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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF ISSUED SHARES IN OTX LOGISTICS HOLLAND

The Board wishes to announce that Jumbo Channel entered into the Sale and Purchase Agreement with Uniserve and OTX Logistics Holland on 16 June 2022 (after trading hours), pursuant to which Uniserve has agreed to acquire 50% of the entire issued shares in OTX Logistics Holland from Jumbo Channel.

As the highest of the applicable percentage ratios in respect of the transaction contemplated under the Sale and Purchase Agreement is more than 5% but below 25%, the transaction contemplated under the Sale and Purchase Agreement will constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules, and will be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board wishes to announce that Jumbo Channel entered into the Sale and Purchase Agreement with Uniserve and OTX Logistics Holland on 16 June 2022 (after trading hours), pursuant to which Uniserve has agreed to acquire 50% of the entire issued shares in OTX Logistics Holland from Jumbo Channel.

THE SALE AND PURCHASE AGREEMENT

Date: 16 June 2022

Parties:

- (1) Uniserve, as purchaser
- (2) Jumbo Channel, as vendor
- (3) OTX Logistics Holland, as the target company

Assets to be disposed: 50% of the entire issued shares in OTX Logistics Holland held by Jumbo Channel

Consideration for the Disposal: EUR5,409,469 (equivalent to approximately HK\$44,325,189)

The Consideration was determined after arm's length negotiations between Jumbo Channel and Uniserve, with reference to the net asset value of OTX Logistics Holland as at 31 March 2022.

The Consideration shall be paid by Uniserve in cash on the date of Completion. The Consideration will be paid into a trust account of the notary appointed for the transaction contemplated under the Sale and Purchase Agreement on the date of Completion. The Consideration will be held by the notary in such trust account until execution of the notarial transfer deed, whereupon the notary shall hold the Consideration for and on behalf of Jumbo Channel. Upon the execution of the notarial transfer deed and Jumbo Channel fully performing its obligations in relation to the Completion pursuant to the terms of the Sale and Purchase Agreement, the notary shall pay the Consideration to Jumbo Channel one business day after the date of Completion.

COMPLETION

Completion shall take place on the date of the Sale and Purchase Agreement.

Financial effect of the Disposal and the application of the fund from the Disposal

Upon Completion, Jumbo Channel would hold 50% of the entire issued shares in OTX Logistics Holland, and OTX Logistics Holland would cease to be an indirect wholly owned subsidiary of the Company, and its financial statements would cease to be consolidated into the Company's financial statements.

After deducting the estimated expenses attributable to the Disposal of approximately HK\$180,000 subject to adjustment and audit, it is estimated that the Group will record a gain of approximately HK\$2,320,624 from the Disposal. Such gain is calculated based on the difference between (i) the net proceeds of HK\$44,325,189; and (ii) 50% of the adjusted unaudited net asset value of the OTX Logistics Holland as at 31 May 2022 (i.e. 50% of EUR10,208,583 (equivalent to HK\$83,649,129)). Shareholders should note that the actual amount of the gain or loss on the Disposal can only be ascertained when the net asset of OTX Logistics Holland and the incidental transaction costs are determined upon Completion. Therefore the actual amount of the gain or loss on the Disposal will be subject to audit and may be different from the amount mentioned above.

The net proceeds from the Disposal is excepted to be utilized for business development and general working capital for the Group.

Financial information on OTX Logistics Holland

As at the date of this announcement, OTX Logistics Holland is an indirect wholly owned subsidiary of the Company and is principally engaged in international freight forwarding services.

The following are the unaudited consolidated financial information on OTX Logistics Holland for the two years ended 31 December 2020 and 2021:

	For the year ended 31 December			
	2020		2021	
	(EUR)	(equivalent to HK\$)	(EUR)	(equivalent to HK\$)
Profit/(loss) before tax	840,932	6,890,597	(376,515)	(3,085,164)
Profit/(loss) after tax	<u>684,439</u>	<u>5,608,293</u>	<u>(235,576)</u>	<u>(1,930,310)</u>

Based on the unaudited consolidated financial statements of OTX Logistics Holland for the year ended 31 December 2021, the net asset value of OTX Logistics Holland was approximately EUR11,470,628 (equivalent to HK\$93,990,326) as at 31 December 2021. Based on the unaudited consolidated financial statements of OTX Logistics Holland for the three months ended 31 March 2022, the net asset value of OTX Logistics Holland was approximately EUR10,818,938 (equivalent to HK\$88,650,378) as at 31 March 2022.

INFORMATION ON THE COMPANY, JUMBO CHANNEL AND UNISERVE

The principal activity of the Company is investment holding, and through its subsidiaries, specialises in international air and sea freight forwarding as well as warehousing and value-added logistics and distribution. The Group further provides support services in relation to origin management, key account management, customs and compliance, web-based supply chain visibility and supply chain consultancy.

Jumbo Channel is a company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of the Company. It is principally engaged in investment holding.

Uniserve is principally engaged in logistics services. To the best of the knowledge, information and belief of the Board and having made all reasonable enquiry, Uniserve is ultimately owned as to over 99% by Mr. Iain Robert Liddell, who is the single largest shareholder of Uniserve. To the best of the knowledge, information and belief of the Board and having made all reasonable enquiry, Uniserve and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

THE REASON FOR, AND BENEFITS OF, THE DISPOSAL

The Directors are of the view that the Disposal offers an opportunity for the Group to reallocate its resources to focus on other principal markets of the Group in accordance with the Group's business strategies. As such, the Disposal is beneficial for the long term development of the Group. The Directors believe that the terms of the Sale and Purchase Agreement are fair and reasonable and the transaction contemplated under the Sale and Purchase Agreement is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios in respect of the transaction contemplated under the Sale and Purchase Agreement is more than 5% but below 25%, the transaction contemplated under the Sale and Purchase Agreement will constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules, and will be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise required, the following terms and expressions have the following meanings when used herein.

“Board”	the board of directors
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	YTO Express (International) Holdings Limited 圓通速遞 (國際) 控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed on the main board of the Stock Exchange
“Completion”	the completion of the Sale and Purchase Agreement in accordance with its terms and conditions
“Consideration”	the consideration payable by Uniserve to Jumbo Channel pursuant to the Sale and Purchase Agreement
“Disposal”	the disposal by Jumbo Channel of the 50% of the entire issued shares in OTX Logistics Holland held by Jumbo Channel to Uniserve as contemplated under and pursuant to the terms of the Sale and Purchase Agreement
“EUR”	Euro, the lawful currency of the member countries of the European Union

“Jumbo Channel”	Jumbo Channel Limited, a limited liability company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“OTX Logistics Holland”	OTX Logistics B.V., a limited liability company incorporated in the Netherlands and an indirect wholly owned subsidiary of the Company immediately prior to the Disposal
“Sale and Purchase Agreement”	the share sale and purchase agreement dated 16 June 2022 entered into between Jumbo Channel as vendor, Uniserve as purchaser and OTX Logistics Holland as the target company in relation to the Disposal
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Uniserve”	Uniserve Holdings Limited, a limited liability company incorporated in England and Wales
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	Percentage

For the purpose of this announcement, the following exchange rates has been adopted: EUR1: HK\$8.1940

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

Hong Kong, 16 June 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. Yang Xinwei and Mr. Chen Dong; and three independent non-executive directors, namely, Mr. Li Donghui, Mr. Xu Junmin and Mr. Chung Kwok Mo John.