2018 INVESTOR DAY
September 17–18  Hangzhou China
Cainiao Network - Alibaba Logistics Infrastructure
WAN Lin, President of Cainiao Network
Logistics in China: Scale and Growth

Average Daily Package Volume (Mn)

Notes:
(1) Represents average daily packages processed by Cainiao Network in calendar years 2014 and 2017.
(2) Represents express courier average daily packages in calendar years 2014 and 2017 according to the State Post Bureau of China.
(3) Represents combined daily average packages of UPS, FedEx, DHL Express (source: Bloomberg) and United States Postal Service in calendar years 2014 and 2017.
Logistics in China: Higher Efficiency

Notes:
(1) Represents the number of logistics orders Cainiao Network processed on Singles Day
(2) Represents the number of days for the first 100mn logistics orders from Singles Day to be delivered to consumers
(3) Represents the average cost per package for an express courier company partnered with Cainiao (Source: GF Securities)
Logistics in China: Upgraded Demands

Consumers
Differentiated Delivery Demands
Over 70%\(^1\) consumers accepting alternative parcel-collection services

Merchants
Integration of Online and Offline Supply Chains

Logistics Partners
Efficiency Bottlenecks
Couriers butting up against daily delivery capacity

Note:
(1) According to AliResearch
Cainiao’s Strategy

New Retail Supply Chain Solutions

Global Logistics Network

Digitized Logistics Infrastructure
Digitization Upgrade across Entire Logistics Chain

High Penetration of E-shipping Labels & Address Database

Smart Routing and Dynamic Forecasting

Over 10 Mn sq.m of Digitally Connected Warehouses (1)

Courier Service Rating System Covering 6 Major Express Courier Companies in China (1)

Diversified Last-mile Solutions

Note: (1) As of June 30, 2018
Upgraded Last-mile Network
Enhancing Consumer Experience

Last-mile Challenges in China
- Delivery Personnel Efficiency Bottleneck
- Diversified Consumer Demands

Largest Last-mile Network
- 10mn+ parcels per day

China's Unique Last-mile Solution Provider
- Self-Pickup
- Pick-up Lockers
- Door-to-door Delivery

Note:
(1) As of the date hereof
New Retail Supply Chain Solutions
New Retail Supply Chain Infrastructure

Multi-tiered Warehousing Network
Over 10mn sq.m² warehouses covering urban and rural areas

Hub-and-spoke Network
Over 10,000 routes help merchants place inventories closer to consumers

On-demand Delivery Network
Instant delivery capabilities covering over 200 cities

Note:
(1) As of June 30, 2018
## Fast-growing Fulfillment Network

### Fast Network Expansion
- **Year-over-year Order Growth**: Doubled

### Record-Breaking Capacity
- **Daily Peak Processing Capacity**: 50 Million items

### Consumer Experience Enhancement
- **Same-day and Next-day Delivery Coverage**: 1,500+ counties and districts

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**Notes:**
### New Retail Supply Chain Solutions

Offered the consolidated inventory management solution to a well-known international FMCG brand, significantly improved consumer experience and fulfillment efficiency.

<table>
<thead>
<tr>
<th>Cross-region Shipment Reduced by (1)</th>
<th>Inventory Turnover Improved by (2)</th>
<th>Online In-stock Rate (3)</th>
<th>Sales Increased by (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>30%</td>
<td>&gt;95%</td>
<td>10%</td>
</tr>
</tbody>
</table>

- **(1)** Represents the improvements as of June 30, 2018 after adopting Cainiao’s services.
- **(2)** Represents the delivery speed as of June 30, 2018.
- **(3)** Represents the order growth after adopting Cainiao’s services, compared to the order volume beforehand.

A well-known health and beauty retailer transformed its stores into a store-based warehouse network through inventory-sharing, system integration and instant delivery capabilities.

- **Average Delivery Time / Shortest Delivery Time**: 40 mins / 8 mins
- **Average Order Volume**: 10 times in two months

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Cutting-edge Technology and Innovation

- Smart Routing
- Agile Automation
- Unmanned Vehicles
- Future Parks
Global Logistics Network
Logistics Infrastructure for Globalization within the Alibaba Ecosystem

Global Shipping Network
Global Supply Chain Network
Global Last-mile Network

TTALL GLOBAL

AliExpress

LAZADA
Global Smart Logistics Network

Key Improvements – Imports

- **Tripled** YoY import order growth \(^{(1)}\)
- Operating ~1mn sq.m bonded warehouses \(^{(2)}\)
- Cainiao Customs Clearance Platform connects with most major ports in China

Key Improvements – Exports

- Over a million orders per day \(^{(2)}\)
- Multiple e-commerce intercontinental charter flights, enhancing cross-border delivery capabilities
- Average delivery time reduced to within 10 days for France and Spain, etc. \(^{(2)}\)
- Customs Clearance Platform technology sharing with Malaysia

Notes:

\(^{(1)}\) Daily order volume of June 2018 versus June 2017
\(^{(2)}\) As of June 30, 2018.
Customs Clearance Efficiency Improved by AI

Operating Efficiency:
- 5 Min
- 5 Sec

Classification Accuracy:
- 98%+

Customs Clearance Efficiency:
- 2+ Days
- 10 Sec

Notes:
1. Represents the personnel efficiency improved after adopting Cainiao’s services.
3. Represents the industry average customs clearance time compared to the fastest time with Cainiao’s services.
Launch of **6 e-Hubs** around the world to build the logistics infrastructure for inclusive global trade
MISSION

24 Hours Delivery Anywhere in China

72 Hours Delivery Anywhere Globally
THANK YOU