

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



YTO INTERNATIONAL EXPRESS AND SUPPLY CHAIN TECHNOLOGY LIMITED
圓通國際快遞供應鏈科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 6123)

VOLUNTARY ANNOUNCEMENT
ENTERING INTO THE PARTNERSHIP AGREEMENT WITH KAZPOST
FOR FORMATION OF PARTNERSHIP IN KAZAKHSTAN

The Board wishes to announce that Citynet, an indirect wholly-owned subsidiary of the Company, entered into a Partnership Agreement with KazPost on 5 July 2024 in relation to the formation of a limited liability partnership between the Group and KazPost in the Republic of Kazakhstan for, among others, the development of international and domestic courier delivery services and other related services in the Republic of Kazakhstan and central Asia.

As the highest of the applicable percentage ratios in respect of the capital commitment by Citynet under the Partnership Agreement is less than 5% and on the basis of the Stock Exchange's decision as regard KazPost's Acquisition Right as further disclosed below, the transactions as contemplated under the Partnership Agreement (including the grant of the Acquisition Right thereunder) do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

FORMATION OF THE PARTNERSHIP

The Board wishes to announce that Citynet and KazPost entered into the Partnership Agreement on 5 July 2024, in relation to the formation of the Partnership as a limited liability partnership in the Republic of Kazakhstan for, among others, the establishment of a joint distribution center in, and the development of international and domestic courier delivery services and other related services in the Republic of Kazakhstan and central Asia.

The authorized capital of the Partnership will be US\$1 million (equivalent to HK\$7,808,650). Citynet and KazPost will make their respective contribution to the authorized capital of the Partnership by paying in cash to the Partnership as to US\$600,000 (equivalent to HK\$4,685,190) by Citynet and as to US\$400,000 (equivalent to HK\$3,123,460) by KazPost within three months after the registration of the Partnership. Upon completion of the payment of the authorized capital of the Partnership, the Partnership will be owned as to 60% by Citynet and 40% by KazPost, and the Partnership will become a subsidiary of the Company.

Under the Partnership Agreement, in the event of the occurrence of a deadlock at the general meeting of the Partnership which could not be resolved by the parties after good faith discussion at a deadlock-resolution meeting to be held within 10 business days after the service of a deadlock notice by either party, or that the deadlock-resolution meeting could not be held within the said period, either party will have the right to acquire the other party's entire interests of the Partnership (the "**Acquisition Right**"). The exercise price for the Acquisition Right shall, unless the parties agree otherwise, be equivalent to the then estimated value of the Partnership to be appraised by one of the big-four accounting firms as appointed by the party serving the deadlock notice. No premium is payable for the Acquisition Right by Citynet and KazPost.

INFORMATION ON THE PARTNERSHIP

The Partnership will be established in the Republic of Kazakhstan as a limited liability partnership under the law of the Republic of Kazakhstan and will be principally engaged in the development of international and domestic courier delivery services and other related services in the Republic of Kazakhstan and central Asia.

INFORMATION ON THE COMPANY, CITYNET AND THE PARTNER

The Company is an investment holding company and, through its subsidiaries, is principally engaged 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.

Citynet is a company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company. It is principally engaged in investment holding.

KazPost is the national postal service of the Republic of Kazakhstan. To the best of the knowledge, information and belief of the Board and having made all reasonable enquiry, KazPost and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE PARTNERSHIP

The Directors are of the view that the Partnership offers an opportunity for the Group to expand its international air and sea freight forwarding services in the Republic of Kazakhstan and central Asia in accordance with the Group's business strategies. As such, the Partnership is beneficial for the long term development of the Group. The Directors considers that the terms of the Partnership Agreement are fair and reasonable and the transaction contemplated under the Partnership Agreement is in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest of the applicable percentage ratios in respect of the capital commitment by Citynet under the Partnership Agreement is less than 5% and on the basis of the Stock Exchange's decision as regard KazPost's Acquisition Right as further disclosed below, the transactions as contemplated under the Partnership Agreement (including the grant of the Acquisition Right thereunder) do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.73 of the Listing Rules, the grant of the Acquisition Right by either party to the other under the Partnership Agreement constitutes a grant of option under Rule 14.72 of the Listing Rules.

Pursuant to Rule 14.74(1) of the Listing Rules, as the exercise of the Acquisition Right granted by Citynet to KazPost will not be at the discretion of the Group, on the grant by Citynet of KazPost's Acquisition Right, the transaction will be treated as if such Acquisition Right had been exercised. While no premium will be payable by KazPost in acquiring such Acquisition Right, as it is uncertain as to whether and when KazPost's Acquisition Right may be exercised, the Company was unable to ascertain the actual monetary value of the exercise price of such Acquisition Right or the value of the underlying assets and the profits and revenue attributable to such assets at the time of the signing of the Partnership Agreement (i.e. on the grant of, and acquisition by, KazPost of such Acquisition Right). Under Rule 14.76(1) of the Listing Rules, where, on the grant of an option, the actual monetary value of each of the premium, the exercise price, the value of the underlying assets and the profits and revenue attributable to such assets has not been determined, the listed issuer must demonstrate the highest possible monetary value, which value will then be used for the purpose of classification of notifiable transaction. Failure to do so will result in the transaction being classified as at least a major transaction. Nevertheless, the Company has consulted with the Stock Exchange, and the Stock Exchange has ruled that the grant of the Acquisition Right by Citynet to KazPost would not be classified as a major transaction under Rule 14.76(1) of the Listing Rules.

Pursuant to Rule 14.75(1) of the Listing Rules, as the exercise of the Acquisition Right granted by KazPost to Citynet will be at the discretion of the Group, and no premium will be payable by Citynet in acquiring such Acquisition Right, the acquisition by Citynet of the Acquisition Right from KazPost does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The Company will issue an announcement pursuant to the requirements under the Listing Rules in the event that KazPost exercises its Acquisition Right under the Partnership Agreement. The exercise by Citynet of its Acquisition Right under the Partnership Agreement will be subject to compliance by the Company of the applicable announcement and/or Shareholders' approval requirements under the Listing Rules.

DEFINITIONS

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

“Acquisition Right”	as defined in the paragraph headed “Formation of the Partnership” in this announcement
“Board”	the board of Directors
“Citynet”	Citynet Logistics Worldwide Limited, a limited liability company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	YTO International Express and Supply Chain Technology Limited 圓通國際快遞供應鏈科技有限公司, an exempted company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“KazPost”	Joint Stock Company “Kazpost”, a joint stock company incorporated in the Republic of Kazakhstan
“Partnership”	“QazPost-YTO” Limited Liability Partnership, a limited liability partnership to be established in the Republic of Kazakhstan pursuant to the Partnership Agreement
“Partnership Agreement”	the partnership agreement dated 5 July 2024 entered into between Citynet and KazPost in relation to the formation of the Partnership
“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
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“US\$” United States dollar(s), the lawful currency of the United States of America

“%” percentage

For the purpose of this announcement, the following exchange rates has been adopted: US\$1: HK\$7.80865. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By order of the Board
YTO International Express and Supply Chain Technology Limited
圓通國際快遞供應鏈科技有限公司
Yu Huijiao
Chairman

Hong Kong, 5 July 2024

As at the date of this announcement, the Board comprises two executive directors, namely, Mr. Yang Xinwei and Mr. Zhou Jian; four non-executive directors, namely, Mr. Yu Huijiao, Mr. Pan Shuimiao, Ms. Wang Lixiu and Mr. Su Xiufeng; and three independent non-executive directors, namely, Mr. Li Donghui, Mr. Xu Junmin and Mr. Chung Kwok Mo John.