China’s First Air Express Cargo Hub

Presenter: Wai To
Introduction to SF Express

Project Concept

Cooperation model
SF Express is the top player in China

- China is the biggest express market in the world
- SF Express ranks No.1 in terms of revenue

- Air cargo carried by SF Airline occupies over 20% of domestic air cargo volume
Staff

SF employs nearly 400,000 employees in large and medium-sized cities in greater China (mainland, Hong Kong, Macau and Taiwan) and overseas countries, providing excellent services to our customers.

400,000

Vehicles

We operate more than 50,000 vehicles, ensure the timely and safe delivery for all the shipments.

50,000
SF Express provides comprehensive logistics services

**Express delivery**
Series of time-definite products to fulfill business and individual customer needs

**E-commerce logistics**
One-stop e-commerce logistics services incl. order fulfillment, warehousing, distribution, return service and etc.

**Supply chain solutions**
Customized solutions for industry verticals in fresh food, pharmaceuticals, auto parts, and electronic products

**Financial services**
SF Pay: online payment and settlement tools

**Supply chain financing**

**Major Customers**
SF Express
SF Airline – China’s largest cargo fleet

SF Express operates a fleet of 50 aircrafts
Nearly 400 warehousing facilities and distribution centers

SF Express
SF Express air network

700 flights per week
32 domestic gateways

Utilizes 42% commercial flights to carry 2400 tons/day

Covers USA, Australia, Japan, South Korea, Singapore, Malaysia and Thailand etc.
Introduction to SF Express

Project Concept

Cooperation model
An advanced air express network is the backbone of a high-efficient and open economy.

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<th>Key Characteristics of air express</th>
<th>Impact on economic activities (1)</th>
<th>Impact on industries (2)</th>
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<tr>
<td>• Time-sensitive</td>
<td>Lean Manufacturing</td>
<td>Consumer Electronics</td>
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<td>• Next-Day/Next-Morning delivery</td>
<td>Inventory Control</td>
<td>Pharmaceutical</td>
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<td>• Reliability</td>
<td>Customized Service</td>
<td>Medical Devices</td>
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<td>• 98%+ network reliability</td>
<td>Customer Service</td>
<td>Fashion</td>
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<td>• Full-scale Coverage</td>
<td>E-commerce</td>
<td>SMEs</td>
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<tr>
<td>• Nationwide/Global</td>
<td>R&amp;D</td>
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(1) "The Economic Impact of Express Carriers in Europe" by Oxford Economic Forecasting
(2) "The Parcel Services Industry in the U.S.: Its Size and Role in Commerce" by E.K. Morlok and Etc.
Air cargo hub is key to advanced express network
There are three in the world, we build the 4th!
Site location and functionality
Introduction to SF Express

Project Concept

Cooperation model
Deal structure

- **SF Express**
- **Government**
- **National development fund**
- **Asset mgmt company**
- **Operation mgmt company**

**Key characters**

- **Positioning**: private driven, with public features
- **Entity**: government vs. SF Express
- **Functionalities**: tailor for SF Express
- **Funding**: public + private