under common control	2,629,788,996.63	613,610,691.51	2,905,562,109.35	682,576,336.29
Changes in fair value of financial assets held for trading	16,847,854.84	4,211,963.71	9,852,581.08	2,463,145.27
Others	26,478,052.63	6,619,513.16	26,772,768.32	6,693,192.08
	7,932,283,435.23	1,888,458,939.49	6,883,976,939.28	1,592,839,509.04
Including:				
Expected to be recovered within 1 year (inclusive)		323,259,120.82		214,142,463.75
Expected to be recovered after 1 year		1,565,199,818.67		1,378,697,045.29
		1,888,458,939.49		1,592,839,509.04

(e) The net balances of deferred tax assets and liabilities after offsetting are as follows:

	31 December 2020	31 December 2019
Deferred tax assets – net	1,539,267,775.98	1,066,079,111.56
Deferred tax liabilities – net	1,687,605,941.56	1,387,699,268.53

(40) Share capital

	31 December 2019	Increase in the current year (Note 4(35)(d))	Decrease in the current year (Note 9(1))	31 December 2020
Ordinary shares denominated in RMB	4,414,585,265.00	144,311,758.00	(2,456,568.00)	4,556,440,455.00

	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
Ordinary shares denominated in RMB	4,418,767,258.00	–	(4,181,993.00)	4,414,585,265.00

(41) Other equity instruments

	31 December 2020	31 December 2019
Convertible corporate debentures (Note 4(35)(d))	–	768,938,484.90

(42) Capital reserve

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Share premium				
– Capital contribution by shareholders	15,768,464,376.95	–	–	15,768,464,376.95
– Business combinations involving enterprises under common control	(76,633,221.35)	–	–	(76,633,221.35)
– Transfer of convertible corporate debentures to equity	–	5,758,688,018.73	–	5,758,688,018.73
– Share-based payments in capital contribution by shareholders (Note 4(43))	88,760,253.39	–	(57,311,846.08)	31,448,407.31
Other capital reserve				
– Amount of share-based payments recognised in capital reserve (Note 9(2))	47,011,172.79	217,625,854.42	–	264,637,027.21
– Transfer of convertible corporate debentures issued by subsidiaries to equity	–	1,980,870,478.56	–	1,980,870,478.56
– Others (i)	296,416,012.38	527,797,731.58	(146,471,544.87)	677,742,199.09
	16,124,018,594.16	8,484,982,083.29	(203,783,390.95)	24,405,217,286.50

	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
Share premium				
– Capital contribution by shareholders	15,768,464,376.95	–	–	15,768,464,376.95
– Business combinations involving enterprises under common control	73,973,978.65	–	(150,607,200.00)	(76,633,221.35)
– Share-based payments in capital contribution by shareholders (Note 4(43))	193,344,979.29	–	(104,584,725.90)	88,760,253.39
Other capital reserve				
– Amount of share-based payments recognised in capital reserve	44,965,842.16	2,045,330.63	–	47,011,172.79
– Others	138,869,988.62	160,086,629.14	(2,540,605.38)	296,416,012.38
	16,219,619,165.67	162,131,959.77	(257,732,531.28)	16,124,018,594.16

(i) Movements in the current year represent changes in equity resulting from transactions with minority shareholders and the changes of the Group's share of the investee's equity other than those arising from the net profit or loss and other comprehensive income.

(43) Treasury stock

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Treasury stock	454,761,306.79	–	(59,768,414.08)	394,992,892.71

	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
Treasury stock	200,928,467.28	394,992,892.71	(141,160,053.20)	454,761,306.79

As stated in Note 9(2), ordinary A shares, which were issued by the Company to the incentive recipients of the restricted shares incentive plan in 2017 and 2018, counted at 7,788,643.00 shares with raised funds totalling RMB202,255,537.22, including an increment of share capital of RMB7,788,643.00 and an increment of capital reserve of RMB194,466,894.22. In addition, the repurchasing obligation is recognised in liabilities (as purchase of treasury stock) at the number of restricted shares issued multiplied by the repurchasing price.

In 2018, some of the Company's original incentive recipients resigned and lost their right to receive incentives, therefore the Company repurchased and cancelled the restricted shares previously held by these incentive recipients (36,909.00 shares in total) with a deduction from the treasury share of RMB1,082,171.88, including a reduction of RMB36,909.00 in share capital, and RMB1,045,262.88 in capital reserve.

As at 31 December 2018, the Company adjusted the treasury stock by RMB244,898.06 based on the revocable cash dividends distributed to holders whose restricted shares were expected to be unlocked in the restricted shares incentive plan for 2017.

As at 3 January 2019, the Company held the 18th session of the 4th Board of Directors, at which the *Proposal of the Accomplishment of the Unlocking Conditions of the First Post Lock-up Period for the Restricted Shares for 2017* was reviewed. The Company recognised that the unlocking conditions for the first post lock-up period for the restricted shares for 2017 were met, and the treasury stock of RMB32,393,334.30 were deducted. In addition, the criteria of the performance assessment for the second post lock-up period for the restricted shares incentive plan for 2017 and the first post lock-up period for the restricted shares incentive plan for 2018 were not met, therefore the Company repurchased and cancelled the restricted shares previously held by these incentive recipients (3,741,407.00 shares in total) in 2019 with a deduction from the treasury share of RMB96,583,654.60, including a reduction of RMB3,741,407.00 in share capital, and RMB92,842,247.60 in capital reserve.

In 2019, some of the Company's original incentive recipients resigned and lost their right to receive incentives, therefore the Company repurchased and cancelled the restricted shares previously held by these incentive recipients (440,586.00 shares in total) with a deduction from the treasury share of RMB12,183,064.30, including a reduction of RMB440,586.00 in share capital, and RMB11,742,478.30 in capital reserve.

In 2020, some of the Company's original incentive recipients resigned and lost their right to receive incentives, therefore the Company repurchased and cancelled the restricted shares previously held by these incentive recipients (274,346 shares in total) with a deduction from the treasury share of RMB6,674,838.18, including a reduction of RMB274,346.00 in share capital, and RMB6,400,492.18 in capital reserve.

As at 23 March 2020, at the 3rd session of the 5th Board of Directors, the *Proposal of Repurchasing and Cancelling Certain Restricted Shares* was approved: the criteria of the performance assessment for the second post lock-up period for the restricted shares incentive plan for 2018 were not met, therefore the Company repurchased and cancelled the restricted shares previously held by these incentive recipients (2,182,222 shares in total) in 2020 with a deduction from the treasury share of RMB53,093,575.90, including a reduction of RMB2,182,222.00 in share capital, and RMB50,911,353.90 in capital reserve.

In addition, as at 31 January 2019, at the 19th session of the 4th Board of Directors, the *Proposal of Repurchasing Shares by Centralised Price Bidding* was approved, under which the Company repurchased a portion of corporate shares for employee stock ownership plan or share-based incentive plan through centralised price bidding by self-owned funds; a total of 11,010,729.00 shares were repurchased and treasury stock of RMB394,992,892.71 was recognised.

(44) Special reserve

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Safety reserve	–	26,655,465.99	(26,655,465.99)	–

	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
Safety reserve	–	7,552,986.74	(7,552,986.74)	–

Pursuant to the *Administrative Measures for the Collection and Utilisation of Enterprise Work Safety Funds* (Cai Qi [2012] No. 16) issued by the Ministry of Finance and the State Administration of Work Safety on 14 February 2012, 1% of the income from the “Common cargo transportation business” which is operated by certain subsidiaries of the Group is appropriated to safety reserve. The safety reserve is recognised in profit or loss as the “Special reserve” item for the current period. When the accrued safety reserve is used under the prescribed conditions, it is written off against the original amount directly.

(45) Surplus reserve

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Statutory surplus reserve	601,241,237.54	143,802,110.91	–	745,043,348.45

	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
Statutory surplus reserve	601,132,890.32	108,347.22	–	601,241,237.54

(46) Retained earnings

	2020	2019
Retained earnings at the end of the prior year before adjustment	19,737,192,610.27	14,960,062,609.04
Adjust for: Changes in accounting policies (Note 2(31))	32,220,405.39	–
Retained earnings at the beginning of the year after adjustment	19,769,413,015.66	14,960,062,609.04
Add: Net profit attributable to shareholders of the parent company for the current year	7,326,078,775.95	5,796,505,532.20
Less: Ordinary share dividends payable (a)	(1,188,301,851.36)	(924,234,773.27)
Appropriation to statutory surplus reserve	(143,802,110.91)	(108,347.22)
Appropriation to general risk reserve	(53,359,243.95)	(40,698,251.73)
Transfer from other comprehensive income to retained earnings	(1,798,127.05)	(54,334,158.75)
Retained earnings at the end of the year	25,708,230,458.34	19,737,192,610.27

(a) The Company held a shareholders’ meeting on 15 April 2020. On the basis of the total share capital at the registration date on which the 2019 profit distribution plan was implemented less the special shares repurchased by the Company, a total of RMB1,188,891,051.30 of cash dividends were distributed to all shareholders at RMB2.70 (including tax) per 10 shares, without bonus shares being given or capital reserve being transferred into the share capital.

During the reporting period, the Company adjusted ordinary share dividends by RMB589,199.94 in total, based on the number of restricted shares that were expected not to be unlocked for the restricted shares incentive plan for 2018 and thus the ordinary share dividends payable was changed to RMB1,188,301,851.36.

(47) Minority interests

	31 December 2020	31 December 2019
S.F. Express	204,187,038.94	–
New Havi	186,219,284.07	178,891,025.84
Chongqing Fonair UAS Technology Co., Ltd.	68,350,562.60	–
Hangzhou SF Intra-city Industrial Co., Ltd.	64,563,927.89	–
Guangdong Fengxing Zhitu Technology Co., Ltd.	57,772,424.84	–
Beijing S.F. Intra-city Technology Co., Ltd.	35,220,504.42	27,723,750.30
Chongqing Xuefeng Refrigerates Logistics Co., Ltd.	27,715,827.08	–
Wu Lian Yi Da	24,022,486.09	29,887,545.67
Chengdu Fengcheng Logistics Co., Ltd.	(10,909,045.82)	(14,361,885.94)
Guangdong Shunxin	(395,350,884.73)	(156,475,162.33)
Others	54,858,695.26	8,231,968.04
	316,650,820.64	73,897,241.58

(48) Revenue and cost of revenue

	2020	2019
Revenue from main operations (a)	153,756,899,410.51	112,034,972,464.87
Revenue from other operations (b)	229,970,642.56	158,423,599.39
Total revenue	153,986,870,053.07	112,193,396,064.26
Cost of revenue from main operations (a)	128,664,140,440.66	92,567,869,864.45
Cost of revenue from other operations (b)	145,892,806.92	81,746,341.24
Total cost of revenue	128,810,033,247.58	92,649,616,205.69

(a) Revenue and cost of revenue from main operations:

	2020		2019	
	Revenue from main operations	Cost of revenue from main operations	Revenue from main operations	Cost of revenue from main operations
Express & logistics and supply chain services	151,743,162,336.64	126,907,806,028.98	110,901,420,494.93	91,617,157,215.40
Sales of goods	1,180,983,047.56	1,130,999,451.98	491,341,448.53	482,862,092.06
Others	832,754,026.31	625,334,959.70	642,210,521.41	467,850,556.99
	153,756,899,410.51	128,664,140,440.66	112,034,972,464.87	92,567,869,864.45

(b) Revenue and cost of revenue from other operations:

	2020		2019	
	Revenue from other operations	Cost of revenue from other operations	Revenue from other operations	Cost of revenue from other operations
Disposal of materials	10,148,078.52	6,341,315.41	10,667,474.19	6,068,573.82
Others	219,822,564.04	139,551,491.51	147,756,125.20	75,677,767.42
	229,970,642.56	145,892,806.92	158,423,599.39	81,746,341.24

(c) The Group's revenue for the year ended 31 December 2020 is disaggregated as follows:

	2020			
	Express & logistics and supply chain services	Sales of goods	Others	Total
Revenue from main operations				
Including: At a point in time	–	1,180,983,047.56	242,264,363.47	1,423,247,411.03
Over time	151,743,162,336.64	–	477,956,114.03	152,221,118,450.67
Lease income	–	–	112,533,548.81	112,533,548.81
	151,743,162,336.64	1,180,983,047.56	832,754,026.31	153,756,899,410.51
Revenue from other operations				
Including: At a point in time	–	–	10,148,078.51	10,148,078.51
Over time	–	–	96,681,107.51	96,681,107.51
Lease income	–	–	123,141,456.54	123,141,456.54
	–	–	229,970,642.56	229,970,642.56

(i) As at 31 December 2020, the performance obligation of the Group that had been contracted but not yet performed or not fulfilled was part of the contracts with expected maturity within one year.

(49) Taxes and surcharges

	2020	2019	Payment criteria
City maintenance and construction tax	140,380,500.69	95,756,391.67	Refer to Note 3
Educational surcharge	104,949,501.41	70,968,952.51	Refer to Note 3
Stamp tax	76,894,015.57	52,591,427.68	
Property tax	44,801,203.19	43,923,946.33	
Land use tax	9,246,637.78	12,984,991.91	
Flood-control project expenses	215,932.89	247,169.70	
Others	2,484,344.94	3,145,432.14	
	378,972,136.47	279,618,311.94	

(50) Selling and distribution expenses

	2020	2019
Employee benefits	804,288,757.35	724,242,030.61
Outsourcing expenses of information technology service	646,012,965.13	454,791,065.39
Marketing expenses	207,323,812.25	276,716,291.70
IT and information platform expenses	187,144,719.50	177,817,773.13
Depreciation and amortisation expenses	178,082,993.20	161,129,962.60
Office and rental fees	104,404,076.71	108,156,672.44
Supply and material expenses	27,386,887.53	25,711,504.41
Travelling and transportation expenses	23,905,399.83	28,193,431.52
Others	73,831,138.52	40,128,713.26
	2,252,380,750.02	1,996,887,445.06

(51) General and administrative expenses

	2020	2019
Employee benefits	9,480,246,521.23	7,697,613,748.17
Office and rental fees	522,019,686.99	527,320,254.24
Depreciation and amortisation expenses	292,167,248.31	356,748,517.99
Outsourcing expenses	278,957,024.04	114,545,070.37
Professional service fees	270,578,174.59	283,929,501.89
Entertainment expenses	163,811,059.86	188,338,698.84
Supply and material expenses	138,241,081.50	77,725,345.78
Brand royalties	117,488,958.62	95,347,113.56
Travelling and transportation expenses	103,476,009.01	140,421,029.92
IT and information platform expenses	47,939,300.29	71,410,570.17
Taxes	35,328,285.92	45,576,620.45
Others	149,508,063.92	100,291,437.45
	11,599,761,414.28	9,699,267,908.83

(52) Research and development expenses

	2020	2019
Employee benefits	981,257,375.03	623,711,330.55
Depreciation and amortisation expenses	365,045,949.98	244,467,968.88
IT and information platform expenses	156,177,841.55	131,823,592.01
Outsourcing expenses	110,436,873.78	60,463,379.57
Supply and material expenses	47,002,164.92	23,954,845.68
Office and rental fees	27,794,399.70	37,954,522.40
Professional service fees	25,379,761.82	31,496,388.64
Travelling and transportation expenses	9,738,369.81	18,554,027.59
Others	18,725,639.60	20,855,820.68
	1,741,558,376.19	1,193,281,876.00

(53) Financial costs

	2020	2019
Interest on borrowings	1,036,798,173.98	921,111,335.15
Less: Capitalised interest (Note 4(18))	(20,049,818.68)	(20,491,034.07)
Interest expenses	1,016,748,355.30	900,620,301.08
Less: Interest income	(185,707,902.94)	(285,283,463.71)
Net gains on exchange	(23,664,268.10)	(2,853,868.84)
Commission expenses and others	45,171,028.23	70,508,096.78
	852,547,212.49	682,991,065.31

(54) Expenses by nature

The cost of revenue, selling and distribution expenses, general and administrative expenses and research and development expenses in the income statement are listed as follows by nature:

	2020	2019
Outsourcing cost	81,938,687,018.15	54,483,184,583.60
Employee benefits	24,312,484,487.28	20,737,783,295.56
Transportation cost	14,267,067,925.57	10,403,529,548.46
Including: Aircraft maintenance costs	367,941,907.39	229,400,688.84
Office and rental fees	8,119,714,991.54	7,129,048,860.26
Depreciation and amortisation expenses	5,280,078,602.85	4,503,333,732.61
Supply and material expenses	4,826,753,015.27	4,036,645,787.93
Claims expenses	1,165,538,916.11	845,900,713.64
Cost of revenue of goods	1,130,999,451.98	482,862,092.06
IT and information platform expenses	828,385,049.98	714,128,812.71
Customs cost	374,554,515.27	284,526,670.27
Professional service fees	316,567,112.20	336,640,736.07
Travelling and transportation expenses	232,548,314.27	277,569,947.38
Marketing expenses	208,626,469.45	277,263,306.64
Brand royalties	117,488,958.62	95,347,113.56
Taxes	43,248,806.03	51,864,087.82
Others	1,240,990,153.50	879,424,147.01
	144,403,733,788.07	105,539,053,435.58

(i) In 2020, the Group's government grants which were offset against cost and expenses amounted to RMB496,557,341.58 (2019: RMB89,295,302.70) and were fully offset against the cost of revenue. Therein, the amount that was recognised in non-recurring profit or loss amounted to RMB369,387,741.58 (2019: RMB89,295,302.70).

(55) Other income

	2020	2019	Related to assets/income
Tax preference	752,593,169.26	364,628,555.62	Related to income
Fiscal appropriation for logistics	428,912,271.90	301,787,264.19	Related to income
Grant from Social Security Bureau	98,158,180.03	41,598,376.96	Related to income
Amortisation of deferred income (Note 4 (38))	39,270,436.26	32,347,491.94	Related to assets
	1,318,934,057.45	740,361,688.71	

(56) Investment income

	2020	2019
Investment income from disposal of subsidiaries (Note 5(1))	443,625,451.41	848,211,045.94
Investment income from financial assets held for trading	410,806,376.56	195,523,310.99
Share of net gains or losses of investees under equity method (Note 4(13))	(21,819,195.60)	(97,816,023.63)
Investment income from remeasurement of the remaining equity interests in Fengyi Technology at fair value	–	64,204,908.21
Investment income from wealth management products	29,379,413.13	48,335,455.75
Investments income from dividends of investment in other equity instruments	29,554,237.74	17,386,137.80
Losses on disposal of other long-term equity investments	(40,735,017.31)	(41,440.41)
	850,811,265.93	1,075,803,394.65

There is no significant restriction on recovery of investment income of the Group.

(57) Gains arising from changes in fair value

	2020	2019
Industry fund investments	109,402,113.46	25,812,257.12
Special scheme equity-class securities	17,966,831.29	9,424,488.45
Structural deposits	6,992,329.19	9,852,581.06
SAFE and discounted warrants	–	305,521,134.62
Others	(243,280.14)	(473,122.02)
	134,117,993.80	350,137,339.23

(58) Credit impairment losses

	2020	2019
Losses on bad debts of accounts receivable	218,487,810.06	142,227,367.20
Losses on bad debts of other receivables	113,090,280.12	26,821,581.16
Losses on impairment of loans and advances	88,209,290.56	4,060,387.27
Losses on impairment of factoring receivables	49,566,726.65	64,864,587.70
Losses on impairment of long-term receivables	3,400,920.51	25,811.71
	472,755,027.90	237,999,735.04

(59) Asset impairment losses

	2020	2019
Losses on impairment of intangible assets	24,072,531.32	45,275,469.86
Inventory impairment losses	5,279,698.19	-
Losses on impairment of long-term equity investments	3,700,481.73	133,345,440.37
Losses on impairment of contract assets	2,005,201.91	-
	35,057,913.15	178,620,910.23

(60) Losses on disposal of assets

	2020	Amount recognised in non-recurring profit or loss in 2020	2019	Amount recognised in non-recurring profit or loss in 2019
Losses on disposal of fixed assets	11,623,908.32	11,623,908.32	32,689,467.76	32,689,467.76
Losses on disposal of intangible assets	539,608.72	539,608.72	117,262.85	117,262.85
	12,163,517.04	12,163,517.04	32,806,730.61	32,806,730.61

(61) Non-operating income and expenses**(a) Non-operating income**

	2020	Amount recognised in non-recurring profit or loss in 2020	2019	Amount recognised in non-recurring profit or loss in 2019
Government grants (i)	56,378,947.73	56,378,947.73	56,554,506.80	56,554,506.80
Compensation income	32,582,574.40	32,582,574.40	15,703,427.17	15,703,427.17
Income from penalty	3,790,665.79	3,790,665.79	2,403,133.50	2,403,133.50
Others	136,474,002.64	136,474,002.64	138,342,506.02	138,342,506.02
	229,226,190.56	229,226,190.56	213,003,573.49	213,003,573.49

(i) Details of government grants

	2020	Related to assets/ income	2019	Related to assets/ income
General fiscal appropriation	54,293,334.96	Related to income	54,475,959.85	Related to income
Others	2,085,612.77	Related to income	2,078,546.95	Related to income
	56,378,947.73		56,554,506.80	

(b) Non-operating expenses

	2020	Amount recognised in non-recurring profit or loss in 2020	2019	Amount recognised in non-recurring profit or loss in 2019
Losses on scrapping of fixed assets and intangible assets	175,536,010.37	175,536,010.37	45,031,486.20	45,031,486.20
Compensation expenses	51,349,632.82	51,349,632.82	52,698,561.13	52,698,561.13
Penalties and overdue fines	25,076,337.95	25,076,337.95	16,691,968.99	16,691,968.99
Donation expenses	24,868,500.40	24,868,500.40	36,103,989.17	36,103,989.17
Others	49,243,648.41	49,243,648.41	44,774,781.02	44,774,781.02
	326,074,129.95	326,074,129.95	195,300,786.51	195,300,786.51

(62) Income tax expenses

	2020	2019
Current income tax	3,323,134,983.32	2,077,672,964.03
Deferred income tax	(216,512,080.17)	(276,155,489.55)
	3,106,622,903.15	1,801,517,474.48

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the income statement to the income tax expenses is listed below:

	2020	2019
Total profit	10,038,655,835.74	7,426,311,085.12
Income tax expenses calculated at the standard tax rate of 25%	2,509,663,958.94	1,856,577,771.28
Costs, expenses and losses not deductible for tax purposes	227,848,830.29	178,311,638.65
Effect of last-year tax filing differences	25,761,923.79	4,768,804.35
Effect of different tax rates among different subsidiaries and branches on income tax expenses	(229,531,343.69)	(92,746,590.73)
Deductible tax losses and deductible temporary differences for which no deferred tax asset was recognised in the current year	858,997,924.62	321,624,103.28
Reversal of previously recognised deductible tax losses for which deferred tax asset was recognised	49,843,113.46	113,420,471.41
Utilisation of deductible tax losses and deductible temporary differences for which no deferred tax asset was recognised in prior periods	(67,624,041.60)	(217,876,031.38)
Recognition of deductible tax losses and deductible temporary differences for which no deferred tax asset was recognised in prior periods	(40,957,510.08)	(19,485,661.44)
Effect of tax preference	(96,431,604.60)	(77,208,257.64)
Income not subject to tax	(130,948,347.98)	(265,868,773.30)
Income tax expenses	3,106,622,903.15	1,801,517,474.48

(63) Earnings per share

(a) Basic earnings per share

Basic earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company by the weighted average number of outstanding ordinary shares of the parent company:

	2020	2019
Consolidated net profit attributable to ordinary shareholders of the parent company	7,326,078,775.95	5,796,505,532.20
Adjusted consolidated net profit attributable to ordinary shareholders of the parent company for calculation of earnings per share	7,326,078,775.95	5,796,505,532.20
Weighted average number of outstanding ordinary shares of the Company	4,464,060,194.17	4,404,269,766.75
Basic earnings per share	1.64	1.32
Including:		
– Basic earnings per share from continuing operations	1.64	1.32

(b) Diluted earnings per share

Diluted earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of outstanding ordinary shares of the Company. In 2020, the Company had dilutive potential ordinary shares (2019: the same):

	2020	2019
Consolidated net profit attributable to ordinary shareholders of the parent company	7,326,078,775.95	5,796,505,532.20
Add: Interest expenses from convertible corporate debentures of the Company (net of tax)	110,103,398.11	17,855,739.89
Adjusted consolidated net profit attributable to ordinary shareholders of the parent company for calculation of earnings per share	7,436,182,174.06	5,814,361,272.09
Weighted average number of outstanding ordinary shares of the Company	4,464,060,194.17	4,404,269,766.75
Add: Weighted average number of ordinary shares which convertible corporate debentures assumed to be fully converted into ordinary shares	81,369,531.83	16,908,875.80
Weighted average number of outstanding diluted ordinary shares	4,545,429,726.00	4,421,178,642.55
Diluted earnings per share	1.64	1.32

(64) Other comprehensive income

Other comprehensive income, the related income tax effect and the reclassifications to profit or loss in 2020 and 2019:

	Other comprehensive income in the balance sheet				Other comprehensive income in the income statement for the year ended 31 December 2020			
	31 December 2019	Attributable to the parent company in the current year - net of tax	Other comprehensive income transferred into retained earnings	31 December 2020	Amount incurred before income tax for the current year	Less: Income tax	Attributable to the parent company - net of tax	Attributable to minority shareholders - net of tax
Other comprehensive income items which will not be reclassified subsequently to profit or loss								
Changes in fair value of investments in other equity instruments and exchange rate changes	721,903,970.41	489,552,426.35	1,798,127.05	1,213,254,523.81	544,463,666.19	(54,911,239.84)	489,552,426.35	-
Other comprehensive income items which will not be transferred to profit or loss under the equity method	(2,059,919.82)	873,013.64	-	(1,186,906.18)	873,013.64	-	873,013.64	-
Other comprehensive income items which will be reclassified subsequently to profit or loss								
Cash flow hedging reserve	-	(22,857,620.11)	-	(22,857,620.11)	(22,857,620.11)	-	(22,857,620.11)	-
Exchange differences on translation of foreign currency financial statements	282,871,556.79	(328,112,462.79)	-	(45,240,906.00)	(325,720,782.93)	-	(328,112,462.79)	2,391,679.86
	1,002,715,607.38	139,455,357.09	1,798,127.05	1,143,969,091.52	196,758,276.79	(54,911,239.84)	139,455,357.09	2,391,679.86

	Other comprehensive income in the balance sheet					Other comprehensive income in the income statement for the year ended 31 December 2019				
	31 December 2018	Changes in accounting policies	31 December 2019	Attributable to the parent company in the current year - net of tax	Other comprehensive income transferred into retained earnings	31 December 2019	Amount incurred before income tax for the current year	Less: Income tax	Attributable to the parent company - net of tax	Attributable to minority shareholders - net of tax
Other comprehensive income items which will not be reclassified subsequently to profit or loss										
Changes in fair value of investments in other equity instruments	-	353,622,821.31	353,622,821.31	313,946,990.35	54,334,158.75	721,903,970.41	485,040,606.69	(171,093,616.34)	313,946,990.35	-
Other comprehensive income items which will not be transferred to profit or loss under the equity method	-	-	-	(2,059,919.82)	-	(2,059,919.82)	(2,059,919.82)	-	(2,059,919.82)	-
Other comprehensive income items which will be reclassified subsequently to profit or loss										
Changes in fair value of available-for-sale financial assets	336,157,723.57	(336,157,723.57)	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign currency financial statements	191,026,574.28	-	191,026,574.28	91,844,982.51	-	282,871,556.79	91,935,673.25	-	91,844,982.51	90,690.74
	527,184,297.85	17,465,097.74	544,649,395.59	403,732,053.04	54,334,158.75	1,002,715,607.38	574,916,360.12	(171,093,616.34)	403,732,053.04	90,690.74

(65) Notes to the cash flow statement

(a) Cash received relating to other operating activities

	2020	2019
Inflows from cash on delivery service	80,856,644,853.55	56,826,527,536.97
Government grants	1,296,976,656.04	608,650,150.52
Interest income	168,534,784.86	292,594,362.21
Net cash received from Mingde Holdings	–	11,501,375.29
Others	1,233,421,869.46	913,684,698.43
	83,555,578,163.91	58,652,958,123.42

(b) Cash paid relating to other operating activities

	2020	2019
Outflows from cash on delivery service	80,458,460,799.97	57,359,107,476.23
Office and rental fees	8,687,678,278.06	7,425,983,507.52
Claims expenses	1,165,538,916.11	845,900,713.64
IT and information platform expenses	878,088,152.98	756,976,541.47
Customs cost	368,099,405.29	275,356,257.47
Professional service fees	329,482,183.76	359,586,350.59
Travelling and transportation expenses	246,501,213.13	294,224,144.22
Marketing expenses	221,144,057.61	293,899,105.04
Entertainment expenses	178,452,438.83	202,656,199.43
Compensation and penalty	76,425,970.77	69,390,530.12
Bank charges	45,171,028.23	70,508,096.78
Donation expenses	24,868,500.40	36,103,989.17
Others	2,515,045,194.40	1,583,545,198.08
	95,194,956,139.54	69,573,238,109.76

(c) Net cash paid to acquire subsidiaries

	2020	2019
Cash and cash equivalents paid in the current year for acquisition of subsidiaries incurred in the current year	77,680,092.88	5,346,964,309.54
Including: SF Supply Chain Business	–	5,325,964,309.54
Other companies	77,680,092.88	21,000,000.00
Less: Cash and cash equivalents held by subsidiaries at the acquisition date	(811,347,479.24)	(1,204,848,954.38)
Including: SF Supply Chain Business	–	(254,733,022.95)
Cash received from acquisition of subsidiaries through equity replacement	(799,000,000.00)	(939,000,000.00)
Other companies	(12,347,479.24)	(11,115,931.43)
Add: Cash paid in the current year for acquisition of subsidiaries incurred in prior periods	26,710,805.28	86,411,295.00
	(706,956,581.08)	4,228,526,650.16
Including: Net cash paid to acquire subsidiaries	(92,043,418.92)	(5,167,526,650.16)
Net cash received from acquisition of subsidiaries	799,000,000.00	939,000,000.00

(d) Cash received relating to other investing activities

	2020	2019
Redemption of bank wealth management products and structural deposits	112,187,103,321.49	47,171,108,814.70

(e) Cash paid relating to other investing activities

	2020	2019
Purchase of bank wealth management products and structural deposits	114,927,403,498.91	50,131,477,609.38
Net cash paid for disposal of subsidiaries	70,623,676.27	60,255,887.64
	114,998,027,175.18	50,191,733,497.02

(f) Cash payments relating to other financing activities

	2020	2019
Repurchase of shares	58,663,220.22	503,763,032.93
Payment of financing expenses	16,807,089.37	11,121,532.92
Acquisition of minority interests	8,083,700.00	–
Payment for acquiring subsidiaries under common control	–	150,607,200.00
Others	1,890,666.29	–
	85,444,675.88	665,491,765.85

(66) Supplementary information to the cash flow statement

(a) Reconciliation from net profit to cash flows from operating activities

	2020	2019
Net profit	6,932,032,932.59	5,624,793,610.64
Add: Asset impairment losses	35,057,913.15	178,620,910.23
Credit impairment losses	472,755,027.90	237,999,735.04
Depreciation of fixed assets	3,580,529,910.34	3,005,247,806.88
Depreciation of investment properties	54,519,822.08	64,296,755.36
Amortisation of intangible assets	982,309,961.19	735,757,728.66
Amortisation of long-term prepaid expenses	674,676,135.54	698,031,441.71
Losses on disposal of fixed assets and intangible assets	187,699,527.41	77,838,216.81
Gains arising from changes in fair value	(134,117,993.80)	(350,137,339.23)
Financial costs	981,126,860.90	892,343,655.10
Investment income	(850,811,265.93)	(1,075,803,394.65)
Recognised expenses on equity-settled share-based payments	242,688,267.63	4,638,445.75
Increase in deferred tax assets	(493,664,415.56)	(492,055,830.52)
Increase in deferred tax liabilities	277,152,335.39	215,900,340.97
Amortisation of deferred income	(39,270,436.26)	(32,347,491.94)
Increase in inventories	(110,529,092.06)	(72,763,068.97)
Increase in operating receivables	(8,488,670,569.10)	(4,128,062,981.70)
Increase in operating payables	7,020,434,632.83	3,536,974,935.35
Net cash flows from operating activities	11,323,919,554.24	9,121,273,475.49

(b) Net increase/(decrease) in cash and cash equivalents

	2020	2019
Cash and cash equivalents at the end of the year	15,466,483,805.74	17,764,448,498.26
Less: Cash and cash equivalents at the beginning of the year	(17,764,448,498.26)	(15,299,271,593.99)
Net (decrease)/increase in cash and cash equivalents	(2,297,964,692.52)	2,465,176,904.27

(c) Cash and cash equivalents

	31 December 2020	31 December 2019
Cash on hand	78,882.36	188,281.28
Cash at bank that can be readily drawn on demand	15,262,345,098.88	17,662,057,153.84
Other cash balances that can be readily drawn on demand	126,993,032.50	21,599,389.56
Other balances that can be readily drawn on demand	77,066,792.00	80,603,673.58
	15,466,483,805.74	17,764,448,498.26

(67) Monetary items denominated in foreign currency

As at 31 December 2020, the Group's companies whose recording currency is RMB held financial assets and liabilities denominated in non-recording currency (mainly USD, HKD and EUR) (excluding financial assets and liabilities denominated in non-recording currency held by related parties within the Group), of which the equivalent amounts in RMB (presentation currency of these financial statements) are listed as below (31 December 2019: Immaterial):

	31 December 2020		
	Amount in the original currency	Exchange rate to RMB	Equivalent to RMB
Cash at bank and on hand –			
USD	10,721,146.84	6.5249	69,954,411.02
HKD	11,806,587.62	0.8416	9,936,424.14
EUR	99,878.10	8.0250	801,521.75
Receivables –			
USD	10,074,431.73	6.5249	65,734,659.60
HKD	191,100.03	0.8416	160,829.79
EUR	115,688.92	8.0250	928,403.58
Payables –			
USD	9,251,234.57	6.5249	60,363,380.45
HKD	2,245,888.08	0.8416	1,890,139.41
EUR	424,100.74	8.0250	3,403,408.44

As at 31 December 2020 and 31 December 2019, the Group's overseas subsidiaries, except for those operating in Hong Kong, held no significant financial assets and liabilities denominated in non-recording currency. Those companies operating in Hong Kong with HKD as recording currency held financial assets and liabilities denominated in non-recording currency (mainly USD, RMB and EUR) (excluding financial assets and financial liabilities denominated in non-recording currency held by subsidiaries within the Group), of which the equivalent amounts in HKD (recording currency of companies operating in Hong Kong) and RMB (presentation currency of these financial statements) are listed as below:

	31 December 2020			
	Amount in the original currency	Exchange rate to HKD	Equivalent to HKD	Equivalent to RMB
Cash at bank and on hand –				
RMB	16,364,222.86	1.1882	19,443,969.60	16,364,222.86
USD	25,396,509.42	7.7526	196,888,978.93	165,703,567.54
EUR	343,595.25	9.5350	3,276,180.71	2,757,263.68
Receivables –				
RMB	1,799,469.88	1.1882	2,138,130.11	1,799,469.88
USD	6,779,714.69	7.7526	52,560,416.11	44,235,327.48
Payables –				
RMB	1,976,784.46	1.1882	2,348,815.30	1,976,784.46
USD	4,829,945.98	7.7526	37,444,639.20	31,513,751.22
EUR	3,994,210.37	9.5350	38,084,795.88	32,052,512.95

	31 December 2019			
	Amount in the original currency	Exchange rate to HKD	Equivalent to HKD	Equivalent to RMB
Cash at bank and on hand –				
RMB	32,931,459.92	1.1163	36,761,388.71	32,931,459.92
USD	4,200,856.59	7.7878	32,715,430.95	29,306,015.74
Receivables –				
RMB	40,650,563.07	1.1163	45,378,223.56	40,650,563.07
USD	3,533,004.73	7.7878	27,514,334.24	24,646,947.60
Payables –				
RMB	5,909,505.28	1.1163	6,596,780.74	5,909,505.28
USD	4,632,606.94	7.7878	36,077,816.33	32,317,992.53

5 Changes in the consolidation scope

(1) Disposal of subsidiaries

Aggregated information of subsidiaries disposed in the current year:

Name of subsidiary	Proceeds from disposal	Disposal proportion	Method of disposal	Timing of losing control	Basis for judgement of timing of losing control	Difference between proceeds from disposal after deducting disposal costs and corresponding shares of net assets in the consolidated financial statements	Amount transferred from other comprehensive income etc. related to initial equity investment to investment income or loss
Wuxi Fengtai E-Commerce Industrial Park Management Co., Ltd. ("Wuxi Fengtai") (i)	325,000,000.00	100.00%	Equity replacement	23 November 2020	Transfer of control right	211,515,614.73	-
Quanzhou Fengyutai Enterprise Management Co., Ltd. ("Quanzhou Fengyutai") (i)	184,000,000.00	100.00%	Equity replacement	23 November 2020	Transfer of control right	108,663,239.30	-
Jiaxing Fengtai E-Commerce Industrial Park Management Co., Ltd. ("Jiaxing Fengtai") (i)	85,000,000.00	100.00%	Equity replacement	23 November 2020	Transfer of control right	23,210,269.10	-
Yancheng Fengtai E-Commerce Industrial Park Management Co., Ltd. ("Yancheng Fengtai") (i)	86,000,000.00	100.00%	Equity replacement	23 November 2020	Transfer of control right	13,434,997.17	-
Ningbo Fengtai E-Commerce Industrial Park Management Co., Ltd. ("Ningbo Fengtai") (i)	119,000,000.00	100.00%	Equity replacement	23 November 2020	Transfer of control right	47,943,628.37	-
Shenzhen Nianfeng. DDJ Technology Co., Ltd. and its subsidiaries	4,000,000.00	80.00%	Sales of equity	30 April 2020	Transfer of control right	20,402,632.21	-
Shenzhen Fensu Technology Co., Ltd. and its subsidiaries	17,720,000.00	33.52%	Sales of equity	30 November 2020	Transfer of control right	18,528,915.13	(73,844.60)
	820,720,000.00					443,699,296.01	(73,844.60)

(i) Asset-backed special plan

On 29 June 2020, the Company used Wuxi Fengtai, Quanzhou Fengyutai, Jiaxing Fengtai, Yancheng Fengtai and Ningbo Fengtai Logistics Industry Park held by its wholly-owned subsidiary Shenzhen Fengtai E-Commerce Industrial Park Asset Management Ltd. ("Shenzhen Fengtai Industrial Park") as underlying assets for asset-support ("Special Scheme") by issuing asset-backed securities through Huatai Securities (Shanghai) Asset Management Co., Ltd. ("Huatai Asset Management"). On 21 November 2018, the Special Scheme was granted by Shenzhen Stock Exchange *the No Objection Letter on the Listing of Huatai Asset Management's 'Huatai Jiayue - S.F. Industrial Park Phase I Asset-backed Special Scheme' on Shenzhen Stock Exchange* (Shen Zheng Han [2018] No. 666, "No Objection Letter"), under which the shelf offering of RMB5 billion was approved for a term of 2 years; this Special Scheme fell into Phrase III. The Special Scheme was formally established and started to issue securities on 17 November 2020.

The Group used approximately RMB112 million self-owned funds to subscribe 19% of the equity-grade securities issued by the Special Scheme (about 8.08% of the whole Special Scheme). Afterwards, Shenzhen Fengtai Industrial Park signed an equity replacement agreement with the Special Scheme, under which, it exchanged 100% equity in Shenzhen Fengyikai Technology Co., Ltd., Shenzhen Runhuitai Technology Co., Ltd., Shenzhen Yujietai Technology Co., Ltd., Shenzhen Xingyaotai Technology Co., Ltd. and Shenzhen Shenghetai Technology Co., Ltd. held by the Special Scheme with its 100% equity in Wuxi Fengtai, Quanzhou Fengyutai, Jiaxing Fengtai, Yancheng Fengtai and Ningbo Fengtai, with a consideration totalling RMB799 million. Through the equity replacement, the Group obtained cash and cash equivalents of RMB799 million which was held by the above-mentioned subsidiaries (Note 4(65)(c)). In addition, based on a series of agreements between the Group and the Special Scheme, the Group was engaged in the daily operation management of the transferred Wuxi Fengtai, Quanzhou Fengyutai, Jiaxing Fengtai, Yancheng Fengtai and Ningbo Fengtai, and was entitled with certain rights and obligations with regard to the Special Scheme.

The above equity replacement was completed on 30 November 2020. As a result, Wuxi Fengtai, Quanzhou Fengyutai, Jiaxing Fengtai, Yancheng Fengtai and Ningbo Fengtai were no longer included in the consolidation scope since December 2020. The excess of the consideration of the equity replacement over the carrying amount of net assets of Wuxi Fengtai, Quanzhou Fengyutai, Jiaxing Fengtai, Yancheng Fengtai and Ningbo Fengtai, approximately RMB405 million, was recognised as investment income by the Group.

(2) Other changes in the consolidation scope

(a) In 2020, the Group set up the following subsidiaries by cash:

Shunlu Smart Pharmaceutical (Shanghai) Co., Ltd.
Shunluo Supply Chain Management (Chongqing) Co., Ltd.
Shunyang Zhanghu (Chongqing) Senior Care Services Co., Ltd.
Shunyuan Commercial Factoring (Tianjin) Co., Ltd.
S.F. Xiangyu (Shangdong) Pharmaceutical Logistics Co., Ltd.
S.F. Digital Technology (Shenzhen) Services Co., Ltd.
S.F. Pharmaceutical Supply Chain Chongqing Co., Ltd.
S.F. Pharmaceutical Supply Chain (Fujian) Co., Ltd.
S.F. (Ningbo) Logistics Technology Co., Ltd.
Changsha E-Plus Technology Co., Ltd.
Changsha S.F. E-commerce Co., Ltd.
Changsha Fengyi Supply Chain Management Co., Ltd.
Chongqing Fonair UAS Technology Co., Ltd.
Ezhou S.F. International Airfreight Depot Co., Ltd.
Xi'an E-Plus Technology Co., Ltd.
Exel Technology (Shanghai) Co., Ltd.
Exel Supply Chain Management (Shanghai) Co., Ltd.
Exel Supply Chain (Xi'an) Co., Ltd.
Exel Supply Chain (Dalian) Co., Ltd.
Exel Supply Chain (Xiamen) Co., Ltd.
Exel Supply Chain (Nanjing) Co., Ltd.
Exel Supply Chain (Shanghai) Co., Ltd.
Fujian Lijie Supply Chain Management Co., Ltd.
Qidong Fengnong Technology Co., Ltd.
Zhuhai Shunbang Investment Co., Ltd.
Weifang Fengtai Industrial Park Management Co., Ltd.
Hunan S.F. Pharmaceutical Supply Chain Co., Ltd.
Shenzhen Shunlian Technology Co., Ltd.
Shenzhen S.F. Shuntai Logistics Co., Ltd.

Shenzhen S.F. International Network Co., Ltd.
Shenzhen S.F. International Industry Co., Ltd.
Shenzhen S.F. International Supply Chain Management Co., Ltd.
Shenzhen Shunxin Cross-Border Express Co., Ltd.
Shenzhen Shunkang Network Technology Co., Ltd.
Shenzhen S.F. Cross-Border Express Co., Ltd.
Shenzhen S.F. Kuaicha Technology Co., Ltd.
Shenzhen Kuaichijunma Information Technology Co., Ltd.
Shenzhen Weifengqi Technology Co., Ltd.
Shenzhen Fengyun Investment Co., Ltd.
Shenzhen Bingzhi Supply Chain Management Co., Ltd.
Shenzhen Fengwang Express Co., Ltd.
Jinan Fengtai Industrial Park Management Co., Ltd.
Luoyang Fengtai Industrial Park Management Co., Ltd.
Henan S.F. Pharmaceutical Supply Chain Co., Ltd.
Henan Xixia Letinous Edodes Integrated Service Industry Co., Ltd.
Jiangxi S.F. Zhida Network Technology Co., Ltd.
Jiangxi S.F. Pharmaceutical Supply Chain Management Co., Ltd.
Jiangxi Kangfeng Information Technology Services Co., Ltd.
Wuhan E-Plus Technology Co., Ltd.
Wuhan S.F. Cold Chain Co., Ltd.
Yulin Fonair UAS Technology Co., Ltd.
Meizhou Yoududu Fruit Industry Co., Ltd.
Liuzhou Fengyutai Industrial Park Management Co., Ltd.
Zhijiang Fengnong Technology Co., Ltd.
Hangzhou E-Plus Technology Co., Ltd.
Hangzhou Fengwang Express Co., Ltd.
Hangzhou Fengyou Energy Technology Co., Ltd.
Dunhuang Fengzhao Technology Co., Ltd.
Huizhou Fengyutai Enterprise Management Co., Ltd.
Guangxi Shunnong Fengnong Agricultural Technology Co., Ltd.

Guangzhou S.F. Cold Chain Co., Ltd.
Guangzhou Chengyi Information Technology Co., Ltd.
Guangdong Shuangjie Supply Chain Co., Ltd.
Dingxi Fengnong Technology Co., Ltd.
Zonghao Supply Chain Consulting (Shenzhen) Co., Ltd.
Tianjin S.F. Juyi Logistics Co., Ltd.
Dalian Fengtai Industrial Park Operation and Management Co., Ltd.
Guofeng Wulianshuzhi Supply Chain (Guangdong) Co., Ltd.
Sichuan Guda Technology Co., Ltd.
Cheng Run Limited.
Jilin S.F. Smart Pharmaceutical Supply Chain Co., Ltd.
Hefei Exel Supply Chain Co., Ltd.
Xiamen E-Plus Technology Co., Ltd.
Xiamen Fengyi Supply Chain Management Co., Ltd.
Nanjing E-Plus Information Technology Co., Ltd.
Beijing S.F. International Network Co., Ltd.
Beijing Zhenlanwuxian Technology Co., Ltd.
Beijing Fengjietai Enterprise Management Co., Ltd.
SF Supply Chain Chongqing (Hong Kong) Limited.
FH Supply Chain Xiaogan (Hong Kong) Limited
SF Supply Chain (Yunnan) Co., Ltd.
Fengmeng Technology Co., Ltd.
FS TECHNOLOGY MACAU CO.,LTD.
Dongguan Fengtai Enterprise Management Co., Ltd.
Shanghai Shuntai Express Co., Ltd.
Shanghai S.F. Pharmaceutical Supply Chain Holding Co., Ltd.
Shanghai S.F. Cold Chain Co., Ltd.
Shanghai Taigenrun Enterprise Management Co., Ltd.
Shanghai Yongfang Supply Chain Technology Co., Ltd.
Shanghai Chengming Supply Chain Technology Co., Ltd.
Shanghai Bingzhi Supply Chain Management Co., Ltd.

Shanghai Fengzan Technology Co., Ltd.
Wuhu Industrial Park Limited
Wuhu Fengtai (Hong Kong) Limited
Wenzhou Industrial Park Limited
Wenzhou Fengtai (Hong Kong) Limited
SZSF Global Express (Kenya) Limited
SF Reit Asset Management Limited
SF Pharm Supply Chain (Hong Kong) Limited
SF Logistics Holdings Limited
SF International Network Limited
SF International Holdings Group Limited
SF International Holding Company Limited
SF International Development Pte. Ltd.
SF International (Hong Kong) Management Company Limited
SF Fengtai Industrial Park Holdings Limited
SF Express South Africa Proprietary Limited
SF Express Philippines Inc.
SF Express Nigeria Limited
SF Express (Switzerland) Ag
SF Express (Panama), S.A.
SF Express (NI) B.V.
SF Express (Middle East) DWC-LLC
SF Express (Germany) GMBH
SF Express (France) SAS
SF Express (Belgium) BV
S.F. E&L International (Cambodia) CO., LTD.
NH Logistics Limited
Moral Up Corporation Limited
Golden Bauhinia Logistics Holdings Limited
Foshan Industrial Park Limited
Foshan Fengtai (Hong Kong) Limited

Abundant Harvest Investments Limited

SF Technology Solution (Hong Kong) Limited

(b) In 2020, the Group cancelled the following subsidiaries:

Chengdu Yifeng Daojia Technology Service Co., Ltd.

Guangdong Zhifan Technology Co., Ltd.

Hengyang Hongyue Network Co., Ltd.

Hengyang Wanwei Information Technology Co., Ltd.

Changsha DHL Warehousing Logistics. Co., Ltd.

Hangzhou Shunyifeng Import & Export Trading Co., Ltd.

Hangzhou S.F. E-commerce Co., Ltd.

(c) In 2020, subsidiaries acquired by the Group are listed as follows:

HIGH SPRING GLOBAL LIMITED.

JADE AFFLUENT LIMITED.

HE CHANG TRADE LIMITED.

UNITED WIN ASIA LIMITED

Chongqing Xuefeng Refrigerates Logistics Co., Ltd.

Shenzhen Xuefeng Cold Chain Logistics Co., Ltd.

Changsha Xueyuan Cold Chain Logistics Co., Ltd.

(d) In 2020, subsidiaries acquired by the Group through equity replacement are listed as follows:

Shenzhen Fengyikai Technology Co., Ltd.

Shenzhen Runhuitai Technology Co., Ltd.

Shenzhen Yujietai Technology Co., Ltd.

Shenzhen Xingyaotai Technology Co., Ltd.

Shenzhen Shenghetai Technology Co., Ltd.

Shenzhen Fengrui Industrial Park Management Co., Ltd.

Shenzhen Run'an Industrial Park Management Co., Ltd.

Shenzhen Yujia Industrial Park Management Co., Ltd.

Shenzhen Xingyi Industrial Park Management Co., Ltd.

Shenzhen Shengheng Industrial Park Management Co., Ltd.

(e) In 2020, other subsidiaries sold by the Group are listed as follows:

Global Fortitude International Limited

6 Interests in other entities

(1) Interests in subsidiaries

(a) First-tier and second-tier subsidiaries of the Group are listed as follows:

	Place of registration	Major business location	Registered capital	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Taisen Holdings	Shenzhen	Shenzhen	RMB2,010 million	Investment holding	100.00%	–	Reverse acquisitions
S.F. Express Co., Ltd.	Shenzhen	Shenzhen	RMB150 million	International freight forwarding, inbound and outbound express deliver, etc.	–	100.00%	Business combination involving enterprises under common control
SF Technology	Shenzhen	Shenzhen	RMB60 million	Technical maintenance and development service	–	100.00%	By new establishment
Shenzhen Shunlu Logistics Co., Ltd.	Shenzhen	Shenzhen	RMB160 million	Cargo transportation and freight forwarding	–	100.00%	Business combination involving enterprises under common control
Anhui S.F. Telecommunication Service Co., Ltd.	Anhui	Anhui	RMB50 million	Value-added telecommunication service	–	100.00%	By new establishment
Shenzhen Yuhui Management Consulting Co., Ltd.	Shenzhen	Shenzhen	RMB250 million	Consulting service	–	100.00%	Business combination involving enterprises under common control
Shenzhen S.F. Supply Chain Co., Ltd.	Shenzhen	Shenzhen	RMB1,500 million	Supply chain management and other services	–	100.00%	By new establishment
SF Airlines	Shenzhen	Shenzhen	RMB1,510 million	Transport service of aviation cargo	–	100.00%	Business combination involving enterprises under common control
Shenzhen Fengtai Industrial Park	Shenzhen	Shenzhen	RMB5,100 million	E-Commerce industrial park asset management	–	100.00%	Business combination involving enterprises under common control
Shenzhen Fengtai E-Commerce Industrial Park Investment Ltd.	Shenzhen	Shenzhen	RMB58 million	Management consulting	–	100.00%	By new establishment
Shenzhen S. F. Airport Investment Co., Ltd.	Shenzhen	Shenzhen	RMB100 million	Industrial investment	–	100.00%	By new establishment
SF Holding Limited	Hong Kong	Hong Kong	HKD2,260 million	Investment holding	–	100.00%	Business combination involving enterprises under common control
Group Finance Company	Shenzhen	Shenzhen	RMB1,000 million	Financing, wealth management and consulting services	–	100.00%	By new establishment
Shenzhen SF Chuangxing Investment Co., Ltd.	Shenzhen	Shenzhen	RMB150 million	Industrial investment	–	100.00%	By new establishment
Shenzhen Fengnong Technology Co., Ltd.	Shenzhen	Shenzhen	RMB15 million	Retail	–	100.00%	By new establishment
Shenzhen Fenglang Supply Chain Co., Ltd.	Shenzhen	Shenzhen	RMB30 million	Supply chain management and other services	–	100.00%	By new establishment
Shenzhen Shunfeng Runtai Management Consulting Co., Ltd.	Shenzhen	Shenzhen	RMB5 million	Consulting service	–	100.00%	By new establishment
Shunyu Financial Leasing (Tianjin) Co., Ltd.	Tianjin	Tianjin	RMB370 million	Leasing business	–	100.00%	By new establishment
SF Multimodal Co., Ltd.	Shenzhen	Shenzhen	RMB242 million	Goods delivery services	–	100.00%	By new establishment
Shenzhen Shunxi Management Consulting Co., Ltd.	Shenzhen	Shenzhen	RMB2 million	Management consulting	–	100.00%	By new establishment

	Place of registration	Major business location	Registered capital	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
S.F. Insurance Broker (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	RMB50 million	Insurance business	-	100.00%	By new establishment
S.F. Duolian Technology Co., Ltd.	Dongguan	Dongguan	RMB150 million	Technology development	-	100.00%	By new establishment
Dongguan SF Taisen Enterprise Management Co., Ltd.	Dongguan	Dongguan	RMB30 million	Property management	-	100.00%	By new establishment
SF Innovative Technology Co., Ltd.	Dongguan	Dongguan	RMB450 million	Information technology service	-	100.00%	By new establishment
Shenzhen Shunheng Rongfeng Supply Chain Technology Co., Ltd.	Shenzhen	Shenzhen	RMB100 million	Consulting service	-	100.00%	Business combination involving enterprises under common control
Shenzhen Hengyi Logistics Service Co., Ltd.	Shenzhen	Shenzhen	RMB100 million	Freight forwarding service	-	100.00%	Business combination involving enterprises under common control
Lefeng Factoring	Shenzhen	Shenzhen	RMB62.5 million	Factoring	-	100.00%	Business combination involving enterprises under common control
Hangzhou SF Intra-city Industrial Co., Ltd.	Hangzhou	Hangzhou	RMB666.63 million	Supply chain management and other services	-	85.56%	By new establishment
SF Intra-city Holdings Limited	Hangzhou	Hangzhou	RMB425 million	Supply chain management and other services	-	96.63%	By new establishment
Shenzhen SF Express Zhongyuan Network Technology Co., Ltd.	Shenzhen	Shenzhen	RMB10 million	Technology development and consulting services	-	100.00%	By new establishment
SF Sharing Precision Information Technology (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	RMB30 million	Information technology service	-	100.00%	By new establishment
Hangzhou Shuangjie Supply Chain Co., Ltd.	Hangzhou	Hangzhou	RMB50 million	Supply chain management and other services	-	100.00%	By new establishment
S.F. Express	Shenzhen	Shenzhen	RMB1,495 million	Domestic and international freight forwarding	-	87.80%	By new establishment
Huanggang Xiufeng Education Investment Co., Ltd.	Huanggang	Huanggang	RMB90 million	Consulting services regarding business information and business management	-	100.00%	By new establishment
Junhe Information Technology (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	RMB10 million	Information technology and development services	-	51.00%	By new establishment
S.F. Digital Technology (Shenzhen) Services Co., Ltd.	Shenzhen	Shenzhen	RMB250 million	Technology and consulting services	-	100.00%	By new establishment
Shenzhen S.F. International Industry Co., Ltd.	Shenzhen	Shenzhen	RMB10 million	Information technology and consulting services	-	100.00%	By new establishment

(b) Subsidiaries in which the Group has significant minority interests

As at 31 December 2020 and 31 December 2019, minority interests of the Group's subsidiaries had no significant influence on the Group.

(2) Interests in joint ventures and associates

(a) The Group's associates have no significant influence on the Group and are summarised as follows:

	Ending balance/Amount in the current year	Opening balance/ Amount in the prior year
Aggregated carrying amount of investments (Note 4(13)(b))	1,212,265,406.69	880,449,618.04
Aggregation of the following items in proportion:		
Net loss	(31,516,161.16)	(82,756,579.99)
Other comprehensive income	873,013.64	3,657,757.63
Total comprehensive income	(30,643,147.52)	(79,098,822.36)

(b) The Group's joint ventures have no significant influence on the Group and are summarised as follows:

	Ending balance/Amount in the current year	Opening balance/ Amount in the prior year
Aggregated carrying amount of investments (Note 4(13)(a))	2,434,965,871.21	1,341,063,055.10
Aggregation of the following items in proportion:		
Net profit/(loss)	9,696,965.56	(15,059,443.64)
Other comprehensive income	—	909,877.01
Total comprehensive income	9,696,965.56	(14,149,566.63)

All of the Group's long-term equity investments for its joint ventures and associates had no public offers.

7 Segment information

The reportable segments of the Group are the business units that provide different logistics services. Different businesses require different technologies and marketing strategies, and the Group, therefore, independently manages their operations and evaluates operating results, in order to make decisions about resources allocations and performance evaluations.

In 2020, the Group mainly had three reportable segments, including:

- Express segment, which provides time-definite express, economy product and cold chain delivery service;
- Freight segment, which provides freight service;
- Other segments, including other services and undistributed parts such as supply chain and intra-city delivery.

Inter-segment transfer prices are determined by reference to pricing policy of related party transactions.

In 2019, data of other segments was not significant to the Group except the express segment. Giving consideration to significance and cost-effectiveness, the Group did not prepared segment report for the year ended 31 December 2019 following the framework of the segment report for the year ended 31 December 2020 as comparative information.

(a) Segment information as at and for the year ended 31 December 2020 is as follows:

	Express segment	Freight segment	Others	Inter-segment elimination	Total
Revenue from external customers	123,397,003,466.64	19,336,602,655.75	11,253,263,930.68	–	153,986,870,053.07
Inter-segment revenue	9,871,934,319.06	3,041,230,746.55	6,571,555,755.02	(19,484,720,820.63)	–
Cost of revenue	107,996,130,713.20	22,509,478,682.23	16,056,140,180.61	(17,751,716,328.46)	128,810,033,247.58
Total profit/(Total loss)	12,283,613,426.37	(1,157,574,860.97)	(1,064,340,538.75)	(23,042,190.91)	10,038,655,835.74
Income tax expenses	3,296,378,773.56	(249,424,178.02)	60,875,310.21	(1,207,002.60)	3,106,622,903.15
Net profit/(Net loss)	8,987,234,652.81	(908,150,682.95)	(1,125,215,848.96)	(21,835,188.31)	6,932,032,932.59
Total assets	58,621,172,612.98	6,768,399,942.78	93,415,514,135.99	(47,645,044,430.78)	111,160,042,260.97
Total liabilities	37,443,764,886.58	5,924,381,036.41	48,203,830,097.53	(37,171,634,818.58)	54,400,341,201.94
Depreciation and amortisation expenses	4,114,397,974.45	159,091,387.87	1,010,882,849.67	(4,293,609.14)	5,280,078,602.85
Credit impairment losses	206,357,911.71	6,689,173.97	268,607,875.66	(8,899,933.44)	472,755,027.90

In 2020, no revenue from a single customer exceeded 10% or more of the Group's total revenue.

8 Related parties and related party transactions

(1) General information of the controlling shareholder and subsidiaries

The general information and other related information of the subsidiaries are set out in Note 6(1).

(a) General information of the controlling shareholder

	Place of registration	Nature of business
Mingde Holdings	Shenzhen	Investment

The Company's ultimate holding company is Mingde Holdings, and the ultimate controlling person is Wang Wei.

(b) The balances and changes of registered capital of the controlling shareholder

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Mingde Holdings	113,405,734.21	–	–	113,405,734.21

(c) The percentages of shareholding and voting rights in the Company held by the controlling shareholder

	31 December 2020		31 December 2019	
	Shareholding (%)	Voting rights (%)	Shareholding (%)	Voting rights (%)
Mingde Holdings	59.30%	59.30%	61.20%	61.20%

(2) Nature of related parties that do not control/are not controlled by the Company

Major related parties are listed as follows:

	Relationship with the Company in the reporting period
Fengyi Technology	Controlled by the ultimate controlling person of the Company
Shenzhen Shunshang Investment Co., Ltd.	Controlled by the ultimate controlling person of the Company
Suzhou Fengchengda Network Technology Co., Ltd.	Controlled by the ultimate controlling person of the Company
Shenzhen S.F Hefeng Microfinance Co., Ltd.	Controlled by the ultimate controlling person of the Company
Shenzhen Mingde Fengtai Investment Co., Ltd. ("Mingde Investment")	Controlled by the ultimate controlling person of the Company
Hangzhou Fengtai E-Commerce Industrial Park Management Ltd.	Controlled by the ultimate controlling person of the Company
Mingde Holdings	Controlled by the ultimate controlling person of the Company
S. F. Holding (Group) Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Qinghai Shunxiaofeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Anhui Shunxiaofeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Dongguan Shunxiaofeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Zhuhai Shunxiaofeng Commercial Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Zhongshan Shunxiaofeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Huizhou S.F. Commercial Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Jiangmen Shunyifeng Commercial Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020

	Relationship with the Company in the reporting period
Jiangsu Shunxiaofeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Suzhou Industrial Park Shunhengshun Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Zhejiang S.F. Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Taizhou Shunjiefeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Yancheng Shunxiaofeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Zhejiang S.F. Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Ningbo Shunxiaofeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Shenzhen S.F. Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Foshan Shunxiaofeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Dalian S.F. Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Shandong Shunxiaofeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Qingdao Shunyifeng Commercial Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Beijing Shunxiaofeng Commercial Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Shanghai S.F. Industrial Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Jiangxi Shunxiaofeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Tianjin Shunfengshun Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Inner Mongolia S.F. Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Shanxi Shunxiaofeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Jilin S.F. Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Guangxi Shunyifeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Hainan S.F. Commercial Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Shanxi Shunyifeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Hunan Shunyifeng Commercial Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Hubei Shunyifeng Commercial Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Henan Shunyifeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Gansu S.F. Commercial Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Hebei Shunxiaofeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Fujian Shunyifeng Commercial Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020

	Relationship with the Company in the reporting period
Zhaoqing Shunyifeng Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Dongguan S.F. Commercial Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Shenzhen S.F. Electronic Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Beijing S.F. E-Commerce Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
S. F. You Xuan International Co., Ltd. ^{Note 1}	Controlled by the ultimate controlling person of the Company before November 2020
Hive Box Technology and its subsidiaries	Held by the ultimate controlling person
Shanghai Qianqu Network Technology Co., Ltd. ("Qianqu Network") and its subsidiaries	The Group's associate
Chongqing Boqiang Logistics Co., Ltd.	The Group's associate
Kin Shun Information Technology Limited	The Group's associate
Shenzhen Bai Mi Life Co., Ltd.	The Group's associate
Hubei Jiuzhou Tongda Technology Development Co., Ltd.	The Group's associate
Shenzhen Zhongwang Finance and Tax Management Co., Ltd.	The Group's associate
Shenzhen Shunjie Fengda and its subsidiaries	The Group's associate
Xi'an Huahan Air Passenger and Freight Service Co., Ltd.	The Group's associate
Qingdao Dakai Cargo Agency Co., Ltd.	The Group's associate
Beijing Dazhangfang and its subsidiaries	The Group's associate
Canbeidou Supply Chain and its subsidiaries	The Group's associate
Wuhan Shunluo Supply Chain Management Co., Ltd.	The Group's associate
DHL Weiheng (Zhuhai) Supply Chain Management Co., Ltd.	The Group's associate
State Grid E-Commerce Yunfeng Logistics Technology (Tianjin) Co., Ltd. ^{Note 2}	The Group's associate
SCS Logistics Co., Ltd. ^{Note 2}	The Group's associate
KENGIC Intelligent and its subsidiaries ^{Note 2}	The Group's associate
Shenzhen Fongsu Technology Co., Ltd. ^{Note 3}	The Group's joint venture
Little Red Hat and its subsidiaries ^{Note 4}	The Group's associate before August 2020
Shenghai Information	The Group's joint venture
POST110Ü	The Group's joint venture
ZBHA and its subsidiaries	The Group's joint venture
CR-SF International Express Co., Ltd.	The Group's joint venture
Wenzhou Fengbaoke Technology Co., Ltd.	The Group's joint venture
Zhongyunda Aviation Ground Services Co., Ltd.	The Group's joint venture
Geling Information and its subsidiaries	The Group's joint venture
Global Connect Holding Limited	The Group's joint venture
Wulian Shuntong and its subsidiaries	The Group's joint venture
Beijing Shunhe Tongxin Technology Co., Ltd.	The Group's joint venture
Guangzhou Leshou Network Technology Co., Ltd. ("Leshou Network") and its subsidiaries ^{Note 5}	The Group's joint venture before 31 December 2019
China Vanke Co., Ltd. and its subsidiaries ^{Note 2}	Significantly influenced by the key management of the Company
China International Marine Containers (Group) Ltd. ("China International Marine") and its subsidiaries ^{Note 2}	Significantly influenced by the key management of the Company
CITIC Securities Co., Ltd. ("CITIC Securities") and its subsidiaries	Significantly influenced by the key management of the Company
Golden Arches (China) Co., Ltd. ("Golden Arches") and its subsidiaries	Significantly influenced by the key management of the Company
DBS Bank (China) Limited ^{Note 6}	Significantly influenced by the key management of the Company before July 2020
Ping An Insurance (Group) Company of China, Ltd. ("Ping An Insurance") and its subsidiaries ^{Note 7}	Significantly influenced by the key management of the Company before July 2019

	Relationship with the Company in the reporting period
China Pacific Insurance (Group) Co., Ltd. ("Pacific Insurance") and its subsidiaries ^{Note 7}	Significantly influenced by the key management of the Company before July 2019
Shenzhen Henglu Logistics Co., Ltd. ^{Note 8}	Significantly influenced by the key management of the Company before September 2018
Zhaoguang Investment and its subsidiaries	Other companies holding more than 5% equity of the Company
SF Charity Foundation	Organisation sponsored by controlling shareholders and the Company's subsidiaries, in which director and senior managers of the company serve on the Board of Management

Note 1: They are S.F. Holding (Group) Commerce Co., Ltd. and its subsidiaries, which are referred as "Commerce Holding and its subsidiaries". The ultimate controlling person disposed Commerce Holding and its subsidiaries in November 2020. Pursuant to the *Listing Rules of Shenzhen Stock Exchange*, Commerce Holding and its subsidiaries were still related parties of the Group before 31 November 2021, so their related party transactions with the Group for the year ended 31 December 2020 refer to the transaction volumes made during the period from January to December 2020.

Note 2: It was a new related party of the Group in 2020, so its related party transactions with the Group for the year ended 31 December 2019 and balance as at 31 December 2019 are presented as "Not applicable".

Note 3: It used to be a subsidiary of the Group. As stated in Note 5(1), the Group lost actual control over Shenzhen Fengsu Technology Co., Ltd. since 1 December 2020 and ceased to include it in the consolidation scope, so the related party transactions with Shenzhen Fengsu Technology Co., Ltd. disclosed in the financial statements refer to the transaction volumes made in December 2020, while its transactions with the Group during the period from January to December 2019 are presented as "Not applicable".

Note 4: It was an associate disposed by the Group in August 2020. The related party transactions with Little Red Hat and its subsidiaries disclosed in the financial statements refer to the transaction volumes made during the period from January to August 2020.

Note 5: It was a joint venture disposed by the Group in 2019, so its related party transactions with the Group for the year ended 31 December 2020 are presented as "Not applicable".

Note 6: It was a company significantly influenced by the key management of the Group before July 2020. Pursuant to the *Listing Rules of Shenzhen Stock Exchange*, it was still related parties of the Group before 31 July 2021, so their related party transactions with the Group for the year ended 31 December 2020 refer to the transaction volumes made during the period from January to December 2020.

Note 7: It was a company significantly influenced by the key management of the Group before July 2019. Pursuant to the *Listing Rules of Shenzhen Stock Exchange*, it was no longer a related party of the Group since August 2020, so its related party transactions with the Group refer to the transaction volumes made during the period from January to July 2020 while balance as at 31 December 2020 are presented as "Not applicable".

Note 8: It was a company significantly influenced by the key management of the Group before September 2018. Pursuant to the *Listing Rules of Shenzhen Stock Exchange*, Shenzhen Henglu Logistics Co., Ltd. was no longer a related party of the Group since September 2019, so its related party transactions with the Group for the year ended 31 December 2020 are presented as "Not applicable".

(3) Related party transactions**(a) Pricing policies**

The pricing method of transactions and transaction price between the Group and related parties are determined, following arm's length principle, by making reference to the market price or through negotiation between both parties.

(b) Income from courier service, combined transport and freight forwarding services

	2020	2019
Golden Arches and its subsidiaries	1,291,573,295.07	1,193,201,876.11
CR-SF International Express Co., Ltd.	130,041,968.68	16,539,368.60
Ping An Insurance and its subsidiaries	65,152,725.66	109,466,644.41
Fengyi Technology	28,668,227.12	14,954,797.51
Commerce Holding and its subsidiaries	22,500,404.90	74,480,512.35
SF Charity Foundation	16,777,628.80	38,443.40
Pacific Insurance and its subsidiaries	12,852,595.58	26,320,843.49
State Grid E-Commerce Yunfeng Logistics Technology (Tianjin) Co., Ltd.	5,388,274.87	Not applicable
Hive Box Technology and its subsidiaries	5,360,875.79	1,122,511.80
Suzhou Fengchengda Network Technology Co., Ltd.	4,486,896.06	7,539,205.97
CITIC Securities and its subsidiaries	4,211,460.69	2,503,365.22
Geling Information and its subsidiaries	3,406,594.68	663,418.54
Wenzhou Fengbaoke Technology Co., Ltd.	3,018,116.87	586,025.44
SCS Logistics Co., Ltd.	2,773,151.28	Not applicable
China Vanke Co., Ltd. and its subsidiaries	2,435,425.57	Not applicable
China International Marine and its subsidiaries	1,306,357.34	Not applicable
Shenzhen Bai Mi Life Co., Ltd.	1,056,354.23	18,413.13
Canbeidou Supply Chain and its subsidiaries	965,361.74	387,770.68
DBS Bank (China) Limited	752,862.67	641,560.08
Xi'an Huahan Air Passenger and Freight Service Co., Ltd.	608,209.79	491,206.55
Hubei Jiuzhou Tongda Technology Development Co., Ltd.	502,501.43	314,547.71
Zhongyunda Aviation Ground Services Co., Ltd.	268,798.77	26,935,338.48
Shenzhen Henglu Logistics Co., Ltd.	Not applicable	1,532,153.26
Others	6,513,760.47	3,468,287.55
	1,610,621,848.06	1,481,206,290.28

(c) Communication income

	2020	2019
Hive Box Technology and its subsidiaries	21,646,093.77	23,533,909.13
Shenzhen S.F. Hefeng Microfinance Co., Ltd.	3,474,686.28	849,255.58
Fengyi Technology	3,372,766.98	2,020,165.13
	28,493,547.03	26,403,329.84

(d) Commission income for collection and settlement on behalf of related parties

	2020	2019
Shenzhen S.F. Hefeng Microfinance Co., Ltd.	4,821,178.14	4,764,302.08
Others	220,564.82	365,816.58
	5,041,742.96	5,130,118.66

(e) Income from platform and other services

	2020	2019
Fengyi Technology	45,413,621.51	7,802,799.12
CR-SF International Express Co., Ltd.	7,996,537.02	8,798,343.40
Commerce Holding and its subsidiaries	378,791.05	677,532.24
Others	579,785.14	604,059.94
	54,368,734.72	17,882,734.70

(f) Technology development service income

	2020	2019
Hive Box Technology and its subsidiaries	2,567,093.97	848,679.25
Mingde Holdings	1,374,598.30	1,254,245.30
Commerce Holding and its subsidiaries	-	1,386,459.91
Others	444,922.52	785,131.57
	4,386,614.79	4,274,516.03

(g) Revenue from rent and property management

	2020	2019
Hangzhou Fengtai E-Commerce Industrial Park Management Ltd.	3,012,058.70	284,915.26
Fengyi Technology	2,055,104.34	1,055,209.03
Commerce Holding and its subsidiaries	394,872.47	865,164.86
Kin Shun Information Technology Limited	371,170.36	927,515.71
Others	930,117.99	510,621.20
	6,763,323.86	3,643,426.06

(h) Revenue from sales of goods

	2020	2019
Shenzhen Shunjie Fengda and its subsidiaries	37,925,009.44	–
Hive Box Technology and its subsidiaries	5,337,138.04	–
Others	275,906.71	–
	43,538,054.19	–

(i) Interest income

	2020	2019
DHL Weiheng (Zhuhai) Supply Chain Management Co., Ltd.	1,143,975.35	–
Wuhan Shunluo Supply Chain Management Co., Ltd.	998,473.63	–
Kin Shun Information Technology Limited	159,301.34	–
	2,301,750.32	–

(j) Sales of equity

	2020	2019
Mingde Holdings	–	135,000,000.00

(k) Purchase of equity

	2020	2019
Mingde Investment	–	150,607,200.00

(l) Combined transport and freight forwarding expenses

	2020	2019
CR-SF International Express Co., Ltd.	488,038,463.03	230,791,907.60
Shenzhen Shunjie Fengda and its subsidiaries	211,347,435.34	174,935,509.02
Wulian Shuntong and its subsidiaries	171,965,010.90	46,890,464.53
Kin Shun Information Technology Limited	108,556,004.21	92,647,274.32
POST110Ü	34,311,831.20	69,883,742.11
Qingdao Dakai Cargo Agency Co., Ltd.	22,991,350.38	25,578,831.28
Xi'an Huahan Air Passenger and Freight Service Co., Ltd.	22,053,292.43	29,965,556.38
Zhongyunda Aviation Ground Services Co., Ltd.	11,597,443.82	23,734,436.93
Chongqing Boqiang Logistics Co., Ltd.	10,355,641.03	15,348,865.13
Little Red Hat and its subsidiaries	4,689,850.27	13,093,401.16
Others	4,045,004.38	–
	1,089,951,326.99	722,869,988.46

(m) Express delivery agent and other service fees

	2020	2019
Hive Box Technology and its subsidiaries	120,816,646.12	47,275,658.86
Beijing Dazhangfang and its subsidiaries	57,311,519.90	978,494.92
Shenzhen Zhongwang Finance and Tax Management Co., Ltd.	7,248,806.02	–
Fengyi Technology	5,230,188.69	–
Global Connect Holding Limited	2,718,287.34	510,519.23
Commerce Holding and its subsidiaries	2,659,417.54	4,656,050.82
Leshou Network and its subsidiaries	Not applicable	1,999,529.77
Others	21,741.51	12,850.35
	196,006,607.12	55,433,103.95

(n) Interest expenses

	2020	2019
Shenzhen Zhongwang Finance and Tax Management Co., Ltd.	76,430.74	–
Others	9,325.43	–
	85,756.17	–

(o) Collection commissions fee

	2020	2019
Hive Box Technology and its subsidiaries	94,828,845.83	82,961,170.55

(p) Security service fee

	2020	2019
ZBHA and its subsidiaries	153,842,870.06	134,335,262.62

(q) Rent and property management fees

	2020	2019
Commerce Holding and its subsidiaries	47,238,444.25	22,511,404.28
Zhaoguang Investment and its subsidiaries	17,483,784.82	–
Shanghai Information	10,456,248.02	16,102,996.80
Canbeidou Supply Chain and its subsidiaries	5,400,472.06	8,993,150.78
Beijing Dazhangfang and its subsidiaries	4,378,983.11	2,754,039.58
Others	1,129,654.34	565,776.26
	86,087,586.60	50,927,367.70

(r) Technology development and operation & maintenance service fee

	2020	2019
Shenghai Information	26,947,320.62	28,406,292.95
Beijing Shunhe Tongxin Technology Co., Ltd.	7,072,415.34	5,483,678.48
Others	1,027,006.97	686,036.91
	35,046,742.93	34,576,008.34

(s) Promotion fee

	2020	2019
Commerce Holding and its subsidiaries	2,084,770.45	7,831,955.69
Hive Box Technology and its subsidiaries	382,110.36	12,097,448.41
Others	297,077.50	481,682.05
	2,763,958.31	20,411,086.15

(t) Purchase of materials

	2020	2019
KENGIC Intelligent and its subsidiaries	543,507,299.22	Not applicable
Fengyi Technology	215,901,823.46	84,166,009.07
China International Marine and its subsidiaries	199,062,686.43	Not applicable
Hubei Jiuzhou Tongda Technology Development Co., Ltd.	138,213,702.98	117,450,617.15
Commerce Holding and its subsidiaries	62,614,942.78	89,036,580.84
Wenzhou Fengbaoke Technology Co., Ltd.	55,447,551.53	22,496,881.42
Shenghai Information	84,848.86	552,711.81
Others	289,168.05	26,561.48
	1,215,122,023.31	313,729,361.77

(u) Insurance premium

	2020	2019
Pacific Insurance and its subsidiaries	42,968,622.79	88,511,898.21
Ping An Insurance and its subsidiaries	20,282,044.90	7,722,706.61
	63,250,667.69	96,234,604.82

Insurance premium represents the amount amortised over the benefit period of insurance policies.

(v) Donation expenses

	2020	2019
SF Charity Foundation	21,025,789.93	6,000,000.00

(w) Remuneration of key management

	2020	2019
Remuneration of key management	28,538,200.81	38,235,900.00

(4) Receivables from and payables to related parties

(a) Accounts receivable

	31 December 2020	31 December 2019
Golden Arches and its subsidiaries	163,467,065.39	148,822,448.84
Fengyi Technology	50,109,913.29	20,394,717.59
Shenzhen Shunjie Fengda and its subsidiaries	30,567,588.38	–
CR-SF International Express Co., Ltd.	27,064,970.00	10,490,672.84
Zhongyunda Aviation Ground Services Co., Ltd.	4,003,205.75	4,077,129.23
State Grid E-Commerce Yunfeng Logistics Technology (Tianjin) Co., Ltd.	3,684,971.98	Not applicable
Hive Box Technology and its subsidiaries	3,335,084.30	784,860.38
Shenzhen S.F. Hefeng Microfinance Co., Ltd.	1,907,815.33	702,659.05
Suzhou Fengchengda Network Technology Co., Ltd.	1,465,961.90	1,489,069.64
Hangzhou Fengtai E-Commerce Industrial Park Management Ltd.	929,865.04	317.00
Geling Information and its subsidiaries	752,230.94	480,246.01
Wenzhou Fengbaoke Technology Co., Ltd.	701,034.00	1,108,935.00
China International Marine and its subsidiaries	538,172.82	Not applicable
China Vanke Co., Ltd. and its subsidiaries	537,775.10	Not applicable
Commerce Holding and its subsidiaries	465,834.80	20,238,017.63
Mingde Holdings	303,694.34	900,666.60
Kin Shun Information Technology Limited	–	551,749.80
Ping An Insurance and its subsidiaries	Not applicable	14,293,115.93
Pacific Insurance and its subsidiaries	Not applicable	5,432,033.59
Others	3,035,071.77	1,664,301.73
	292,870,255.13	231,430,940.86

(b) Advances to suppliers

	31 December 2020	31 December 2019
Hive Box Technology and its subsidiaries	23,154,566.76	26,709,547.43
CR-SF International Express Co., Ltd.	15,601,911.29	10,123,755.55
Hangzhou Fengtai E-Commerce Industrial Park Management Ltd.	3,256,643.57	–
Shenzhen Zhongwang Finance and Tax Management Co., Ltd.	552,931.60	533,715.17
Commerce Holding and its subsidiaries	503,741.24	441,774.53
Beijing Dazhangfang and its subsidiaries	113,986.35	3,133,950.68
Pacific Insurance and its subsidiaries	Not applicable	32,753,736.15
Ping An Insurance and its subsidiaries	Not applicable	919,101.65
Others	1,242,794.42	777,792.61
	44,426,575.23	75,393,373.77

(c) Loans and advances

	31 December 2020	31 December 2019
DHL Weiheng (Zhuhai) Supply Chain Management Co., Ltd.	34,352,402.78	–
Wuhan Shunluo Supply Chain Management Co., Ltd.	24,406,159.15	–
Kin Shun Information Technology Limited	5,180,137.01	–
	63,938,698.94	–

(d) Other receivables

	31 December 2020	31 December 2019
Hive Box Technology and its subsidiaries	279,996,905.15	237,357,559.02
Golden Arches and its subsidiaries	29,396,756.33	36,592,188.91
China International Marine and its subsidiaries	9,385,463.00	Not applicable
Commerce Holding and its subsidiaries	3,039,688.93	3,361,587.61
Shenzhen Shunjie Fengda and its subsidiaries	1,948,867.55	38,554.30
Beijing Dazhangfang and its subsidiaries	693,347.52	7,919,259.83
Kin Shun Information Technology Limited	–	2,101,888.05
Ping An Insurance and its subsidiaries	Not applicable	5,868,998.93
Pacific Insurance and its subsidiaries	Not applicable	64,871.11
Others	738,620.57	899,375.82
	325,199,649.05	294,204,283.58

(e) Other non-current assets

	31 December 2020	31 December 2019
KENGIC Intelligent and its subsidiaries	22,178,241.29	Not applicable
China International Marine and its subsidiaries	5,847,429.00	Not applicable
Others	394,633.86	–
	28,420,304.15	–

(f) Deposits from customers

	31 December 2020	31 December 2019
Shenzhen Zhongwang Finance and Tax Management Co., Ltd.	3,530,459.67	3,778,707.92
Others	573.80	–
	3,531,033.47	3,778,707.92

(g) Accounts payable

	31 December 2020	31 December 2019
CR-SF International Express Co., Ltd.	98,127,753.58	55,309,253.45
Wulian Shuntong and its subsidiaries	71,206,423.49	22,789,086.87
Hubei Jiuzhou Tongda Technology Development Co., Ltd.	32,040,569.87	15,173,062.43
Shenzhen Shunjie Fengda and its subsidiaries	29,564,305.16	22,175,003.97
ZBHA and its subsidiaries	16,083,449.36	11,793,545.33
Fengyi Technology	15,059,348.69	16,346,318.11
Commerce Holding and its subsidiaries	13,641,816.30	13,653,370.47
Wenzhou Fengbaoke Technology Co., Ltd.	8,889,063.90	10,151,946.46
Shenghai Information	8,378,757.78	5,910,649.64
POST110Ü	4,056,630.21	18,256,861.71
Xi'an Huahan Air Passenger and Freight Service Co., Ltd.	2,692,517.44	3,015,475.32
Hive Box Technology and its subsidiaries	2,429,841.97	6,088,200.10
Beijing Shunhe Tongxin Technology Co., Ltd.	2,359,931.55	2,299,515.96
Shenzhen Fengsu Technology Co., Ltd.	2,176,036.69	Not applicable
Zhongyunda Aviation Ground Services Co., Ltd.	1,983,543.81	2,843,434.73
Shenzhen Zhongwang Finance and Tax Management Co., Ltd.	1,530,237.94	–
Qingdao Dakai Cargo Agency Co., Ltd.	1,344,356.56	2,366,749.33
Beijing Dazhangfang and its subsidiaries	1,108,614.10	3,066,989.00
Kin Shun Information Technology Limited	420.73	2,313,127.99
Canbeidou Supply Chain and its subsidiaries	–	3,394,554.90
Ping An Insurance and its subsidiaries	Not applicable	101,738.80
Pacific Insurance and its subsidiaries	Not applicable	17,670,710.48
Others	1,591,365.20	1,244,380.38
	314,264,984.33	235,963,975.43

(h) Advances from customers

	31 December 2020	31 December 2019
Fengyi Technology	2,660.36	912,733.08
Golden Arches and its subsidiaries	–	28,345,182.30
Commerce Holding and its subsidiaries	–	3,286,804.02
Ping An Insurance and its subsidiaries	Not applicable	538,781.51
Others	34,757.50	741,756.19
	37,417.86	33,825,257.10

(i) Contract liabilities

	31 December 2020	31 December 2019
Fengyi Technology	9,024,111.33	–
Golden Arches and its subsidiaries	5,194,604.30	–
Shenzhen Shunjie Fengda and its subsidiaries	4,816,000.00	–
Others	942,357.54	–
	19,977,073.17	–

(j) Other payables

	31 December 2020	31 December 2019
KENGIC Intelligent and its subsidiaries	216,779,866.78	Not applicable
China International Marine and its subsidiaries	102,948,509.14	Not applicable
Hubei Jiuzhou Tongda Technology Development Co., Ltd.	29,842,072.53	11,558,007.28
Golden Arches and its subsidiaries	18,474,046.06	10,839,555.86
Fengyi Technology	2,713,575.77	793,117.19
Zhaoguang Investment and its subsidiaries	2,180,000.00	–
Shenghai Information	834,287.27	158,850.31
Qianqu Network and its subsidiaries	187,001.53	897,104.92
Kin Shun Information Technology Limited	167,735.59	1,603,423.64
Zhongyunda Aviation Ground Services Co., Ltd.	–	1,434,872.00
Ping An Insurance and its subsidiaries	Not applicable	492,024.74
Pacific Insurance and its subsidiaries	Not applicable	430,366.74
Others	1,826,723.10	1,935,253.69
	375,953,817.77	30,142,576.37

9 Share-based payments

(1) Overview of share-based payments

	2020
Total restricted shares granted at the beginning of the year	2,456,568.00
Total restricted shares repurchased in the current year	(2,456,568.00)
The exercise price of outstanding restricted shares at the end of the year and residual life of the restricted shares contracts	–

Expenses recognised for the year arising from share-based payments were as follows:

	2020	2019
Equity-settled share-based payments	242,688,267.63	4,638,445.75
Cash-settled share-based payments	58,630,658.16	56,274,474.44
	301,318,925.79	60,912,920.19

(2) Information on equity-settled share-based payments

(a) Information on share-based payments of the Company

On 30 November 2017, the Company held the 4th interim shareholders' meeting in 2017, at which the proposal of the *Restricted Shares Incentive Plan (Draft) and Summary for 2017* was approved. Authorised by the 4th interim shareholders' meeting in 2017, the Company held the 11th meeting of the 4th Board of Directors on 27 December 2017, at which the *Proposal of Granting Restricted Shares to Incentive Recipients* was approved. The restricted shares were granted on 27 December 2017 and entitled the holders to purchase restricted shares at a price of RMB29.32 per share, which was 50% of RMB58.63, the average share price on the prior trading day (total transaction amount on the prior trading day/total transaction volume on the prior trading day) before the *Restricted Shares Incentive Plan (Draft) of S.F. Holding Co., Ltd. for 2017* was released. The Company's Board of Directors was authorised to grant 802 qualified employees restricted ordinary A shares with a total number of 2,705,400 shares at a consideration of RMB29.32 per share, accounting for about 0.06% of the Company's total shares, which totalled 4,411,015,500 shares upon announcement of the incentive plan.

On 17 May 2018, the Company held the 2nd interim shareholders' meeting in 2018, at which the proposal of the *Restricted Shares Incentive Plan (Draft) and Summary for 2018* was approved. Authorised by the 2nd interim shareholders' meeting in 2018, the Company held the 15th meeting of the 4th Board of Directors on 13 June 2018, at which the *Proposal of Granting Restricted Shares to Incentive Recipients for 2018* was approved. The restricted shares were granted on 13 June 2018 and entitled the holders to purchase restricted shares at a price of RMB24.33 per share, which was 50% of RMB48.65, the average share price on the prior 20 trading days (total transaction amount on the prior 20 trading days/total transaction volume on the prior 20 trading days) before the *Restricted Shares Incentive Plan (Draft) of S.F. Holding Co., Ltd. for 2018* was released. The Group's Board of Directors was authorised to grant 1,181 qualified employees restricted ordinary A shares with a total number of 5,421,900 shares at a consideration of RMB24.33 per share, accounting for about 0.12% of the Company's total shares, which totalled 4,413,572,200 shares upon announcement of the incentive plan.

The post lock-up periods and their schedules for the restricted shares for 2017 and 2018 are presented in the table below:

Post lock-up period	Timing	Proportion of shares exercisable
1st post lock-up period	From the first trading day after 12 months since the registration of granting to the last trading day within 24 months after the registration of granting	50.00%
2nd post lock-up period	From the first trading day after 24 months since the registration of granting to the last trading day within 36 months after the registration of granting	50.00%

In addition to the Company's performance, individual performance assessment, which is specified in the *Restricted Shares Incentive Plan*, has also to be satisfied to unlock the restricted shares.

After it comes into the post lock-up period, the Group deals with unlocking procedures for the holders that meet unlocking conditions as well as repurchases and cancels the restricted shares that do not meet unlocking conditions. The repurchasing price comprises the granting price plus the interest accruing thereon at the current deposit rate.

If the Company transfers capital reserve to paid-in capital, distributes share dividends, splits shares, pays dividends, allocates shares or reduces shares after restricted shares are granted, the number and the price of repurchasing restricted shares shall be adjusted in accordance with the *Restricted Shares Incentive Plan*.

In 2017, the Group issued 2,556,661 ordinary A shares denominated in RMB according to the restricted shares incentive plan for 2017, with raised funds totalling RMB74,961,331.87. On 9 January 2018, the Company completed the granting and registration of the restricted shares incentive plan for 2017.

In 2018, the Group issued 5,231,982 ordinary A shares denominated in RMB according to the restricted shares incentive plan for 2018, with raised funds totalling RMB127,294,205.35. On 25 June 2018, the Company completed the granting and registration of the restricted shares incentive plan for 2018.

In 2019, the unlocking conditions for the first post lock-up period for the restricted shares incentive plan for 2017 were met and 1,113,173 restricted shares were released.

As stated in Note 4(43), as at 31 December 2020, certain of the former incentive recipients resigned due to personal reasons and did not meet the incentive conditions. Therefore, the Company repurchased and cancelled 751,841 restricted shares that had been granted but not yet released from restrictions.

As stated in Note 4(43), as at 31 December 2020, according to the Group's performance in 2018 and 2019, the unlocking conditions for the second post lock-up period for the restricted shares incentive plan for 2017 and for the first and the second post lock-up period for the restricted shares incentive plan for 2018 were not met; therefore, the Company repurchased and cancelled a total of 5,923,629 restricted shares that had been granted but not yet released from restrictions.

As at 31 December 2020, the above incentive plan of the Company was fully implemented.

As at 31 December 2020, the equity-settled share-based payments recognised in the capital reserve accumulated to RMB23,632,662.79 (31 December 2019: RMB23,632,662.79). In 2020, there was no expenses recognised for equity-settled share-based payments (expenses reversed for equity-settled share-based payments in 2019: RMB13,323,208.39).

(b) Information on share-based payments of the Company's subsidiaries

The Group granted some equities or share options of several subsidiaries, to the senior management and other employees of the aforesaid companies or other subsidiaries within the Group respectively.

As at 31 December 2020, the equity-settled share-based payments of these companies recognised by the Group accumulated to RMB270,006,129.16 (31 December 2019: RMB27,317,861.53), including accumulated amounts attributable to shareholders of the parent company of RMB241,004,364.42 (31 December 2019: RMB23,378,510.00). In 2020, expenses recognised for equity-settled share-based payments amounted to RMB242,688,267.63 (2019: RMB17,961,654.14). The fair value at the grant date was recognized based on the discount cash flow model and the binomial tree model etc.

(3) Information on cash-settled share-based payments**(a) Information on share-based payments of the Company**

On 30 November 2017, the Company held the 4th interim shareholders' meeting in 2017, at which the proposal of the *Incentive Plan of Share Appreciation Rights (Draft) and Summary for 2017* was approved. Authorised by the 4th interim shareholders' meeting in 2017, the Company held the 11th meeting of the 4th Board of Directors on 27 December 2017, at which the *Proposal of Granting Share Appreciation Rights to Incentive Recipients* was approved. The share appreciation rights were granted on 27 December 2017. The exercise price of the share appreciation rights was RMB29.32 per share. The incentive recipients of the plan refer to 20 key foreign talents.

On 17 May 2018, the Company held the 2nd interim shareholders' meeting in 2018, at which the proposal of the *Incentive Plan of Share Appreciation Rights (Draft) and Summary for 2018* was approved. Authorised by the 2nd interim shareholders' meeting in 2018, the Company held the 15th meeting of the 4th Board of Directors on 13 June 2018, at which the *Proposal of Granting Share Appreciation Rights to Incentive Recipients* was approved. The share appreciation rights were granted on 13 June 2018. The exercise price of the share appreciation rights was RMB24.33 per share. The incentive recipients of the plan refer to 29 key foreign talents.

The exercise periods and their schedules for the share appreciation rights for 2017 and 2018 are presented in the table below:

Exercise period	Timing	Exercise proportion
1st exercise period	From the first trading day after 12 months since the registration of granting to the last trading day within 24 months after the registration of granting	50.00%
2nd exercise period	From the first trading day after 24 months since the registration of granting to the last trading day within 36 months after the registration of granting	50.00%

In addition to the Company's performance, individual performance assessment, which is specified in the *Restricted Shares Incentive Plan*, has also to be satisfied for the share appreciation rights granted.

As at 31 December 2020, there were no liabilities arising from the cash-settled share-based payments (31 December 2019: RMB94,340.00). In 2020, there was no expenses recognised for cash-settled share-based payments (expenses reversed for cash-settled share-based payments in 2019: RMB129,605.97).

(b) Information on share-based payments of the Company's subsidiaries

The Group granted the senior management of subsidiaries with the equities or share options of the subsidiaries with repurchase terms.

As at 31 December 2020, liabilities arising from the cash-settled share-based payments accumulated to RMB129,586,444.06 (31 December 2019: RMB70,955,785.90). In 2020, expenses recognised for cash-settled share-based payments amounted to RMB58,630,658.16 (2019: RMB56,404,080.41). The fair value on the balance sheet date was recognized based on the discount cash flow model and the binomial tree model etc.

10 Commitments

(1) Capital commitments

Capital expenditures contracted for by the Group but are not yet necessary to be recognised on the balance sheet as at the balance sheet date are as follows:

	31 December 2020	31 December 2019
Investment contracts that have been signed but not fulfilled or not absolutely fulfilled	2,200,898,059.29	2,235,936,315.03
Buildings, machinery and equipment	4,169,824,245.83	2,499,921,937.09
Others	4,897,375.00	36,618,770.00
	6,375,619,680.12	4,772,477,022.12

(2) Operating lease commitments

The future minimum lease payments due under the signed irrevocable operating leases contracts are summarised as follows:

	31 December 2020	31 December 2019
Within 1 year	4,724,858,532.49	5,101,875,264.17
1 to 2 years	3,635,973,901.83	2,981,614,327.74
2 to 3 years	2,111,254,121.07	1,785,237,235.00
Over 3 years	2,771,317,173.21	3,148,454,559.67
	13,243,403,728.60	13,017,181,386.58

(3) Other commitments

(i) In November 2020, the Group issued asset-backed securities through the Special Scheme set up by Huatai Securities (Shanghai) Asset Management Co., Ltd. by using five logistics industrial parks held by it as underlying assets. Yiwu Fengyutai Enterprise Management Co., Ltd., Quanzhou Fengyutai Enterprise Management Co., Ltd., Wuxi Jietai Enterprise Management Co., Ltd. and Huai'an Fengtai Enterprise Management Co., Ltd. (collectively, "Property Operators"), wholly-owned subsidiaries of the Group, worked as the property operators of the Special Scheme. In case that the actual operating income of the property assets does not reach 90% but is not lower than 80% of the target amount, the Property Operators were committed to compensating the insufficient part of the target amount with Taisen Holdings providing guarantee for the compensation obligation.

At the end of each three years, the manager of the above Special Scheme accepts open-ended withdrawal and subscription of preferred securities within the withdrawal registering period. If the preferred securities shares that have not completed open-ended withdrawal are less than 20% of total undistributed principal of the preferred securities of RMB788 million, at the extension operation announcement date, Taisen Holdings will purchase such preferred securities.

(ii) In September 2019, the Group issued asset-backed securities through the Special Scheme set up by Huatai Securities (Shanghai) Asset Management Co., Ltd. by using three logistics industrial parks held by it as underlying assets. Shenzhen Fengtai E-Commerce Industrial Park Property Service Co., Ltd., Yiwu Fengyutai Enterprise Management Co., Ltd. and Huai'an Fengtai Enterprise Management Co., Ltd. (collectively, "Property Operators"), wholly-owned subsidiaries of the Group, worked as the property operators of the Special Scheme. In case that the actual operating income of the property assets does not reach 90% but is not lower than 80% of the target amount, the Property Operators were committed to compensating the insufficient part of the target amount with Taisen Holdings providing guarantee for the compensation obligation.

At the end of each three years, the manager of the above Special Scheme accepts open-ended withdrawal and subscription of preferred securities within the withdrawal registering period. If the preferred securities shares that have not completed open-ended withdrawal are less than 20% of total undistributed principal of the preferred securities of RMB765 million, at the extension operation announcement date, Taisen Holdings will purchase such preferred securities.

(iii) In December 2018, the Group issued asset-backed securities through the Special Scheme set up by Huatai Securities (Shanghai) Asset Management Co., Ltd. by using two logistics industrial parks held by it as underlying assets. Shanghai Fengtai Yuanxing Property Management Service Co., Ltd. ("Fengtai Yuanxing"), a wholly-owned subsidiary of the Group, worked as the property operator of the special scheme. In case that the actual operating income of the property assets does not reach 90% but is not lower than 80% of the target amount, Fengtai Yuanxing was committed to compensating the insufficient part of the target amount with Taisen Holdings providing guarantee for the compensation obligation.

At the end of each three years, the manager of the above Special Scheme accepts open-ended withdrawal and subscription of preferred securities within the withdrawal registering period. If the preferred securities shares that have not completed open-ended withdrawal are less than 20% of total undistributed principal of the preferred securities of RMB1.12 billion, at the extension operation announcement date, Taisen Holdings will purchase such preferred securities.

11 Events after the balance sheet date

(1) Profit distribution after the balance sheet date

On 17 March 2021, the Company's Board of Directors approved that based on the share capital of 4,545,429,726 (calculated by deducting the 11,010,729 shares in the Company's repurchase special accounts from the total share capital 4,556,440,455 as of 17 March 2021), a cash dividend of RMB3.30 (including tax) per 10 shares will be distributed to all shareholders. No equity dividends will be distributed during the year, and the equity reserves will not be transferred to share capital. The remaining undistributed profits will be carried forward to the following year. This proposal is subject to the approval of the shareholders' meeting. Cash dividends proposed to be distributed after the balance sheet date was not recognised as liabilities at the balance sheet date.

(2) Targeted issuance

On 2 March 2021, as approved in the 2nd interim shareholders' meeting in 2021, the Company intended to issue shares to no more than 35 specific investors through private placement. The number of shares to be issued did not exceed 10% (i.e., 455,644,045 shares (inclusive)) of the total share capital of the Company before this private placement and the total funds to be raised did not exceed RMB22 billion (inclusive). As at the date on which the financial statements were authorised for issue, this matter was pending for approval by the China Securities Regulatory Commission.

(3) Tender offer

On 8 February 2021, as approved in the 11th session of the 5th Board of Directors, the Company intended to, through its wholly-owned subsidiary, Flourish Harmony Holdings Company Limited, issue tender offers to eligible shareholders and share option holders of Kerry Logistics Network Limited (the target company, listed on the Main Board of the Hong Kong Stock Exchange), to acquire 931,209,117 shares (approximately 51.8% of the issued share capital and 51.5% of the fully diluted share capital) of the target company in cash, and cancel 51.8% of the target company's share options that had not been exercised as at the final vesting date held by the target company's share option holders on behalf of the target company. As at the date on which the financial statements were authorised for issue, such matter is still pending for the consideration and approval of the shareholders' general meetings of both companies, and need to complete a series of approval and filing procedures of the Securities & Futures Commission of Hong Kong ("HK SFC"), The Stock Exchange of Hong Kong Limited ("HK Stock Exchange"), the National Development and Reform Commission, the Ministry of Commerce and the Anti-monopoly Bureau.

(4) Debt financing

On 2 March 2021, as approved in the 2nd interim shareholders' Meeting in 2021, the Company proposed to roll out debt financing products with an equivalent amount below RMB20 billion (inclusive) at home and abroad through its wholly-owned subsidiaries, Taisen Holdings and SF Holding Investment 2021 Limited. Debt financing products include but are not limited to overseas debentures denominated in USD, domestic corporate debentures, middle-term notes, short-term corporate debentures, super&short term commercial papers, enterprise debentures and other debt financing products. As at the date on which the financial statements were authorised for issue, such debt financing products had not been rolled out.

(5) Setting up a real estate investment trust that is intended to go Public

The Group planned to set up a real estate investment trust in Hong Kong with the three properties located in Foshan, Wuhu and Hong Kong within China in respective as its foundation assets which are indirectly held by the Group through its overseas holding subsidiaries. On 10 February 2021, the Company's holding subsidiary SF Holding Limited submitted application for approval of the establishment of the real estate investment trust to HKSF through its wholly-owned subsidiary SF REIT Asset Management Limited in Hong Kong. As at the date on which the financial statements were approved for issue, such transactions should be subject to the corresponding approval procedures pursuant to the Articles of Association of the Company and the relevant regulations and to the approval of HKSF and SEHK.

(6) Revision of accounting standards

The Ministry of Finance revised the Accounting Standard for Business Enterprises No. 21 – Lease ("New Lease Standard") in 2018. The revised version optimised the definition of lease and added content on identification of lease, separation and combination of lease contracts, etc.; a lessee is no longer required to classify leases as finance leases or operating leases and shall recognise right-of-use assets and lease liabilities for all leases (except for short-term leases and leases of low-value assets); more guidance is given on subsequent measurement for lessees, including reassessment of option and accounting treatment in case of lease changes. The above revision was effective from 1 January 2021.

For the cumulative effect of initially applying the New Lease Standard, the Group chooses the simplified processing method and only adjusts the data at the beginning of 2021, leaving those comparative figures of prior years unchanged. According to the assessment of management, the implementation of the New Lease Standard does not have significant influence on the leases of the Group as a lessor. The effect on the leases of the Group as a lessee is as follows: lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2021 while the right-of-use assets were recognised based on the value of the lease liabilities and some adjustments and such implementation had no influence on the Group's net assets.

12 Business combinations

Refer to Note 5(1).

13 Financial instrument and risk

The Group's activities expose it to a variety of financial risks: market risk (primarily including foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk. The above financial risks and the Group's risk management policies to mitigate the risks are as follows:

The Board of Directors is responsible for planning and establishing the Group's risk management framework, formulating the Group's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has established risk management policies to identify and analyse the risks faced by the Group. These risk management policies specify the risks such as market risk, credit risk and liquidity risk management. The Group regularly evaluates the market environment and changes in the Group's operating activities to determine whether to update the risk management policies and systems or not. The Group's risk management is carried out by the Risk Management Committee under policies approved by the Board of Directors. The Risk Management Committee encourages the departments of the Group to work closely together to identify, evaluate and avoid relevant risks. The internal audit department of the Group conducts periodical audit to the controls and procedures for risk management and reports the audit results to the Audit Committee of the Group.

(1) Market risk

(a) Foreign exchange risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are denominated in RMB. Some operational activities are carried out in regions/countries including Hong Kong, America, Korea and Europe and relevant transactions are settled in HKD, USD, KRW and EUR. The Group is exposed to foreign exchange risk arising from the recognised financial assets and financial liabilities denominated in non-recording currencies, and future transactions denominated in non-recording currencies. Management is responsible for monitoring the amount of financial assets and liabilities, and transactions denominated in non-recording currencies, to reduce foreign exchange risk to the greatest extent. In 2020, the Group entered into foreign exchange forward contracts amounting to USD500 million to hedge foreign exchange risk of long-term debentures amounted to USD500 million.

As at 31 December 2020, the Group's companies whose recording currency is RMB held the financial assets and the financial liabilities denominated in non-recording currencies (mainly USD, HKD and EUR), of which the equivalent amounts in RMB are listed as below (31 December 2019: Immaterial):

	31 December 2020			
	USD	HKD	EUR	Total
	(RMB)	(RMB)	(RMB)	(RMB)
Financial assets				
Cash at bank and on hand	69,954,411.02	9,936,424.14	801,521.75	80,692,356.91
Receivables	65,734,659.60	160,829.79	928,403.58	66,823,892.97
	135,689,070.62	10,097,253.93	1,729,925.33	147,516,249.88
Financial liabilities				
Payables	60,363,380.45	1,890,139.41	3,403,408.44	65,656,928.30

As at 31 December 2020, if the RMB had strengthened/weakened by 5% against the USD while all other variables had been held constant, the Group's profit before tax for the year would have been approximately RMB3,766,000.00 lower/higher respectively while all other variables had been held constant, for the above various financial assets and liabilities denominated in USD.

The changes in exchange rate of other foreign currencies against RMB have no significant influence on the Group's operating activities.

As at 31 December 2020 and 31 December 2019, the Group's overseas subsidiaries, except for those operating in Hong Kong, held no significant financial assets and liabilities denominated in non-recording currencies. Those companies operating in Hong Kong with HKD as recording currency held financial assets and liabilities denominated in non-recording currency (mainly USD, RMB and EUR), of which the equivalent amounts in HKD (recording currency of companies operating in Hong Kong) and RMB (presentation currency of these financial statements) are listed as below:

	31 December 2020				
	RMB	USD	EUR	Total	Total
	(HKD)	(HKD)	(HKD)	(HKD)	(RMB)
Financial assets					
Cash at bank and on hand	19,443,969.60	196,888,978.93	3,276,180.71	219,609,129.24	184,825,054.08
Receivables	2,138,130.11	52,560,416.11	–	54,698,546.22	46,034,797.36
Investments in other equity instruments	–	2,477,430,490.86	–	2,477,430,490.86	2,085,104,598.33
	21,582,099.71	2,726,879,885.90	3,276,180.71	2,751,738,166.32	2,315,964,449.77
Financial liabilities					
Payables	2,348,815.30	37,444,639.20	38,084,795.88	77,878,250.38	65,543,048.63

	31 December 2019			
	RMB	USD	Total	Total
	(HKD)	(HKD)	(HKD)	(RMB)
Financial assets				
Cash at bank and on hand	36,761,388.71	32,715,430.95	69,476,819.66	62,237,475.66
Receivables	45,378,223.56	27,514,334.24	72,892,557.80	65,297,510.67
Investments in other equity instruments	–	2,523,762,469.08	2,523,762,469.08	2,260,735,944.55
	82,139,612.27	2,583,992,234.27	2,666,131,846.54	2,388,270,930.88
Financial liabilities				
Payables	6,596,780.74	36,077,816.33	42,674,597.07	38,227,497.81

In addition, in light of that the functional currencies of the subsidiaries within the Group are different, even though the transactions and balances within the Group are offset, foreign exchange risk arising from the use of different functional currencies still exists. As at 31 December 2021, the balances of financial assets and liabilities denominated in RMB of the subsidiaries within the Group held by Hong Kong companies whose recording currency was HK dollars were HKD 278,312,022.66 (equivalent to RMB 234,229,946.69) and HKD 589,648,223.90 (equivalent to RMB 496,253,344.47) in respective, and the balances of financial assets and liabilities denominated in USD of the subsidiaries within the Group held by Hong Kong companies whose recording currency was HK dollars were HKD 340,907,453.65 (equivalent to RMB 286,910,834.58) and HKD 9,332,604,285.73 (equivalent to RMB 7,854,405,222.80). The balances of financial assets and financial liabilities denominated in other non-recording currencies of certain subsidiaries within the Group held by other subsidiaries within the Group were not significant.

As at 31 December 2020, after taking into account the impact of movements in exchange rate offset against forward exchange hedging if the HKD had strengthened/weakened by 0.5% (31 December 2019: 1%) against the USD while all other variables had been held constant, the Group's profit before tax for the year would have been approximately HKD 24,517,000.00, equivalent to approximately RMB 20,634,000.00 (31 December 2019: HKD 242,000.00, equivalent to approximately RMB 217,000.00) lower/higher, and other comprehensive income been approximately HKD 12,387,000.00, equivalent to approximately RMB 10,425,000.00 (31 December 2019: approximately HKD 25,238,000.00, equivalent to approximately RMB 22,608,000.00) lower/higher for the above various financial assets and liabilities denominated in USD.

As at 31 December 2020, if the HKD had strengthened/weakened by 5% against the RMB while all other variables had been held constant, the Group's profit before tax for the year would have been approximately HKD14,605,000.00, equivalent to approximately RMB12,292,000.00 (31 December 2019: HKD3,777,000.00, equivalent to approximately RMB3,383,000.00) lower/higher for the above various financial assets and liabilities denominated in RMB.

The changes in exchange rate of other foreign currencies against HKD have no significant influence on the Group's operating activities.

(b) Interest rate risk

The Group's interest rate risk arises from long-term interest bearing debts including long-term bank borrowings and debentures payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 31 December 2020, the Group's long-term interest bearing debts were mainly related to the contracts of floating rate long-term borrowings denominated in RMB and HKD, and fixed rate debentures payable denominated in RMB and USD. Among them, the contract amount of floating rate long-term borrowings denominated in RMB was RMB1,865,820,266.05 (31 December 2019: RMB2,047,494,503.19), and there was no floating rate long-term borrowings denominated in HKD (31 December 2019: HKD5,006,896,403.96, equivalent to RMB4,492,062,281.22); the contract amount of fixed rate debentures payable denominated in RMB was 680,000,000.00 (31 December 2019: RMB7,900,000,000.00), and the contract amount of fixed rate debentures payable denominated in USD was USD1,200,000,000.00, equivalent to RMB7,851,480,000.00 (31 December 2019: USD500,000,000.00, equivalent to RMB3,488,100,000.00).

The Group continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new interest bearing borrowings and the interest expenses with respect to the Group's outstanding floating rate borrowings, and therefore could have a material adverse effect on the Group's financial performance. Management makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk.

As at 31 December 2020, if interest rates on borrowings had risen/fallen by 50 basis points while all other variables had been held constant, the Group's profit before tax would have decreased/increased by approximately RMB9,310,000.00 (31 December 2019: RMB32,700,000.00).

(c) Other price risk

The Group's other price risk arises mainly from movements in price of various equity and debt instruments measured at fair value that will not be sold within 1 year.

As at 31 December 2020, if the price of various investments in equity and debt instruments had risen/fallen by 10% while all other variables had been held constant, the Group's profit before tax and other comprehensive income will be approximately RMB83,150,000.00 (31 December 2019: approximately RMB47,900,000.00) and approximately RMB502,750,000.00 (31 December 2019: approximately RMB493,369,000.00) higher/lower respectively.

(2) Credit risk

The Group's credit risk mainly arises from cash at bank and on hand, bank wealth management products measured at amortised cost, placements with and loans to banks and other financial institutions, notes receivable, accounts receivable, factoring receivables, loans and advances, other receivables, contract assets, current portion of non-current assets, long-term receivables, investments in debt instruments measured at fair value through profit or loss that are not included in the assessment of impairment, etc. At the balance sheet date, the Group's maximum exposure to credit risk represents the carrying amount of the Group's financial assets, except that the maximum exposure to credit risk of long-term receivables represents its undiscounted contractual cash flows.

The Group expects that there is no significant credit risk associated with cash at bank and on hand, bank wealth management products measured at amortised cost and placements with and loans to banks and other financial institutions since they are mainly deposits at state-owned banks and other medium or large size listed banks with good reputation and a higher credit rating. The Group does not expect that there will be any significant losses from non-performance by these counterparties.

The Group's notes receivable, accounts receivable, other receivables, contract assets, current portion of non-current assets and long-term receivables include receivables from related parties and receivables from non-related parties. In respect of receivables from related parties, the Group considers that they have low credit risk; in respect of receivables from non-related parties, the Group will develop relevant policies to control the exposure to credit risk. The Group evaluates customers' credits based on their financial position, possibility of obtaining guarantees from third parties, credit history and such other factors as current market conditions, and determines the length of the credit period based on the evaluation results. The length of the credit period of accounts receivable ranges from 30 days to 90 days. The Group monitors customers' credit history on a regular basis. In respect of customers with a poor credit history, the Group will use payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

The Group's notes receivable, accounts receivable and contract assets mainly arise from rendering of express & logistics and supply chain services and other related services or sales of goods, while other receivables, current portion of non-current assets arising from rendering of express & logistics and supply chain services and long-term receivables represent advances, cash on delivery service, deposits and guarantees, and interest-free loans to employees. Management maintains ongoing evaluation on debtors' financial position, but generally does not require debtors' mortgage for outstanding debts. The Group monitors and reviews expected credit losses on outstanding amounts on a regular basis, and takes into account important macroeconomic assumptions and parameters in the calculation of expected credit losses, including the risk of economic downturn, external market conditions, changes in customer conditions, gross domestic product and the consumer price index. Management makes

the provision for bad debts based on the evaluation results thereof. Where it is impossible for the Group to reasonably estimate the recoverable amount, the relevant outstanding amount shall be written off accordingly. Indicators for impossibility to reasonably estimate the recoverable amount include debtors' failure to make contract payments as planned or make overdue contract payments, significant financial difficulties, bankruptcy liquidation, etc.

For factoring receivables and loans and advances, the Group developed credit policies and operational implementation rules in accordance with the requirements of relevant state regulatory authorities, and implemented standardised management over the entire process of credit granting. In addition, the Group further improved the systems for credit risk monitoring and early warning and defective credit extension management. The Group actively responded to the changes in the credit environment, regularly analysed the situation and dynamic of credit risks and took risk control measures on a forward-looking basis. The Group also established an optimisation management mechanism for defective credit and accelerated the optimisation progress of defective credit to avoid non-performing loans.

As at 31 December 2020, the Group had no significant collateral or other credit enhancements held as a result of debtor's mortgage.

(3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's finance department in its headquarters. The Group monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institutions so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

The financial liabilities of the Group at the balance sheet date are analysed by their maturity date below at their undiscounted contractual cash flows:

	31 December 2020				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Deposits from customers	3,654,785.86	–	–	–	3,654,785.86
Accounts payable	15,484,940,351.95	–	–	–	15,484,940,351.95
Other payables	7,530,793,784.24	–	–	–	7,530,793,784.24
Short-term borrowings	8,094,272,062.48	–	–	–	8,094,272,062.48
Current portion of non-current liabilities	2,826,483,705.02	–	–	–	2,826,483,705.02
Long-term borrowings	76,284,318.10	574,531,015.93	1,305,305,241.34	129,527,438.94	2,085,648,014.31
Debentures payable	294,374,475.00	967,689,159.93	3,731,796,741.44	5,110,498,430.45	10,104,358,806.82
Long-term payables	–	8,634,317.84	1,592,920.35	204,491.33	10,431,729.52
	34,310,803,482.65	1,550,854,493.70	5,038,694,903.13	5,240,230,360.72	46,140,583,240.20

	31 December 2019				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Deposits from customers	3,778,707.92	–	–	–	3,778,707.92
Accounts payable	11,988,256,010.34	–	–	–	11,988,256,010.34
Notes payable	30,000,000.00	–	–	–	30,000,000.00
Other payables	4,707,159,830.62	–	–	–	4,707,159,830.62
Short-term borrowings	6,151,261,091.68	–	–	–	6,151,261,091.68
Other current liabilities	1,023,994,803.71	–	–	–	1,023,994,803.71
Current portion of non-current liabilities	2,111,387,911.36	–	–	–	2,111,387,911.36
Long-term borrowings	253,786,278.73	1,107,381,804.17	5,906,797,399.52	253,880,664.36	7,521,846,146.78
Debentures payable	257,083,187.50	2,042,115,516.27	4,499,901,505.31	6,148,000,000.00	12,947,100,209.08
Long-term payables	6,075,000.00	12,052,179.43	12,150,000.00	48,595,616.33	78,872,795.76
	26,532,782,821.86	3,161,549,499.87	10,418,848,904.83	6,450,476,280.69	46,563,657,507.25

14 Fair value estimates

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

(1) Financial assets and liabilities measured at fair value on a recurring basis

As at 31 December 2020, the financial assets measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	Level 2	Level 3	Total
Financial assets held for trading –				
Structural deposits	–	–	6,276,847,839.67	6,276,847,839.67
Others	74,830.02	–	–	74,830.02
Other non-current financial assets –				
Special scheme equity-class securities	–	–	390,391,319.74	390,391,319.74
Industry fund investments	–	–	441,134,721.34	441,134,721.34
Investments in other equity instruments –				
Equity instruments	891,158,779.32	–	4,136,330,274.98	5,027,489,054.30
Total financial assets	891,233,609.34	–	11,244,704,155.73	12,135,937,765.07

As at 31 December 2019, the financial assets measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	Level 2	Level 3	Total
Financial assets held for trading –				
Structural deposits	–	–	2,909,852,581.06	2,909,852,581.06
Others	74,554.47	245,792.67	–	320,347.14
Other non-current financial assets –				
Special scheme equity-class securities	–	–	260,424,488.45	260,424,488.45
Industry fund investments	–	–	218,615,943.17	218,615,943.17
Investments in other equity instruments –				
Equity instruments	806,383,940.40	–	4,127,308,996.79	4,933,692,937.19
Total financial assets	806,458,494.87	245,792.67	7,516,202,009.47	8,322,906,297.01

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognising the transfers. There were no transfers between levels for the current year.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow model and market comparable company model. The inputs of the valuation technique mainly include risk-free interest rate, credit spread, liquidity premium, price-to-sales ratio, etc.

The changes in Level 3 financial assets are analysed below:

	Financial assets held for trading – Structural deposits	Other non-current financial assets – Special scheme equity-class securities	Other non-current financial assets – Industry fund investments	Other equity instruments – Available-for-sale equity instruments
31 December 2019	2,909,852,581.06	260,424,488.45	218,615,943.17	4,127,308,996.79
Increase in the current year	107,077,300,000.00	112,000,000.00	115,676,383.68	650,000.00
Decrease in the current year	(104,118,896,790.87)	–	–	–
Gains or losses recognised in profit or loss	408,592,049.48	17,966,831.29	109,402,113.46	–
Gains recognised in other comprehensive income	–	–	–	260,397,496.86
Exchange differences on translation of foreign currency financial statements	–	–	(2,559,718.97)	(252,026,218.67)
31 December 2020	6,276,847,839.67	390,391,319.74	441,134,721.34	4,136,330,274.98

	Financial assets held for trading – Structural deposits	Available-for-sale financial assets – Available-for-sale debt instruments	Available-for-sale financial assets – Available-for-sale equity instruments	Other non-current financial assets – Special scheme equity-class securities	Other non-current financial assets – SAFE and discounted warrants	Other non-current financial assets – Industry fund investments	Other equity instruments – Available-for-sale equity instruments
31 December 2018	–	178,403,812.08	2,276,274,386.92	–	–	–	–
Changes in accounting policies	504,347,794.52	(178,403,812.08)	(2,276,274,386.92)	178,403,812.08	344,685,887.97	105,000,000.00	1,997,472,148.15
1 January 2019	504,347,794.52	–	–	178,403,812.08	344,685,887.97	105,000,000.00	1,997,472,148.15
Increase in the current year	42,360,000,000.00	–	–	113,000,000.00	–	87,739,340.60	1,619,882,022.02
Decrease in the current year	(40,135,232,287.78)	–	–	(57,872,755.98)	(647,914,359.63)	–	(175,682.00)
Gains or losses recognised in profit or loss	180,737,074.32	–	–	26,893,432.35	305,521,134.62	25,812,257.12	–
Gains recognised in other comprehensive income	–	–	–	–	–	–	449,042,630.47
Exchange differences on translation of foreign currency financial statements	–	–	–	–	(2,292,662.96)	64,345.45	61,087,878.15
31 December 2019	2,909,852,581.06	–	–	260,424,488.45	–	218,615,943.17	4,127,308,996.79

(2) Financial assets and liabilities not measured at fair value but disclosed

The Group's financial assets and liabilities measured at amortised cost mainly include cash at bank and on hand, bank wealth management products included in other current assets, placements with and loans to banks and other financial institutions, receivables, factoring receivables, loans and advances, current portion of non-current liabilities, long-term receivables, short-term borrowings, payables, long-term borrowings, debentures payable, current portion of non-current liabilities, other current liabilities and long-term payables.

The carrying amount of the financial assets and financial liabilities not measured at fair value is a reasonable approximation of their fair value.

The fair value of financial assets and financial liabilities over one year is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows on the same terms, and categorised within Level 3 of the fair value hierarchy.

15 Capital management

The Group's capital management policies aim to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, refund capital to shareholders, issue new shares or sell assets to reduce debts.

The Group's total capital is calculated as "Equity" as shown in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements.

As at 31 December 2020 and 31 December 2019, the Group's gearing ratio was as follows:

	31 December 2020	31 December 2019
Gearing ratio	48.94%	54.08%

16 Notes to the Company's financial statements

(1) Cash at bank and on hand

	31 December 2020	31 December 2019
Cash at bank	58,098,498.15	967,647,842.56

(2) Other receivables

	31 December 2020	31 December 2019
Dividends receivable from Taisen Holdings	1,500,000,000.00	1,117,405,390.21
Funds raised by convertible corporate debentures granted to subsidiaries	5,454,806,766.73	2,246,708,314.12
Others	6,052,075.25	433,688.52
	6,960,858,841.98	3,364,547,392.85
Less: Provision for bad debts	-	-
	6,960,858,841.98	3,364,547,392.85

The ageing of other receivables is analysed as follows:

	31 December 2020	31 December 2019
Within 1 year	4,784,120,657.19	2,247,142,002.64
1 to 2 years	2,176,738,184.79	1,117,405,390.21
	6,960,858,841.98	3,364,547,392.85

(3) Long-term receivables

	31 December 2020	31 December 2019
Funds raised by a non-public offering of shares granted to subsidiaries	82,496,567.74	7,691,259,432.16

The above funds raised granted to subsidiaries constitute substantially a long-term equity in the net investment in the subsidiaries.

(4) Long-term equity investments

	31 December 2020	31 December 2019
Subsidiaries (a)	50,997,093,513.91	43,323,539,117.29
Less: Provision for impairment of long-term equity investments	—	—
	50,997,093,513.91	43,323,539,117.29

There is no significant restriction on sales of the long-term equity investments held by the Company.

(a) Subsidiaries

	Accounting method	31 December 2019	Increase in the current year	31 December 2020	Shareholding (%)	Voting rights (%)	Explanation of disparity between percentages of shareholding and voting rights	Provision for impairment loss	Cash dividends declared in the current year
Taisen Holdings	Cost method	43,323,539,117.29	7,673,554,396.62	50,997,093,513.91	100.00%	100.00%	Not applicable	—	1,500,000,000.00

(5) Investment income

	2020	2019
Income from long-term equity investments under cost method	1,500,000,000.00	—
Investment income from financial assets held for trading	59,738,584.17	1,148,720.61
Investment income from wealth management products	6,155,466.53	4,873,145.52
Others	(25,603.38)	(187,885.50)
	1,565,868,447.32	5,833,980.63

1 Statement of non-recurring profit or loss

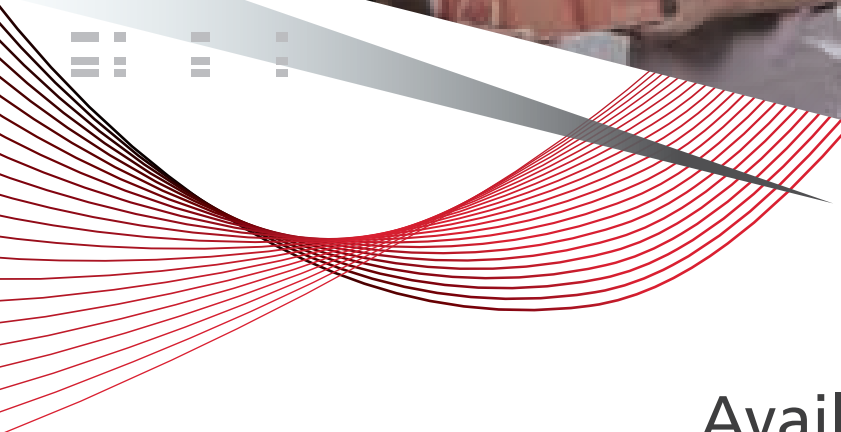
	2020	2019
Investment income from disposal of subsidiaries	443,625,451.41	848,211,045.94
(Losses)/Gains on disposal of other non-current assets	(52,898,534.35)	31,356,737.19
Government grants recognised in profit or loss for the current period (government grants recognised in non-operating income, other income and deducted against related cost and expenses)	1,032,229,792.07	545,508,216.82
Gains arising from changes in fair value of financial assets and liabilities held for trading and investment income arising from disposals of financial assets and liabilities held for trading	139,466,673.10	364,072,933.26
Net loss of the subsidiaries for the period from the beginning of the period to the combination date arising from business combinations involving enterprises under common control	–	(2,123,517.28)
Net amount of other non-operating income and expenses	(153,226,887.12)	(38,285,034.94)
Sub-total	1,409,196,495.11	1,748,740,380.99
Less: Income tax effect	(196,455,349.10)	(159,282,664.33)
Less: Non-recurring profit or loss attributable to minority shareholders	(18,998,922.53)	(716,085.28)
Non-recurring profit or loss attributable to shareholders of the parent company	1,193,742,223.48	1,588,741,631.38
Including: Non-recurring profit or loss from continuing operations	1,193,742,223.48	1,588,741,631.38

Basis for preparation of statement of non-recurring profit or loss

Pursuant to the *Explanatory Announcement for Information Disclosure of Companies Offering Securities to the Public No.1 – Non-recurring Profit or Loss (2008)* issued by the China Securities Regulatory Commission, non-recurring profit or loss refers to profit or loss arising from transactions and events those are not directly related to the Company's normal course of business, also from transactions and events those even are related to the company's normal course of business, but will interfere with the right judgement of users of the financial statements on the company's operation performance and profitability due to their special nature and occasional occurrence.

2 Return on net assets and earnings per share

	Weighted average return on net asset (%)		Earnings per share			
	2020	2019	Basic earnings per share		Diluted earnings per share	
			2020	2019	2020	2019
Net profit attributable to ordinary shareholders of the Company	15.20%	14.86%	1.64	1.32	1.64	1.32
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	12.73%	10.82%	1.37	0.96	1.37	0.96
Including:						
– Continuing operations						
Net profit attributable to ordinary shareholders of the Company	15.20%	14.86%	1.64	1.32	1.64	1.32
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	12.73%	10.82%	1.37	0.96	1.37	0.96



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List of Documents Available for Inspection

- (1) Financial statements signed and sealed by the legal representative, the person in charge of finance and the person in charge of the accounting department of the Company.
- (2) The original copy of audit report containing the seal of the accounting firm and the signature and seal of the certified public accountant.
- (3) The original copies of all documents and announcements of the Company which have been publicly disclosed in newspapers designated by the China Securities Regulatory Commission during the reporting period.
- (4) The original text of the 2020 annual report signed by the chairman of the Board of Directors.
- (5) The place where the above documents are maintained: the office of the Company's Board of Directors.

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