



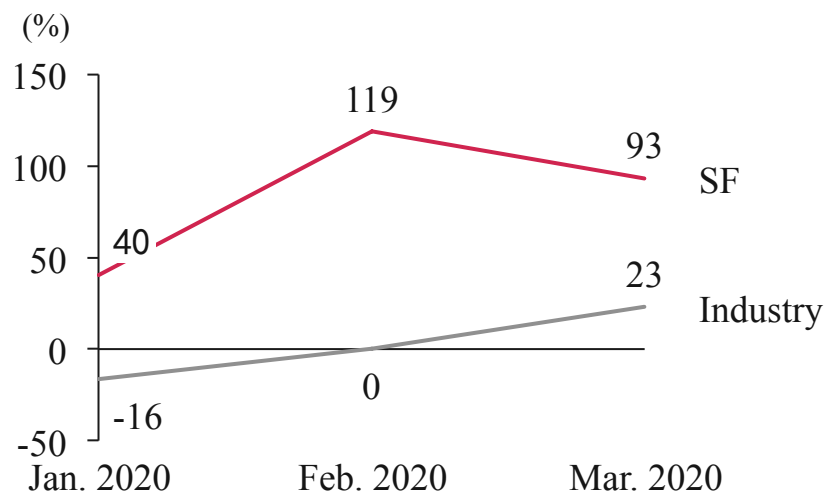
A Race Against Time: SF Express During the Epidemic

May 2020

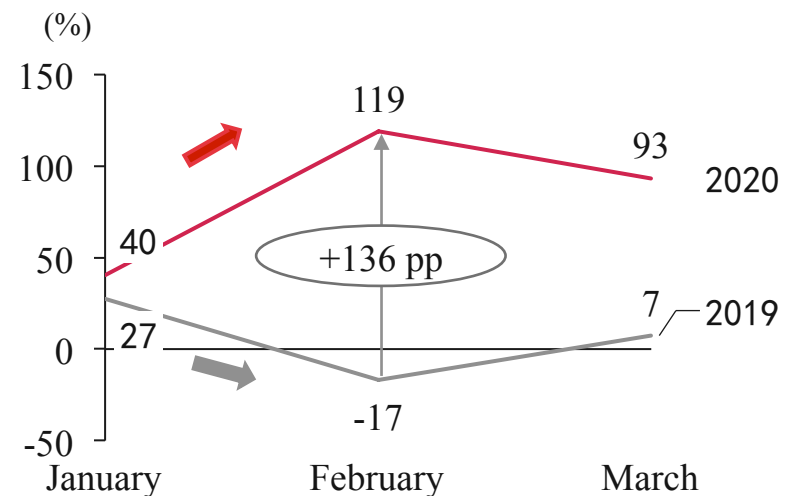
The outbreak of COVID-19 called for decisive and prompt responses from SF

- SF Express is one of the few integrated logistics service providers in China with a self-owned nationwide service network and a substantial aircraft fleet that can be utilized during the epidemic
- Such resources equipped SF with the capability to assume the duty of supply distribution during emergency
- The delivery volume handled by SF experienced significant surge during the epidemic vs the industry and 2019

SF's Monthly Volume YoY Growth vs Industry (%)



SF's Monthly Volume YoY Growth vs 2019 (%)

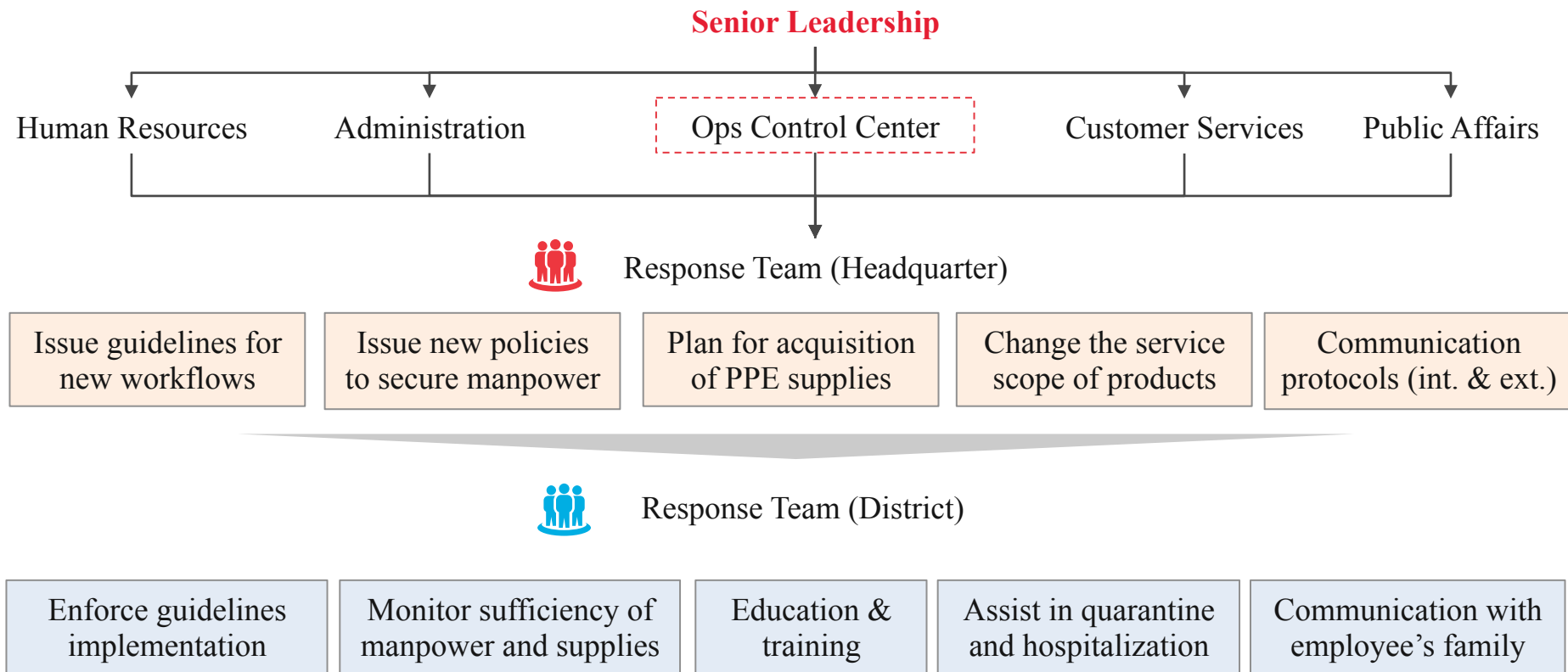


SF coordinated nationwide teams to tackle the challenges from 3 aspects

- Formed dedicated response teams at the HQ level and district level, well coordinated under “self-owned model”
- Tackled the challenges from 3 aspects to maintain the efficiency and stability of the service network:
 1. Alleviated constraints on transportation capacity
 2. Addressed constraints on manpower
 3. Controlled infection risk of staff and customers




SF formed dedicated teams in HQ and districts to coordinate responses



Measures were implemented to alleviate transportation constraints

Challenges

- Most highways across the country were closed
- Stringent traffic control in major cities (e.g. banned entry of vehicles that were registered in other cities)
- Many outsourced truck drivers were reluctant to cooperate due to concerns over infection risk, requiring SF's own resources to step up (Supply of outsourced drivers and workers have improved since March)



Secure road capacity as much as possible

- Obtained special exemption from local governments for each SF vehicle
- Implemented detour from usual routes to enable goods flow



Supplement road with air capacity

- Increased utilization of aircrafts (to reduce reliance on highway use)
- Opened new routes ad hoc to support the flow of supplies

SF Airlines quickly operated new aid flights to support epidemic areas

- Cargo flights are crucial to the critical supplies for epidemic areas as traffic control hindered road transportation
- SF Airlines shifted aircrafts to operate new aid flights to Wuhan since the second day of lockdown

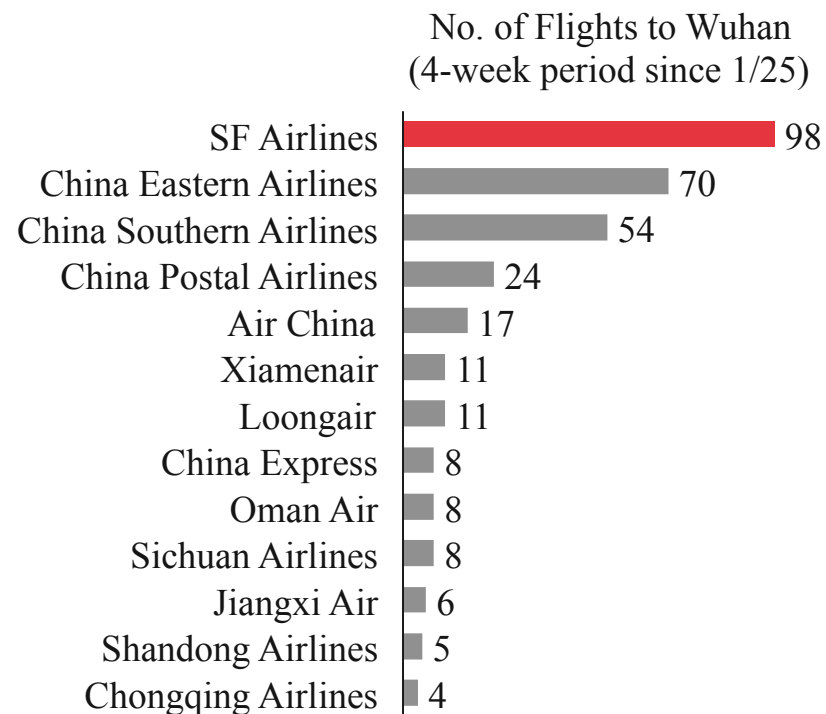
Timeline for selected new aid flights

- Jan. 24 | Opened first aid flight to Wuhan (Shenzhen–Wuhan)
The same day | Hangzhou-Wuhan
- Jan. 27 | Beijing–Wuhan
- Jan. 28 | Inchon–Wuhan
- Jan. 29 | Weifang–Wuhan
- Feb. 14 | Hohhot–Wuhan
- Mar. 7 | Guangzhou–Wuhan



SF Airlines became the most frequent “visitor” to Wuhan airport

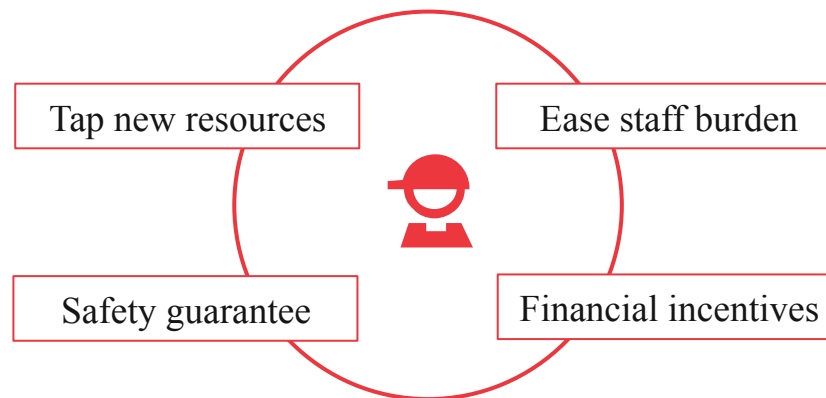
- SF Airlines increased the number of flights while most of other airlines cut back
- As of March 18, SF Airlines has conducted **218** flights to Wuhan for **5,346** tons of aid supplies



Source: Airsavvi

Sufficient manpower was secured through numerous initiatives

- Launched temporary recruitment program for idle employees in other industries (e.g. food & beverage)
- Rolled out fast-track recruiting process for qualified ex-employees
- Provided point-to-point pick-up transportation
- Allowed reallocation to nearby facilities
- Prepared required paperwork on behalf of employees



- Extensive and regular sanitization at workplace
- Guaranteed the sufficiency of PPE supplies
- Provided complimentary insurance coverage for COVID
- Salary bonus
- Extra allowance for room and board
- Extra credits for performance review

New protocols have been implemented at each link of the process

- Limited the number of entrance to only 1 for all facilities
- Temperature check required for each single entry
- Required to wear a mask at work
- Parcels are required to be sanitized at each contact point
- Encouraged to practice contactless deliveries



Technology-enabled contactless deliveries minimized infection risk



SF drone in the sky of Wuhan

“Sky Team”

- Medical supplies delivered in **7 mins**
- In-house developed drones with a capacity for **64.2L** and **10KG** goods
- As of March 15, SF completed **3,000+ drone trips in Wuhan** covering **13,000 km** for **11 tons** of medical supplies



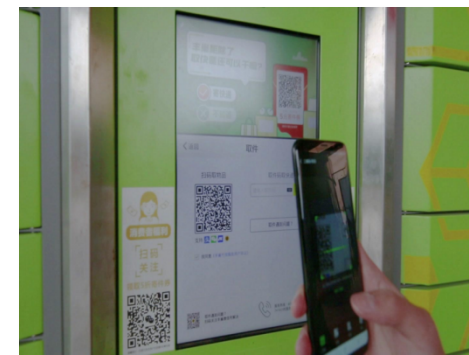
Drone team in front of Wuhan Jinyintan Hospital where COVID-19 patients are hospitalized



SF courier is about to put a package into Hivebox for the customer to pick up

“Ground Team”

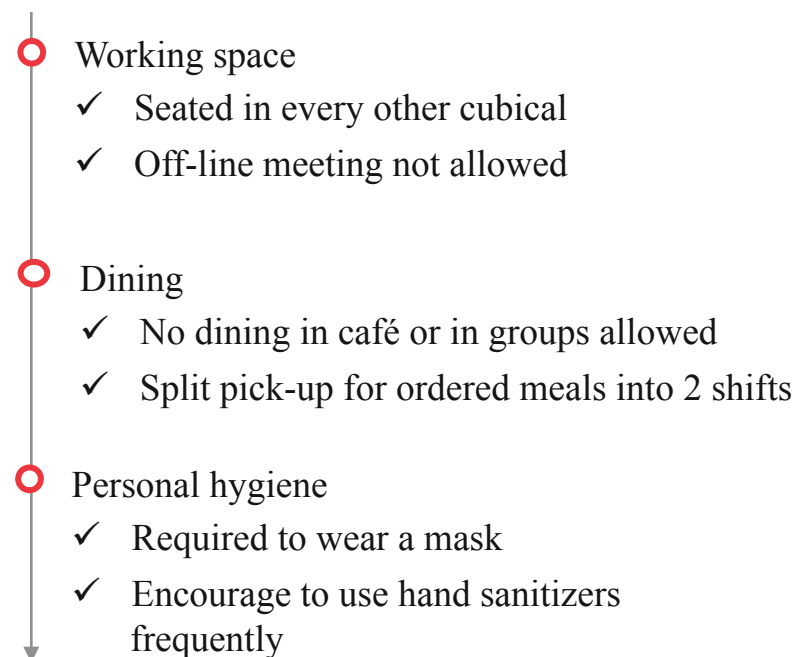
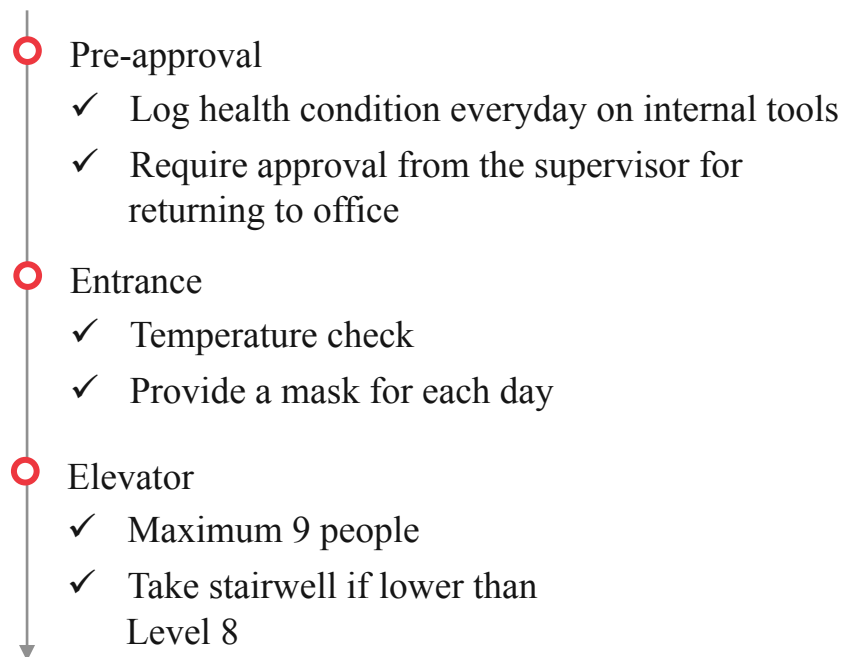
- Using lockers as intermediary
- Waived charges to all couriers starting from Jan 24 to encourage the usage of contactless deliveries
- QR-code-based interfaces minimized screen-touching for customers



A customer is scanning the QR code to open the locker for his/her package

As more staff return to work, new measures were implemented

- While measures for front-line positions have been in place since early on, back-office faced new challenges when more staff resumed to work
- To keep up with outstanding performance of front-line teams, measures were rolled out for back-office



Government support is a crucial aspect of our fight against the epidemic

Operational	Fast-track for Approving New Flight Routes	<ul style="list-style-type: none"> Extended deadline of cargo airlines' application for new routes from 1 month in advance to 1 day in advance Extended business hours for accepting applications (24/7) Expedited the approval process
	Vehicle Pass	<ul style="list-style-type: none"> Vehicles for transporting essentials are exempt from traffic control (paperless e-application)
	Shutdown Exemption	<ul style="list-style-type: none"> Premises of qualified essential businesses (e.g. express) are exempt from shutdown during the lockdown period
	Public Endorsement	<ul style="list-style-type: none"> State Post Bureau encouraged the public to use SF Express, among another courier and state-run postal service, to ship parcels to Wuhan on social media
Financial	Toll Waived	<ul style="list-style-type: none"> Toll fees are waived for all vehicles on highway starting from Feb 17, 2020
	VAT Exemption	<ul style="list-style-type: none"> Revenues from transportation of essential supplies are exempt from VAT charge (6-9%)
	Low-interest loan	<ul style="list-style-type: none"> Offered low-interest refinancing program for essential industries, including logistics

SF intra-city delivery served people and businesses locally during lockdown

- Demand for intra-city delivery skyrocketed nationwide, in particular for regions subject to strict lockdown
- SF Rush intra-city delivery service stayed in operation in **262 cities**, supporting business partners including restaurants, supermarkets, coffee shops, etc.
- Launched “multi-stop document signing service” to allow multiple signees working from different locations to sign off the same document



Delivery fulfillment for online grocery orders



Food delivery team supporting McDonald's

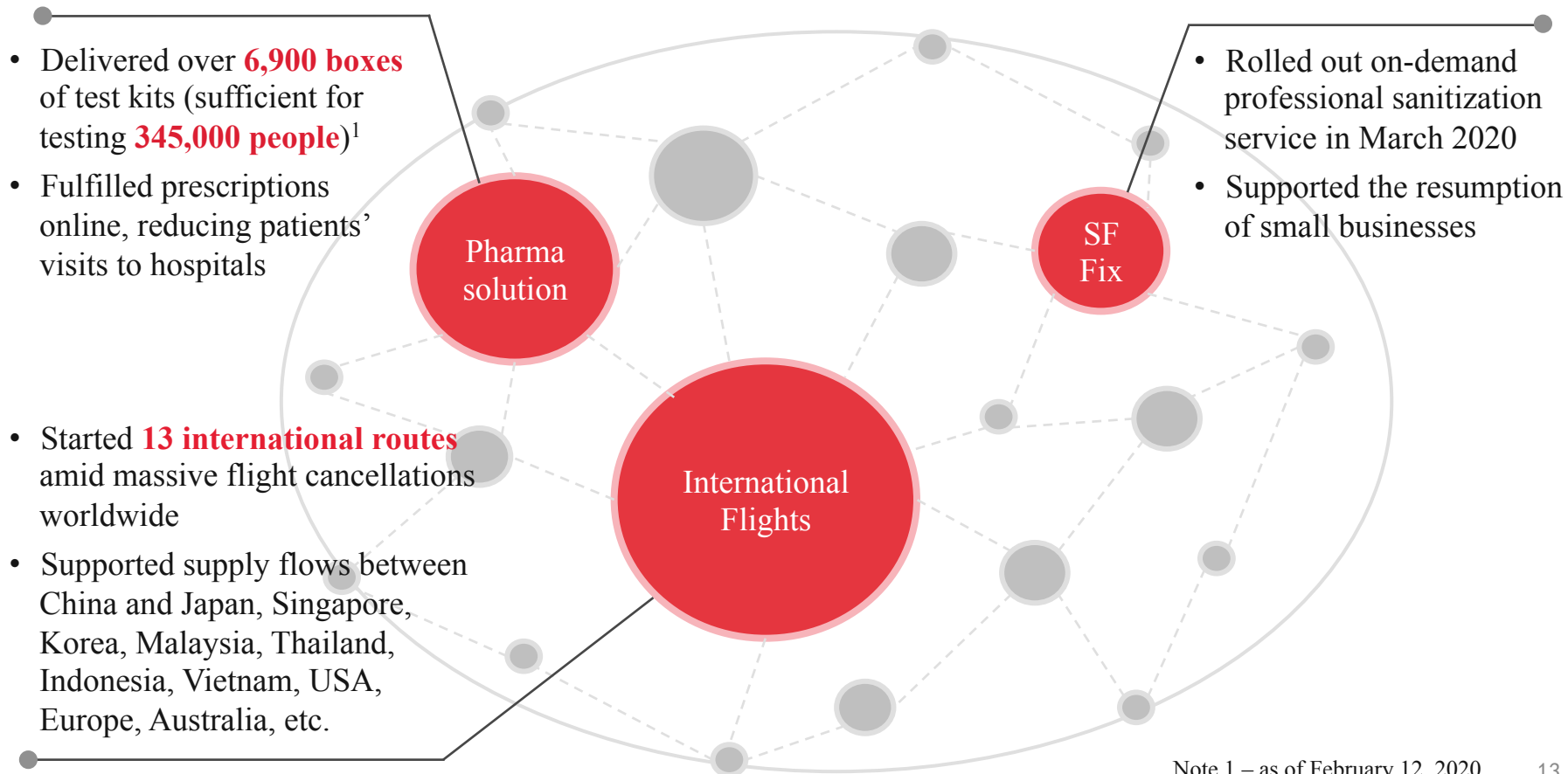


Multi-stop document signing service



Fight on!

More ways of SF to support the fight against the epidemic



Note 1 – as of February 12, 2020

Together We Are Stronger



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www.sf-express.com