

Deutsche Post DHL Group and SF Holding conclude landmark supply chain deal

- **RMB 5.5 billion (~ EUR 700 million) transaction saw DPDHL Group and SF Holding enter a 10-year strategic partnership to grow supply chain operations in China**
- **Yin Zou named CEO of the co-branded business to accelerate expansion of customer base**

Shanghai/China, February 18, 2019: Deutsche Post DHL Group (“DPDHL Group”), the world’s leading mail and logistics company, has concluded the landmark deal to transfer its supply chain operations in Mainland China, Hong Kong and Macau, herein after referred to as “China” to SF Holding (“SF”), a leading premium logistics service provider in the country. The transaction involves the supply chain business, and has no bearing on DPDHL Group’s business activities in international express, freight transport and e-commerce logistics solutions in China.

As part of this transaction, DPDHL Group received RMB 5.5 billion (~ EUR 700 million), and will continue to receive revenue-based partnership fees for 10 years while DPDHL Group provides the co-branded business with trademark license, customer referral, employee training, best practice sharing and other areas of support. The co-branded business – SF DHL Supply Chain China – was announced at the deal closing, and Yin Zou (former CEO, Greater China of DHL Supply Chain) was appointed CEO of the organization, and along with his existing management team, will continue leading the business. Headquartered in Shanghai, SF DHL Supply Chain China will harness DPDHL Group’s best-in-class supply chain services, management expertise, transportation and warehousing technology, combined with SF’s extensive domestic infrastructure, distribution network and broad base of local customers, to drive its growth trajectory.

“This supply chain alliance with SF is a strategic milestone for DPDHL Group. With our joint capabilities we will create a unique platform to meet the need for a high quality end-to-end supply chain provider in China. SF’s local market expertise combined with DPDHL Group’s global operations standards and network support provide a solid foundation for us to continue exploring further opportunities in China in the coming years. China is on course for sustainable growth¹, and SF DHL Supply Chain China is well-placed to serve the increasing demands for

¹ <https://www.imf.org/en/Publications/WEO/Issues/2018/09/24/world-economic-outlook-october-2018/w>

world-class supply chain services. The agreement, therefore, is the cornerstone for DPDHL Group to gain unprecedented access to China's immense domestic market," said Frank Appel, CEO Deutsche Post DHL Group.

"SF's vision is to become a trustworthy logistics-based business partner with comprehensive solutions for our customers, and our partnership with DPDHL, the leading logistics company in the world, helps us move solidly ahead with this vision. We are expanding our domestic footprint through SF DHL Supply Chain China to cater to our customers across a multitude of industries. This deal with DPDHL Group, a world-class organization, also helps us to better serve multi-national clients," said Dick Wong, Chairman, SF Holding.

SF DHL Supply Chain China will have access to DPDHL Group's global expertise, network, operations standards and innovations, across industries from technology, healthcare, retail and automotive to e-commerce. Leveraging SF's market position in China, SF DHL Supply Chain China is setting its sights on expanding the service portfolio to SF's customers while winning new customers with its enhanced product and service offerings.

Added Yin Zou, CEO, SF DHL Supply Chain China, "This landmark deal gives SF DHL Supply Chain China unparalleled advantage to transform the supply chain industry in China. My team and I are looking forward to amalgamating the best of what DPDHL Group and SF stand for, and converting these into tangible value for existing and new customers. The strong commitment from DPDHL Group and SF has led to the swift and smooth completion of the transaction, and it is full steam ahead for us to deliver top quality turnkey supply chain solutions to enterprises in China."

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SF DHL Supply Chain China is a leading supply chain provider in Mainland China, Hong Kong and Macau. It amalgamates world-class supply chain expertise from Deutsche Post DHL Group and extensive domestic infrastructure from SF Holding to positively disrupt the supply chain industry in Mainland China, Hong Kong and Macau. Headquartered in Shanghai, SF DHL Supply Chain China employs more than 5,000 people to deliver top quality turnkey supply chain solutions to enterprises in Mainland China, Hong Kong and Macau.

Deutsche Post DHL Group

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.



SF Holding is a leading integrated logistics service provider in China. SF provides 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.

SF Holding is also a smart logistics operator with network scale advantages. SF Holding has a vast logistics network both at home and abroad, including an "aviation network" consisting of all-cargo aircraft, commercial flight, and drones; a "ground network" consisting of service points, transit and distribution service points, land transportation networks, customer hotline networks, and last mile networks; and an "information network" consisting of various AI automation devices, AI recognition technology for voice and machine graphics, smart decision-making, SF Maps, big data ecosystems, digital warehouses, and smart packaging. The three networks are integrated into one "aviation + ground + information" network. This directly operated network has domestic and overseas coverage and is a comprehensive logistics network system and the most unique resources in the industry domestically.