

Deutsche Post DHL Group and S.F. Holding in RMB 5.5 billion landmark supply chain deal

- Through this approximately EUR 700 million deal, Deutsche Post DHL Group and S.F. Holding enter a 10-year strategic partnership to grow supply chain operations in China
- Deutsche Post DHL Group's supply chain China business to be incorporated into S.F. Holding, and operate as a co-branded organization

Shanghai/China, October 26, 2018: Deutsche Post DHL Group, the world's leading mail and logistics company, has entered into a landmark deal that will transfer its supply chain operations in China to S.F. Holding, a leading premium logistics service provider in the country. The transaction involves the supply chain business in Mainland China, Hong Kong and Macau, herein after referred to as "China". This has no bearing on Deutsche Post DHL Group's business activities in international express, freight transport and e-commerce logistics solutions in China.

As part of this strategic deal, Deutsche Post DHL Group will receive an upfront payment of RMB 5.5 billion (approximately EUR 700 million) and a revenue-based partnership fee over the next ten years. S.F. Holding will have access to Deutsche Post DHL Group's best-in-class supply chain services, management expertise, transportation and warehousing technology. The co-branded organization will operate under the leadership of Yin Zou, the current CEO, Greater China of DHL Supply Chain, along with his existing management team.

This strategic partnership will allow Deutsche Post DHL Group to continue to participate in the fast-growing Chinese supply chain market, leveraging S.F. Holding's extensive domestic infrastructure, distribution network and broad base of local customers. This will accelerate the expansion of the co-branded organization's customer base. Deutsche Post DHL Group is committed to enhancing the organization's product and services offering by providing the breadth of its global supply chain expertise.

"The joint capabilities of Deutsche Post DHL Group and S.F. Holding will create a unique platform to meet the need for a high quality end-to-end supply chain provider in China. S.F. Holding's local market expertise in China has real advantages for our customers across all industries including technology, healthcare, retail, automotive, and e-commerce. Combined with

our global operations standards and network support, the agreement provides a solid foundation to continue exploring further opportunities in China in the coming years,” said Frank Appel, CEO Deutsche Post DHL Group.

“S.F. Holding has been actively expanding its business-to-business (B2B) capabilities and pursuing different strategic partnerships to grow S.F. Holding into a truly integrated logistics solutions provider that delivers best-in-class services for our clients. This partnership agreement will strengthen our capability in providing supply chain services to a diverse realm of industries and allow us to bring world-class management expertise into our supply chain business operations, enabling us to further understand and tailor to our customer needs,” said Dick Wong, Chairman, S.F. Holding. “This agreement will help us achieve our vision to grow further internationally, partnering with Deutsche Post DHL Group, a world class organization.”

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Deutsche Post DHL Group is the world’s leading mail and logistics company. The Group connects people and markets and is an enabler of global trade. It aspires to be the first choice for customers, employees and investors worldwide. The Group contributes to the world through responsible business practices, corporate citizenship and environmental activities. By the year 2050, Deutsche Post DHL Group aims to achieve zero emissions logistics.

Deutsche Post DHL Group is home to two strong brands: Deutsche Post is Europe’s leading postal service provider. DHL offers a comprehensive range of international express, freight transport, and supply chain management services, as well as e-commerce logistics solutions.

Deutsche Post DHL Group employs approximately 520,000 people in over 220 countries and territories worldwide. The Group generated revenues of more than 60 billion Euros in 2017.

Die Post für Deutschland. The logistics company for the world.

S.F. Holding is a leading integrated logistics service provider in China, providing its customers with integrated logistics services from transportation to warehousing management, from sales forecasting and data analytics to settlement and cash management, as well as supply chain management services. S.F. is also a smart logistics operator with network scale advantages. Building upon years of operations and of constructing its strategic framework, S.F. has formed an integrated three-pronged logistics service network that integrates its aviation network, ground network, and information network to cover both domestic and overseas customers.