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ON TIME LOGISTICS HOLDINGS LIMITED

先達國際物流控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6123)

POSITIVE PROFIT ALERT

The Board wishes to inform the Shareholders and potential investors that based on the preliminary review by the Company's management on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2017 and other information currently available to the Board, the Group is expected to record a very substantial increase in the revenue and net profit for the six months ended 30 June 2017 as compared with the corresponding period in 2016.

WARNING

Shareholders and potential investors of the Company should note that the Positive Profit Alert Statement has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Positive Profit Alert Statement in assessing the merits and demerits of the Offers. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

This announcement is made by On Time Logistics Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Based on the preliminary review by the Company's management on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2017 and other information currently available to the board of directors (the "**Board**") of the Company, the Board wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Group is expected to record a very substantial increase in the revenue and net profit for the six months ended 30 June 2017 as compared to the corresponding period in 2016 (the "**Positive Profit Alert Statement**"). Such increase is mainly attributable by the following:

- (a) the increase in air freight tonnage due to overall increase in demand in the market of the United States, recovery of the European market and increase in cross-border small parcel delivery services. Due to the increasing demand for the air freight services, part of the buying costs increased resulting in adjustment of the selling rate. Revenue from the air freight services business has increased accordingly;
- (b) the decrease in staff cost during the six months ended 30 June 2017 since severance package was paid to the station managers who left the Group during the corresponding period in 2016; and
- (c) the disposal of e-commerce business, which has not contributed profit to the Group.

The information contained in this announcement is only based on preliminary assessment by the Company of its unaudited consolidated management accounts for the six months ended 30 June 2017 and is not based on any figure or information audited or reviewed by the Company's independent auditors, and may be subject to amendments. Shareholders and potential investors are advised to refer to details in the interim results announcement of the Company for the six months ended 30 June 2017 which is expected to be published by the end of August 2017.

Reference is also made to the joint announcements (the "**Joint Announcements**") issued by the Company and YTO Express Group Co., Ltd. dated 8 May 2017, 29 May 2017, 29 June 2017 and 19 July 2017 in relation to, among other things, the SPA and the Offers (both as defined in the Joint Announcements). Unless otherwise stated, terms used in this announcement shall have the same meanings as those ascribed to them in the Joint Announcements.

Pursuant to Rule 10 of the Takeovers Code, the Positive Profit Alert Statement constitutes a profit forecast and must be reported on by the Company's financial advisers and auditor. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules), the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

The Company would like to draw the attention of the Shareholders and potential investors that the Positive Profit Alert Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. The Positive Profit Alert Statement will be reported on by the Company's financial adviser and its auditor as soon as possible in accordance with the Takeovers Code and such reports will be contained in the next document to be issued by the Company to the Shareholders (the "Shareholders' Document"). However, if the interim results announcement for the six months ended 30 June 2017 is published prior to the next Shareholders' Document and the relevant results together with the notes to the financial statements are included in the next Shareholders' Document, such reports shall no longer be required.

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Shareholders and potential investors of the Company should note that the Positive Profit Alert Statement has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Positive Profit Alert Statement in assessing the merits and demerits of the Offers. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By Order of the Board
On Time Logistics Holdings Limited
先達國際物流控股有限公司
LAM Chun Chin, Spencer
Chairman and Chief Executive Officer

Hong Kong, 21 July 2017

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. LAM Chun Chin, Spencer, Mr. Hartmut Ludwig HAENISCH, Ms. CHEUNG Ching Wa, Camy, Ms. WONG Pui Wah and Mr. Dennis Ronald DE WIT; and three independent non-executive Directors, namely, Mr. POON Ka Lee, Barry, Mr. NG Wai Hung and Mr. WONG See Ho.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.