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## **YTO EXPRESS (INTERNATIONAL) HOLDINGS LIMITED**

**圓通速遞（國際）控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 6123)**

### **ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **FINANCIAL HIGHLIGHTS**

- The Group's revenue amounted to about HK\$7,556.4 million for the FY2021, representing an increase of about 49.7% as compared to that of the FY2020 (FY2020: about HK\$5,048.1 million);
- Air freight business recorded a decrease of about 25.0% in segment results for the FY2021 as compared to that of the FY2020, to about HK\$282.6 million (FY2020: about HK\$376.7 million);
- Sea freight business recorded an increase of about 119.4% in segment results for the FY2021 as compared to that of the FY2020, to about HK\$214.4 million (FY2020: about HK\$97.7 million);
- The Group recorded a profit attributable to equity shareholders of the Company of about HK\$273.4 million for the FY2021, an increase of about 8.4% as compared to that of the FY2020 (FY2020: about HK\$252.2 million); and
- The Board recommended the payment of a final dividend of HK6.5 cents per share for the FY2021 (FY2020: HK6.1 cents), which is subject to the approval of the Company's shareholders at the AGM.

The board (the “**Board**”) of directors (the “**Directors**”) of YTO Express (International) Holdings Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2021 (the “**FY2021**”), together with the comparative audited figures for the year ended 31 December 2020 (the “**FY2020**”), as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS***For the Year ended 31 December 2021*

		<b>2021</b>	2020
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	<b>2</b>	<b>7,556,427</b>	5,048,113
Cost of sales		<u>(6,763,586)</u>	<u>(4,275,497)</u>
Gross profit		<b>792,841</b>	772,616
Other income		<b>17,124</b>	30,150
Administrative expenses		<b>(460,248)</b>	(484,628)
Net impairment loss reversed/(recognised) under expected credit loss model		<b>49</b>	(8,773)
Impairment loss on goodwill		<b>(15,632)</b>	–
Impairment loss on intangible assets		<b>(464)</b>	–
Other gains or losses		<b>(6,644)</b>	(19,732)
Share of results of associates		<b>34</b>	82
Share of results of joint ventures		<b>1,035</b>	1,268
Finance costs		<u>(4,171)</u>	<u>(4,889)</u>
Profit before taxation		<b>323,924</b>	286,094
Income tax expense	<i>3(a)</i>	<u>(45,681)</u>	<u>(30,221)</u>
<b>Profit for the year</b>	<b>4</b>	<u><b>278,243</b></u>	<u>255,873</u>
<b>Profit for the year attributable to:</b>			
Equity shareholders of the Company		<b>273,377</b>	252,231
Non-controlling interests		<u><b>4,866</b></u>	<u>3,642</u>
		<u><b>278,243</b></u>	<u>255,873</u>
<b>Earnings per share (Hong Kong cents)</b>			
Basic	<i>5</i>	<u><b>65.76</b></u>	<u>60.84</u>
Diluted	<i>5</i>	<u><b>65.47</b></u>	<u>60.48</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31 December 2021

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Profit for the year</b>	<u>278,243</u>	<u>255,873</u>
<b>Other comprehensive income for the year</b> <b>(after tax and reclassification adjustments):</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Surplus on revaluation of leasehold land and buildings	741	527
Deferred tax arising on revaluation of leasehold land and buildings	(38)	14
<i>Items that may be reclassified subsequently to profit or loss</i>		
Share of other comprehensive income of associates	(36)	226
Share of other comprehensive income of joint ventures	(749)	798
Exchange difference arising from foreign operations	(16,165)	7,707
Reclassification adjustment upon disposal of subsidiaries	–	87
<b>Other comprehensive income for the year</b>	<u>(16,247)</u>	<u>9,359</u>
<b>Total comprehensive income for the year</b>	<u><u>261,996</u></u>	<u><u>265,232</u></u>
<b>Attributable to:</b>		
Equity shareholders of the Company	258,209	261,134
Non-controlling interests	<u>3,787</u>	<u>4,098</u>
<b>Total comprehensive income for the year</b>	<u><u>261,996</u></u>	<u><u>265,232</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
<b>Non-current assets</b>			
Investment properties		<b>6,745</b>	6,593
Property, plant and equipment		<b>57,574</b>	54,779
Right-of-use assets		<b>144,257</b>	140,888
Goodwill		<b>542</b>	16,188
Intangible assets		<b>3,382</b>	7,505
Interests in associates		<b>3,210</b>	15,066
Interests in joint ventures		<b>10,072</b>	9,786
Deferred tax assets		<b>809</b>	2,706
		<hr/> <b>226,591</b>	<hr/> 253,511
<b>Current assets</b>			
Trade receivables	7	<b>1,212,370</b>	772,812
Other receivables, deposits and prepayments		<b>115,483</b>	81,689
Contract assets		<b>117,092</b>	46,046
Financial asset at fair value through profit or loss		<b>3,939</b>	896
Debt investment at amortised cost		<b>7,069</b>	7,463
Finance lease receivables		–	8,388
Amount due from an intermediate holding company		–	2
Amount due from immediate holding company		<b>119</b>	–
Amount due from a joint venture		<b>9,693</b>	4,102
Amounts due from associates		<b>16,463</b>	12,548
Amounts due from fellow subsidiaries		<b>18,109</b>	–
Prepaid tax	3(b)	<b>3,825</b>	2,422
Pledged bank deposits		<b>10,768</b>	7,633
Bank balances and cash		<b>567,828</b>	491,932
		<hr/> <b>2,082,758</b>	<hr/> 1,435,933

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Current liabilities</b>			
Trade and other payables	8	<b>787,933</b>	556,239
Contract liabilities		<b>48,481</b>	36,043
Amounts due to associates		<b>914</b>	1,172
Amounts due to fellow subsidiaries		<b>132,380</b>	35,854
Tax liabilities	3(b)	<b>40,041</b>	10,957
Lease liabilities		<b>42,770</b>	44,066
Bank borrowings		<b>5,370</b>	1,067
		<u><b>1,057,889</b></u>	<u>685,398</u>
<b>Net current assets</b>		<u><b>1,024,869</b></u>	<u>750,535</u>
<b>Total assets less current liabilities</b>		<u><b>1,251,460</b></u>	<u>1,004,046</u>
<b>Non-current liabilities</b>			
Other payables	8	<b>3,318</b>	3,889
Lease liabilities		<b>116,940</b>	121,371
Deferred tax liabilities		<b>14,666</b>	13,649
		<u><b>134,924</b></u>	<u>138,909</u>
		<u><b>1,116,536</b></u>	<u>865,137</u>
<b>Capital and reserves</b>			
Share capital	9	<b>42,019</b>	41,676
Reserves		<b>1,060,246</b>	815,727
Total equity attributable to equity shareholders of the Company		<u><b>1,102,265</b></u>	<u>857,403</u>
Non-controlling interests		<u><b>14,271</b></u>	<u>7,734</u>
<b>Total equity</b>		<u><b>1,116,536</b></u>	<u>865,137</u>

## NOTES TO THE FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

#### (a) Statement of compliance

This financial information have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. This financial information also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information for the year ended 31 December 2021 comprises the Group and the Group’s interests in associates and joint ventures.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Of these, the following developments are relevant to the Group for the current accounting period reflected in this financial information:

- Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*

Other than the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

The Group previously applied the practical expedient in HKFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022.

The Group has early adopted the 2021 amendment in this financial year. With the extended time limit, certain rent concessions that were previously ineligible for the practical expedient because of the original time limit, become eligible. Accordingly, these rent concessions, which were previously accounted for as lease modifications, are now accounted for as negative variable lease payments, and are recognised in profit or loss in the period in which the event or condition that triggers those payments occurred.

In accordance with the transitional requirements, the 2021 amendment has been applied retrospectively, with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained profits at 1 January 2021.

There is no impact on the opening balance of equity at 1 January 2021. During the year, the Group is entitled to COVID-19-related rent concessions of HK\$236,000 (2020: HK\$2,044,000).

## 2. SEGMENT INFORMATION

	Segment revenue		Segment results	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating and reportable segments				
Air freight	<b>3,361,805</b>	3,062,518	<b>282,554</b>	376,679
Ocean freight	<b>2,004,190</b>	817,371	<b>214,419</b>	97,668
Logistics	<b>67,162</b>	82,778	<b>7,445</b>	2,904
International express and parcel	<b>1,949,084</b>	952,870	<b>104,347</b>	111,553
Others	<b>174,186</b>	132,576	<b>36,667</b>	36,381
	<u>7,556,427</u>	<u>5,048,113</u>	<u>645,432</u>	<u>625,185</u>
Total				
Other income			<b>17,124</b>	30,150
Impairment loss on goodwill			<b>(15,632)</b>	–
Impairment loss on Intangible assets			<b>(464)</b>	–
Other gains or losses			<b>(6,644)</b>	(19,732)
Unallocated corporate expenses			<b>(312,790)</b>	(345,970)
Share of results of associates			<b>34</b>	82
Share of results of joint ventures			<b>1,035</b>	1,268
Finance costs			<b>(4,171)</b>	(4,889)
			<u>323,924</u>	<u>286,094</u>
Profit before taxation				

### 3. INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax :		
– Hong Kong Profits Tax	23,513	8,154
– Enterprise Income Tax (“EIT”) in the PRC	2,876	8,935
– United States Corporate Income Tax	6,643	772
– Vietnam Corporate Income Tax	2,747	1,352
– Thailand Corporate Income Tax	2,518	4,510
– Malaysia Corporate Income Tax	1,078	2,745
– Other jurisdictions	2,352	2,255
	<u>41,727</u>	<u>28,723</u>
Under (over) provision in respect of prior years		
– Hong Kong Profits Tax	(344)	182
– EIT in the PRC	480	–
– Other jurisdictions	54	(334)
	<u>190</u>	<u>(152)</u>
Withholding tax on dividend received	<u>832</u>	–
	42,749	28,571
Deferred taxation	<u>2,932</u>	<u>1,650</u>
	<u><u>45,681</u></u>	<u><u>30,221</u></u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both financial years.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the PRC subsidiaries of the Group is taxed at 25% for both financial years.

The corporate income tax in United States is calculated at 27% of assessable profit for both financial years.

The corporate income tax in Vietnam is calculated at 20% of the estimated assessable profit. Additionally, being a small and medium enterprise, the Vietnamese subsidiary is entitled to a 30% reduction in corporate income tax for both financial years, in accordance with the Vietnamese laws.

The corporate income tax in Thailand is calculated at 20% of assessable profit for both financial years.

The corporate income tax in Malaysia is calculated at 24% of the estimated assessable profit for both financial years.

Pursuant to the rules and regulations of the British Virgin Islands (the “BVI”) and the Cayman Islands, the Group is not subject to any income tax in the BVI and the Cayman Islands.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

(b) Current taxation in the consolidated statement of financial position represents:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Provision for Hong Kong Profits Tax for the year	23,513	8,154
Provision for EIT in the PRC for the year	2,876	8,935
Provision for tax in other jurisdictions for the year	15,338	11,634
Provisional tax paid	<u>(14,092)</u>	<u>(17,518)</u>
	27,635	11,205
Balance of tax provision relating to prior years	<u>8,581</u>	<u>(2,670)</u>
	<u><u>36,216</u></u>	<u><u>8,535</u></u>

#### 4. PROFIT FOR THE YEAR

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit for the year has been arrived at after charging (crediting):		
Auditors' remuneration	6,898	6,562
Depreciation of property, plant and equipment	11,238	10,905
Depreciation of right-of-use assets	38,858	46,938
Impairment loss on goodwill*	15,632	–
Impairment loss on intangible assets*	464	–
Amortisation of intangible assets (included in administrative expenses)	4,443	4,164
Allowance for expected credit losses on trade and other receivables recognised	6,993	9,390
Less: Reversal of allowance for expected credit losses on trade and other receivables	<u>(7,042)</u>	<u>(617)</u>
Net impairment loss (reversed)/recognised under expected credit loss model	<u><u>(49)</u></u>	<u><u>8,773</u></u>
Staff costs		
Directors' emoluments	12,658	28,751
Other staff costs		
Staff costs excluding retirement benefit contributions	279,004	286,371
Retirement benefit contributions	23,319	19,986
Equity-settled share-based payment	<u>1,881</u>	<u>8,275</u>
Total staff costs	<u><u>316,862</u></u>	<u><u>343,383</u></u>
Gain on bargain purchase	–	(752)
Gross rental income from investment properties	354	286
Less: outgoings incurred which generated rental income	<u>(77)</u>	<u>(51)</u>
	<u><u>277</u></u>	<u><u>235</u></u>

\* OTX Logistics B.V. and its subsidiaries (“OTX Logistics Holland Group”) is engaged in the provision of freight forwarding services in the Netherlands. During the year ended 31 December 2021, goodwill arose from the acquisitions of OTX Logistics Holland Group had been fully impaired and impairment loss of HK\$15,632,000 on goodwill and HK\$464,000 on intangible assets were recognised in the profit or loss.

## 5. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to equity shareholders of the Company is based on the following:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to equity shareholders of the Company)	<u>273,377</u>	<u>252,231</u>
	2021	2020
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	415,705,507	414,560,000
Effect of dilutive potential ordinary shares on share award plan	<u>1,833,343</u>	<u>2,468,762</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>417,538,850</u>	<u>417,028,762</u>

## 6. DIVIDEND

Pursuant to the resolution passed by the shareholders of the Company at the Company's annual general meeting held on 10 June 2021, a final dividend of HK6.1 cents per ordinary share in respect of the FY2020, in an aggregate amount of HK\$25,422,000, was paid on 9 July 2021 to all shareholders whose names appeared on the register of members of the Company on 23 June 2021.

The Board recommended the payment of a final dividend of HK6.5 cents per ordinary share, in an aggregate amount of about HK\$27,312,000, in respect of the FY2021, which is subject to the approval of the shareholders of the Company at the annual general meeting of the Company (the "AGM") to be held on Thursday, 9 June 2022. The proposed final dividend is expected to be paid on Friday, 8 July 2022 to all shareholders whose names to be appeared on the register of members of the Company on Wednesday, 22 June 2022.

## 7. TRADE RECEIVABLES

The Group allows an average credit period of 30 days to its trade customers.

The following is an ageing analysis of trade receivables net of allowance for credit losses, based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0–30 days	836,348	516,850
31–60 days	243,244	182,501
61–90 days	93,275	54,174
91–180 days	37,775	13,382
Over 180 days	<u>1,728</u>	<u>5,905</u>
	<u>1,212,370</u>	<u>772,812</u>

## 8. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables based on the invoice date at the end of the reporting period:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 60 days	450,802	325,199
61–180 days	38,876	36,428
181–365 days	3,069	2,116
1–2 years	3,210	1,911
	<u>495,957</u>	<u>365,654</u>
Trade and other payables analysed as:		
– current	787,933	556,239
– non-current	3,318	3,889
	<u>791,251</u>	<u>560,128</u>

## 9. SHARE CAPITAL

	Number of ordinary shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.10 each		
<b>Authorised:</b>		
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	<u>2,000,000,000</u>	<u>200,000</u>
<b>Issued and fully paid:</b>		
At 1 January 2020, 31 December 2020 and 1 January 2021	416,760,000	41,676
Issue of shares upon exercise of equity-settled share-based payment	<u>3,430,000</u>	<u>343</u>
At 31 December 2021	<u>420,190,000</u>	<u>42,019</u>

The shares issued rank pari passu with other shares in issue in all respects.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Board announces the audited annual results of the Group for the FY2021. During the FY2021, the global economy and consumption have recovered significantly due to the overall easing of the pandemic and the introduction of relevant economic stimulus measures. The demand for international logistics has also rebounded driven by the strong momentum of demand. The Company's business has improved compared to last year supported by various factors.

Although several variants of the Coronavirus Disease (“COVID-19”) that emerged in 2021 once threatened the pandemic prevention and control results, global major economies are gradually shaking off the impact of the pandemic. According to the Global Economic Outlook released by the World Bank, global economic growth is expected to moderate at 4.1% in 2022 after rebounding to 5.5% in 2021, and output and investment in developed economies are expected to return to pre-pandemic level in 2022. Therefore, the Group remains cautiously optimistic about the impact of the pandemic on the market and business in 2022. In particular, the Group states a number of important factors in respect of the impact of pandemic in both 2021 and 2022 herein.

#### ***Despite of the sustained impact of the pandemic in the short term, logistics service demand for pandemic-related products is strong***

Given different anti-pandemic measures in some major economies around the world, the global demand for personal protective supplies may decrease as compared to that in 2021. However, due to the large-scale spread of Omicron, the demand for some special supplies, such as personal COVID-19 testing kits, remains strong. In this regard, the Company believes that in the short term, the pandemic will keep driving up some direct logistics demand. Besides, due to the prospective new variants and future variants of COVID-19, the Company believes that in the short term, it is unlikely that travel restriction and control induced by the pandemic would be completely lifted, and there will still be great uncertainty in the provision of global production and international logistics services.

#### ***Changes in consumption habits under the pandemic will further promote the development of e-commerce***

As the pandemic persists, some countries maintain the social distancing or even city blockade to prevent the pandemic. Therefore, e-commerce remains to be one of the important channels to satisfy consumers' daily consumption. Meanwhile, as the entry into force of the Regional Comprehensive Economic Partnership (RCEP), various policies have been launched to promote regional trade facilitation, which will once again promote the development of cross-border e-commerce. Therefore, the Company believes that e-commerce will maintain a high growth rate, and the trend will maintain for several years.

### ***Made-in-China keeps driving the growth of China's export***

It will be difficult that the global industrial chain continuously affected by the pandemic will recover in the short term. Therefore, the global economy remains strongly dependent on the Chinese industrial chain. In 2021, China's imports and exports achieved rapid growth, and the total value of goods imports and exports increased by 21.4% year on year. In the meantime, both the growth rates of China's exports to the EU and Africa exceeded 20%, and the growth rate of its exports to Latin America exceeded 40%. Therefore, the Company believes that the impact of the pandemic will be difficult to get rid of, but the recovery of the global economy will further strengthen their dependence on Chinese manufacturing, while promoting further rapid growth of Chinese exports.

### **Financial Results**

The Group recorded revenue of about HK\$7,556.4 million during the FY2021 (FY2020: about HK\$5,048.1 million), representing an increase of about 49.7% from FY2020. Gross profit amounted to about HK\$792.8 million during the FY2021 (FY2020: about HK\$772.6 million), representing an increase of about 2.6% from FY2020. Gross profit margin during the FY2021 was about 10.5% (FY2020: about 15.3%). Net profit was about HK\$278.2 million during the FY2021 (FY2020: about HK\$255.9 million), representing an increase of about 8.7% from FY2020 while the net profit attributable to equity shareholders of the Company increased by about 8.4% from FY2020 to about HK\$273.4 million during the FY2021 (FY2020: about HK\$252.2 million). The increase in profit attributable to equity shareholders of the Company was mainly attributable to (a) substantial increase in the revenue and profit contributed by the ocean freight segment due to the increase in the demand of sea container space and ocean container freight rates; and (b) the better control over expenses of the Group.

### **Segmental Analysis**

The Group's core businesses comprises air and ocean freight forwarding, complemented by the ancillary and contract logistics services (including warehousing, distribution and customs clearance), international express and parcel services and other businesses (comprising combine shipments, trucking, general sales agency and hand-carry services). The comprehensive range of services offered by the Group enables the Group to meet diverse customers' needs and provide cross-selling opportunities.

### ***Air Freight***

The air freight forwarding business continued to constitute the largest business segment of the Group, representing about 44.5% of the Group's total revenue during the FY2021 (FY2020: about 60.7%). It principally involves arranging shipment upon receipt of booking instructions from customers, obtaining cargo space from airlines, preparing the relevant documentation, and upon delivery to the destination, arranging customs clearance and cargo handling. The Group is well recognised in the logistics industry, having received numerous accolades from international organisations and major airlines since 2000, including "Top Agent Award" from Cathay Pacific Cargo each year since 2006. Consequently, the Group has become the preferred business partner of renowned companies from around the world, hailing from the garment, footwear and electronic industries, delivery of small parcels for e-commerce business and among others.

During the FY2021, the air freight forwarding business recorded revenue of about HK\$3,361.8 million (FY2020: about HK\$3,062.5 million), representing an increase of about 9.8% as compared to FY2020. Gross profit of the segment decreased from about HK\$455.2 million during the FY2020 to about HK\$354.6 million during the FY2021, representing a decrease of about 22.1% as compared to FY2020, which was primarily attributable to the increase in air freight rate caused by the shortage in supply of cargo space resulting from COVID-19 pandemic and related restrictive measures. In respect of air import and export tonnage, the Group noted a total increase of tonnage of about 5.2% for the FY2021 when compared to the FY2020.

### ***Ocean Freight***

Contributing about 26.5% of the Group's total revenue during the FY2021 (FY2020: about 16.2%), the ocean freight forwarding business principally involves organising shipments, arranging customs clearance and haulage services. The established relationships with trade partners and shipping lines, together with the in-house tailored freight operations system, have enabled the Group to capture the ocean freight market growth. During the FY2021, revenue of ocean freight segment increased significantly by about 145.2% to about HK\$2,004.2 million (FY2020: about HK\$817.4 million). Gross profit increased to about HK\$264.3 million during the FY2021 (FY2020: about HK\$138.5 million), representing an increase of about 90.8% as compared to FY2020. During the FY2021, the Group noted an increase of tonnage of about 0.9% in respect of ocean freight shipping volume handled by the Group. The substantial increase in the revenue and profit contributed by the ocean freight segment is due to the overall increase in the demand of sea container space and the selling price of sea container space under COVID-19 pandemic.

### ***Ancillary and Contract Logistics Services***

Accounting for about 0.9% of the Group's total revenue during the FY2021 (FY2020: about 1.6%), the ancillary and contract logistics services segment includes warehousing, distribution and customs clearance. Warehousing includes pick and pack, labelling, quality inspection, sorting, pick-up and delivery services for export shipments from the shipper's location to the outgoing port and delivery of import shipments from arrival at the incoming port to the consignee's location. It is supported by the Group's information technology platform, which allows customers to conveniently trace inventory levels, incoming and outgoing shipments and other information online. Revenue generated from this segment was about HK\$67.2 million during the FY2021 (FY2020: about HK\$82.8 million), representing a decrease of about 18.8% as compared to FY2020.

### ***International Express and Parcel Services***

International express and parcel services which mainly consist of cross-border small parcels business is one of the Company's emerging businesses in recent years and also one of the Company's important strategic segments to respond to the booming of global cross-border e-commerce. It represents about 25.8% of the total revenue of the Group for the FY2021 (FY2020: about 18.9%). The Company pays continuous attention to the cross-border e-commerce market and consumer needs, and provides high-quality cross-border parcel logistic services for e-commerce platforms, merchants, and consumers.

The Group responded actively to changes in markets and competitive landscapes and proactively developed the international express and parcel services market during the FY2021. Benefiting from the rapid development of e-commerce in Southeast Asia, the continuous deepening of the cooperation with Hangzhou Cainiao Supply Chain Management Co., Limited and the development of new customers, revenue from international express and parcel services increased from about HK\$952.9 million during the FY2020 to about HK\$1,949.1 million during the FY2021, representing a significant increase of about 104.5%. During the FY2021, the Group has completed the delivery of about 136.1 million units in international express and parcel business (FY2020: about 77.5 million).

During the FY2021, the gross profit of international express and parcel services decreased to about HK\$110.9 million (FY2020: about HK\$114.4 million) representing a drop of about 3.1%, which was primarily attributable to the increase in air freight price and chartering cost caused by the shortage in supply of cargo space resulting from COVID-19 pandemic and related restrictive measures.

### ***Others***

The other businesses include combined shipments, trucking, e-commerce business and hand-carry services, the latter of which involves time sensitive shipments that allow the Group to charge higher fees and consequently benefit from higher profits. During the FY2021, the other businesses recorded revenue of about HK\$174.2 million (FY2020: about HK\$132.6 million), representing an increase of about 31.4% as compared to FY2020, and gross profit of about HK\$36.7 million (FY2020: about HK\$36.4 million), representing an increase of about 0.8% as compared to FY2020.

### **Liquidity and Financial Resources**

The Group has centralised financing policies and control over all its operations which enables the Group to have a tight control of treasury operations and lower average cost of funds.

The Group's working capital as at 31 December 2021 was about HK\$1,024.9 million, representing a significant increase of about 36.6% from about HK\$750.5 million as at 31 December 2020. The current ratio of the Group decreased from about 2.10 times as at 31 December 2020 to about 1.97 times as at 31 December 2021. As at 31 December 2021, the Group's bank balances and cash amounted to about HK\$567.8 million, representing an increase of about 15.4% from about HK\$491.9 million as at 31 December 2020. For the FY2021, the Group had operating cash inflow of about HK\$152.5 million (FY2020: operating cash inflow of about HK\$322.9 million). As at 31 December 2021, the Group's outstanding bank borrowings amounted to about HK\$5.4 million (as at 31 December 2020: about HK\$1.1 million). The gearing ratio of the Group, calculated as total bank borrowings divided by total equity, was about 0.5% as at 31 December 2021 (as at 31 December 2020: 0.1%). As at 31 December 2021 and 2020, the Group maintained a net cash position. The Group will continue to secure financing as and when the need arises.

## **Foreign Exchange Risk**

In light of the nature of the Group's business, the Group is exposed to various foreign currency risks including RMB, USD, RM, SGD, THB, INR, EUR, GBP, CAD, JPY, VND, IDR, HUF, AED and TWD among which, RMB, EUR and USD are mostly used in the Group's business apart from HK\$. Nevertheless, the Group's operations are predominately subject to the fluctuations of RMB since HK\$ is pegged to USD. The Group did not use any derivative contracts to hedge against its exposure to currency risk during the FY2020 and the FY2021. The Group continued to exercise a strict control policy and did not engage in any speculative trading in debt securities or financial derivatives during the FY2021.

## **Significant investments**

During the FY2021, the Group did not hold any material investments.

## **Capital Expenditure Commitments**

As at 31 December 2021, the Group did not have any capital expenditure commitments.

The contingent consideration of HK\$250,000 as at 31 December 2020, which was determined based on the future financial performance and settlement of certain outstanding account receivables of Best Loader Logistics Company Limited ("**Best Loader HK**"), has been fully settled by the Group during the FY2021.

Please refer to the announcements of the Company dated 5 May 2017, 3 August 2018, 15 March 2019, 30 March 2020, 4 August 2020 and 4 August 2021 for further details.

## **Performance Guarantees**

### ***In Relation to the Acquisition of the Entire Issued Shares of Best Loader HK***

On Time Worldwide Logistics Limited ("**OT BVI**"), a direct wholly-owned subsidiary of the Company, as purchaser, entered into a sale and purchase agreement on 5 May 2017 (the "**Sale and Purchase Agreement**") with Air Partner Logistics Company Limited, as vendor (the "**Vendor**") and Ms. Chan Yi Lam, as guarantor for the Vendor (the "**Guarantor**"), in relation to the acquisition of the entire issued shares of Best Loader HK. Pursuant to the Sale and Purchase Agreement, the Vendor undertakes and guarantees to OT BVI that (i) the net assets value of Best Loader HK for the year ended 31 December 2017 in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**"), which shall be verified by the Company's auditor (the "**2017 Accounts**"), will be no less than HK\$3.0 million (the "**2017 NAV Guarantee**"); (ii) the net assets value of Best Loader HK for the year ended 31 December 2018 in accordance with HKFRS, which shall be verified by the Company's auditor (the "**2018 Accounts**"), will be no less than HK\$4.7 million (the "**2018 NAV Guarantee**"); and (iii) the net assets value of Best Loader HK for the year ended 31 December 2019 in accordance with HKFRS, which shall be verified by the Company's auditor (the "**2019 Accounts**"), will be no less than HK\$7.1 million (the "**2019 NAV Guarantee**").

After the determination of the 2017 Accounts, the 2018 Accounts and the 2019 Accounts, respectively, OT BVI shall pay to the Vendor the remaining balance of the purchase price in the following manner: (i) HK\$300,000 to the Vendor if the 2017 NAV Guarantee is fulfilled; (ii) HK\$250,000 to the Vendor if the 2018 NAV Guarantee is fulfilled; and (iii) HK\$250,000 to the Vendor if the 2019 NAV Guarantee is fulfilled.

Given that the 2017 NAV Guarantee and the 2018 NAV Guarantee had been fulfilled, OT BVI had paid to the Vendor in aggregate of HK\$550,000 in cash as payment of part of the consideration for the Sale and Purchase Agreement. On 4 August 2020, OT BVI and, amongst others, the Guarantor entered into a supplemental agreement to the Sale and Purchase Agreement (the “**Supplemental Agreement**”) in relation to the payment of the final part of the consideration for the Sale and Purchase Agreement of HK\$250,000 (the “**Final Instalment**”) and the settlement of certain outstanding accounts receivables of Best Loader HK which amounted to approximately HK\$2.0 million (the “**Outstanding Accounts Receivables**”). Under the Supplemental Agreement, it was agreed that the payment date of the Final Instalment shall be extended to 4 August 2021 (the “**Deadline**”) and such payment is conditional upon Best Loader HK having received the Outstanding Accounts Receivables of aggregate amounts exceeding HK\$300,000 as of the Deadline. Best Loader HK has received the outstanding Accounts Receivables of aggregate amounts exceeding HK\$300,000 as at the Deadline. As such, OT BVI has paid the Final Instalment to the Vendor.

Please refer to the announcements of the Company dated 5 May 2017, 3 August 2018, 15 March 2019, 30 March 2020, 4 August 2020 and 4 August 2021 for further details in respect of the acquisition, update on the fulfillment of performance guarantees and the Supplemental Agreement.

### Charge on Assets

As at 31 December 2021, the Group had pledged the following assets to secure certain banking facilities representing guarantees on payment to certain airline suppliers of the Group for the Group’s cargo space purchase and bank borrowings granted to the Group:

	<b>2021</b>	2020
	<i>HK\$’000</i>	<i>HK\$’000</i>
Financial asset at fair value through profit or loss	<b>869</b>	896
Debt investment at amortised cost	<b>7,069</b>	7,463
Pledged bank deposits	<b>10,768</b>	7,633
	<b>18,706</b>	15,992

## **EVENTS AFTER THE REPORTING PERIOD**

There were no events causing material impact on the Group from 31 December 2021, being the end of the reporting period to the date of this announcement.

## **MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

On 1 January 2021, OT BVI entered into the sale and purchase agreement with Ms. He Xiaoli, pursuant to which Ms. He Xiaoli has agreed to sell, and OT BVI has agreed to purchase, the 1,800 ordinary shares in On Time Worldwide Logistics Ltd. (“**OT Korea**”), representing 3% of the entire issued shares in OT Korea, at the consideration of HK\$750,000, subject to and in accordance with the terms and conditions of the sale and purchase agreement. Upon completion, the Group’s interest in OT Korea is 51% and OT Korea became an indirect non-wholly owned subsidiary of the Company.

Saved as disclosed, there was no material acquisition or disposal of subsidiaries, associates or joint ventures of the Company during the FY2021.

## **PROSPECTS**

Looking forward to 2022, the Company believes that this year will maintain the promising trend of 2021, the global economy will continue to recover, and the pandemic will be brought under further control until its impact is eliminated. According to the 2022 World Economic Situation and Prospects report, the global output is expected to grow by 4.0% in 2022. The report highlighted that, driven by strong growth in consumer spending and return of capital flows, the economic recovery was strong in 2021 and commodity trade surpassed pre-pandemic levels. However, the potential impact of macro factors on the business of the Group cannot be ignored. The rising inflationary pressure in many economies has brought additional risks to the economic recovery. Meanwhile, the new wave of outbreaks caused by the Omicron variant of the COVID-19 posed new challenges, which is expected to increase the pandemic-induced mortality and economic losses. In conclusion, the Company remains cautiously optimistic about the overall circumstances in 2022, in particular:

### **There remain direct and potential risks of the pandemic, and global economy recovery continues to face uncertainties**

Due to the sustained impact and constant emergence of new variants, there remains negative prospects for the recovery of the global economy. According to the forecast of the International Monetary Fund, the inflation fueled by the pandemic will be more severe in 2022, and the rise of consumer prices will lead to sluggish consumption, thereby affecting the overall recovery progress of economy. Accordingly, the impact of the pandemic had been transforming from direct impact as in two years ago to potential impacts, which may further affect the recovery progress of the global economy. Besides, due to the different impacts of the pandemic on different economies, the pace of recovery may vary. In other words, developed economies may recover faster from the pandemic, while developing economies may be left behind. As the pandemic is gradually brought under control and the global economy will recover further, such uneven pace may continue, and affect the sustainability of the overall recovery.

## **Implementation of RCEP sparks regional economic prosperity**

The taking effect of the Regional Comprehensive Economic Partnership (RCEP), as the world's largest multilateral free trade agreement, is one of the most important events in international trade in 2022. The taking effect of RCEP will promote trade and investment within and beyond the region, and will have an immeasurable impact on the economy of member countries, the Asia-Pacific region or even the world. In addition to traditional measures such as tariff reduction and international trade facilitation, RCEP will further promote the development of the emerging digital economy, significantly improve the efficiency of cross-border trade in terms of customs and logistics, and fully release the huge consumption market potential in the region. Therefore, the Company believes that RCEP is expected to alleviate the negative impact of the COVID-19 on the regional economy, and facilitate the recovery of the global economy.

## **China's strong exports boost recovery of international trade**

As China has implemented strict prevention and control measures and recovered from the pandemic quickly since the outbreak, its production and supply chains have not been severely impacted, and the global industrial chain has shifted back to China again. According to preliminary statistics from the National Bureau of Statistics of China, in 2021, the GDP of China increased by 8.1% year on year, and the total value of imported and exported goods increased by 21.4% year on year, of which exports increased by 21.2%. Excluding the impact of the pandemic, China's exports of goods increased by approximately 26.1% compared with 2019. Therefore, the Company believes that the global industrial chain will still rely on China in the short term, while the implementation of RCEP will further strengthen China's advantages in export, which will provide strong market support for the Company's development in the next few years.

## **The shortage of international air cargo capacity will be pending for solution in the short term**

The overall international air capacity will continue to improve in 2022. International Air Transport Association forecasts that industry-wide losses will further narrow to US\$12 billion in 2022, and the "darkest hour" of the crisis has passed. Overall air transport demand in 2022 will reach 61% of pre-crisis level (2019), while air freight demand will be 13% higher than the pre-pandemic level. However, due to continued restrictions on cross-border travel, quarantine measures and uncertainty arising from travelers, the recovery of international passenger demand is slow and is expected to recover only to 44% of the pre-pandemic level, which also means that it would be difficult for the supply of bellyhold, which is an important sources of international air freight, to satisfy the market demand. Therefore, the Company believes as the shortage of international air cargo capacity would not be resolved in the short term, and self-owned air freight resources are required to enhance our competitiveness in the industry.

In conclusion, the Company believes that the negative impact of the COVID-19 pandemic will persist, but to a far lesser degree, and the recovery trend of the global economy in 2021 will continue. Therefore, as the Company believes that the year 2022 will be critical for its development, it will insist on internationalization strategy, make active changes tailored to the market and customer needs, and challenge ourselves for greater goals. In view of this, the Company will invest more in the following areas by further leveraging its own advantages, the resources of its parent company and the network of its partners, with a view to embrace challenges and achieve sustainable business growth.

## **Further enhancing global partnership and the construction of agency network**

Despite the fact that the pandemic has brought impact on the global economy to varying degrees, the Company delivered excellent performance amid such adversity, and such result would not be achieved without the support of its global partners. Therefore, it is the strategic cornerstone of the Company to continuously expand global partners and strengthen the construction of agency network.

The Company will continuously optimize its existing agency network management and operation mode, and enhance information exchange, resource sharing and business connection with its partners through refined services and strategic communication mechanisms. Meanwhile, under the model of resource sharing and capability exchange, it will introduce the existing agency cooperation to other businesses of the Group, such as international express and parcel business, air charter, warehousing, etc., to open up such capabilities and enhance the breadth and depth of cooperation between the Company and the agencies. The Company also intends to work with existing partners to expand business in Asia by taking advantage of the brand effect of its parent company, YTO Express, who will serve as the official cooperative sponsor of the Asian Games Hangzhou 2022.

While strengthening the existing network, the Company is also expanding more new agents to enhance its global service coverage and complement its product service capabilities. It attracts partners worldwide to join the YTO network through strategic cooperation, licensed franchise, resource exchange and other approaches, with a view to creating stronger effect of scale and network, and promoting the development of its business as a whole.

## **Developing the traditional markets of Europe and the United States and focusing on the Regional Comprehensive Economic Partnership (RCEP)**

The Company believes that the logistics and supply chain demand emerged in the traditional European and American markets in the post-pandemic era represents a huge opportunity. In light of this and the fact that the Company has strong partnerships and local resources in Europe and the United States, these two regions will continue to be the essential markets of the Company. Over the past two years, the Company had fully recognized the core advantages of having transportation resources of key routes in terms of developing business in Europe and the United States. In the coming year, the Company will further increase the acquisition of transportation capacity, strategic cooperation with airlines, and proprietary aviation lines to expand its dominant position in the established market, and gain more market and customer recognition in the post-pandemic era.

Meanwhile, the Company believes that Southeast Asia remains one of the regions with the most potential in the global economy. As the RCEP agreement comes into effect, the Company believes that opportunities in this region will be further stimulated in the next few years, which is expected to release more business needs. The Company has a deep cooperation network and proprietary service capabilities in Southeast Asia, with subsidiaries established in major countries among the 15 RCEP countries and the strong brand influence and service capabilities. Therefore, in 2022, the Company will, adhering to the established strategy, strengthen investment in the region, build business service capabilities and logistics infrastructure through various means, develop localized service capabilities, and deepen its efforts in capturing the development opportunities in the region. At the same time, the Company will also leverage on the aviation resources of its parent company, to further connect international aviation service capabilities across the region, build core competitive advantages, and create full-chain products through dedicated aviation lines. The Company will endeavor to utilize all resources to invest in the region and create a new driver for the future growth of the Company.

### **Leveraging on the resources of the parent company and tapping deep into the Chinese export market**

During the past two years which were under continued influence of the pandemic, the global industrial chain has become increasingly dependent on Chinese manufacturing. Statistics on the growth rate of China's goods trade exports shows that the proportion of Chinese manufacturing in international trade has further increased. As such, the Company will explore more potential business opportunities and achieve breakthroughs in terms of new customers and new markets by further leveraging on the brand influence as well as customer resources of its parent company in domestic market, while building proprietary air logistics routes and gradually forming a YTO international air logistics service system utilizing the resources of YTO Airlines. During the year, the Company expects to cooperate with YTO Airlines to introduce more long-range all-cargo aircraft and build proprietary routes, including the routes between China and Europe and that between China and the United States in order to enhance the Company's overall reserves and service capabilities in terms of air logistics resources.

### **Upgrading existing business models and expanding successful business practices**

Cross-border e-commerce is one of the hot spots of international trade in recent years, and it is also a key strategic growth point for the Company. The Company is committed to exploring new businesses and new models in the cross-border e-commerce market by taking advantage of its experience in the industry, brands, merchants, capital, routes and other key resource advantages. In the past year, the Company utilized the superior resources of YTO Airlines to develop proprietary cross-border e-commerce solutions for China-Japan dedicated routes, which successfully won the recognition of the market as well as its customers, and have delivered satisfactory market returns. Building on its successful practice, in 2022, the Company will further integrate air freight resources, with a focus on major cross-border e-commerce markets such as Europe, the United States and Southeast Asia, develop more competitive dedicated air freight route solutions, and establish more full-chain systematic product solutions, to make more breakthroughs in the field of cross-border e-commerce, thus establishing the distinguished advantages of the Company, and expanding its overall business growth.

## **Implementing digital transformation and further enhancing operational efficiency**

The Company maintains the strategy of digital transformation to improve operational efficiency and service quality. In 2022, the Company will continue to make investments in this area to promote the enhancement of efficiency of traditional business with the deployment of technologies, such as information technology. Currently, as the Company has deployed its transportation management system 2.0 by stages, the new generation of business management system and digital management tools will gradually replace the original system, thus enabling the Company to manage its existing business in a whole lifecycle way encompassing from business opportunities to cash collection. Meanwhile, the new-generation management system will maintain sufficient system extensibility and flexibility to support the Company's expansion in emerging businesses. The Company will also keep optimizing the construction of information systems, enhance the standardized operations of its subsidiaries around the world, improve overall operational efficiency, create an efficient and secure global supply chain service system, and provide its customers and partners with a better service experience.

The Group expects to implement the aforesaid plans with its internal resources and/or through external financing.

## **HUMAN RESOURCES**

As at 31 December 2021, the Group employed about 962 employees (as at 31 December 2020: about 893 employees). Remuneration packages are generally structured to market terms, individual qualifications and experience. The Company has also adopted a share option scheme and a share award plan for the purpose of providing incentives and rewards to eligible participants, including the employees of the Group, who contribute to the success of the Group's operations. Training activities have also been conducted to improve the performance of sales and marketing activities and customer services.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the FY2021.

## **FINAL DIVIDEND**

The Board recommended the payment of a final dividend of HK6.5 cents (2020: HK6.1 cents) per ordinary share of the Company (the "**Share(s)**"), absorbing a total amount of about HK\$27,312,000 (2020: HK\$25,422,000), in respect of the FY2021, which is subject to the approval of the shareholders of the Company ("**Shareholders**") at the AGM to be held on Thursday, 9 June 2022. The proposed final dividend is expected to be paid on Friday, 8 July 2022 to all Shareholders whose names to be appeared on the register of members of the Company on Wednesday, 22 June 2022.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 6 June 2022 to Thursday, 9 June 2022 (both days inclusive) for the purpose of determining the right to attend and vote at the forthcoming AGM. In order to be qualified for attending and voting at the forthcoming AGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Thursday, 2 June 2022.

Conditional on the passing of the resolution approving the declaration of the proposed final dividend at the forthcoming AGM, the register of members of the Company will also be closed from Monday, 20 June 2022 to Wednesday, 22 June 2022 (both days inclusive) for the purpose of determining the entitlement to the proposed final dividend in respect of the FY2021. In order to be qualified for the proposed final dividend (subject to the approval of the Shareholders at the forthcoming AGM), unregistered holders of Shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at the address stated above for registration not later than 4:30 p.m. (Hong Kong time) on Friday, 17 June 2022.

## **SCOPE OF WORK OF KPMG**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the FY2021 as set out in this announcement have been agreed by the Company's auditor, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the FY2021. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG on this announcement.

## **CORPORATE GOVERNANCE**

The Board has adopted the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rules. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the CG Code throughout the FY2021.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. After specific enquiry made by the Company, all of the Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct of the Company governing the Directors' securities transactions during the FY2021.

## **AUDIT COMMITTEE**

The Company has established an audit committee which comprises one non-executive Director, namely, Mr. Chen Dong, and two independent non-executive Directors, namely, Mr. Chung Kwok Mo John and Mr. Li Donghui. Mr. Chung Kwok Mo John is the chairman of the audit committee.

The audit committee of the Company has discussed with the management of the Group and reviewed the audited consolidated financial results of the Group for the FY2021, including, among other things, the accounting principles and practices adopted by the Group, and discussed the financial reporting system and the risk management and internal control systems of the Company.

## **PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This final results announcement is published on the websites of the Stock Exchange and the Company. The annual report for the FY2021 will be despatched to the Shareholders and will be published on the websites of the Stock Exchange and the Company in due course in accordance with the Listing Rules.

## **APPRECIATION**

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our Shareholders, customers, bankers and other business associates for their trust and support.

By order of the Board of  
**YTO Express (International) Holdings Limited**  
圓通速遞(國際)控股有限公司  
**Yu Huijiao**  
*Chairman*

Hong Kong, 31 March 2022

*As at the date of this announcement, the Board comprises two executive directors, namely, Mr. Huang Yifeng and Mr. Sun Jian; four non-executive directors, namely, Mr. Yu Huijiao, Mr. Pan Shuimiao, Mr. Li Xianjun and Mr. Chen Dong; and three independent non-executive directors, namely, Mr. Li Donghui, Mr. Xu Junmin and Mr. Chung Kwok Mo John.*