

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stock broker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in YTO Express (International) Holdings Limited (the "Company"), you should at once hand this circular to the purchaser or transferee, or to the bank manager, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



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)

**PROPOSED ISSUE OF NEW SHARES UNDER
THE SHARE AWARD PLAN PURSUANT TO SPECIFIC MANDATE,
CONNECTED TRANSACTION IN RELATION TO
THE PROPOSED ISSUE OF NEW SHARES UNDER
THE SHARE AWARD PLAN TO CONNECTED PERSONS
PURSUANT TO SPECIFIC MANDATE
AND**

NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



A letter from the Board is set out on pages 6 to 19 of this circular. A letter from the Independent Board Committee containing its recommendation is set out on pages 20 to 21 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 35 of this circular.

A notice convening the EGM of YTO Express (International) Holdings Limited to be held at Bowen Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 28 February 2019 at 2:30 p.m. is set out on pages II-1 to II-3 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ytglobal.com). Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the holding of the EGM or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

1 February 2019

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
Letter from the Independent Board Committee	20
Letter from the Independent Financial Adviser	22
Appendix I - General Information	I-1
Appendix II - Notice of the EGM	II-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions have the meanings ascribed to them below:

“Adoption Date”	17 August 2018, being the date on which the Board approved the adoption of the Plan
“Announcement”	the announcement of the Company dated 31 August 2018 in relation to, among others, (i) the proposed issue of new Shares under the Plan pursuant to specific mandate; and (ii) connected transaction in relation to the proposed issue of new Shares under the Plan to connected persons pursuant to specific mandate
“associate”	has the meaning ascribed to it under the Listing Rules
“Award”	an award of Award Shares made in accordance with the Plan
“Award Shares”	the Share(s) awarded to a Selected Participant pursuant to an Award
“Awarded Shares”	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award
“Board”	the board of Directors and if the context of the terms of the Plan and/or the Trust Deed so permits, it shall include such committee or sub-committee or person(s) delegated with the power and authority by the board of Directors to administer the Plan
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“close associate”	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
“Connected Award Shares”	an aggregate of 1,900,000 Award Shares awarded to, and accepted by, the Connected Selected Participants
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Connected Selected Participants”	Selected Participants who were former Directors in the last 12 months and/or director of certain subsidiaries of the Company, being connected persons of the Company
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Bowen Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 2:30 p.m. on Thursday, 28 February 2019 to consider, and if thought fit, to approve the issue and allotment of the Selected Participants Award Shares
“Excluded Participant(s)”	any person who is resident in a place where the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of Shares pursuant to the terms of the Plan is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Award Shares”	an aggregate of 7,500,000 Award Shares awarded to, and accepted by, the Independent Selected Participants
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors formed for the purpose of advising the Independent Shareholders in relation to the allotment and issue of the Connected Award Shares to the Connected Selected Participants

DEFINITIONS

“Independent Financial Adviser”	Red Sun Capital Limited, a licensed corporation under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities and the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders as to the allotment and issue of the Connected Award Shares to the Connected Selected Participants
“Independent Selected Participants”	Selected Participants who are third parties independent of the Company and connected persons of the Company
“Independent Shareholders”	the Shareholders other than the Connected Selected Participants and their respective associates who are not required to abstain from voting at the EGM
“Latest Practicable Date”	28 January 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Plan”	the share award plan of the Company, which has become effective on the Adoption Date, as altered from time to time
“Returned Shares”	such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Plan, or such Shares being deemed to be Returned Shares
“Selected Participant(s)”	any eligible participant under the Plan for whom Shares have been provisionally set aside pursuant to an Award
“Selected Participant Award”	an award of the Selected Participant Award Shares granted by the Board to the Selected Participants in accordance with the Plan
“Selected Participant Award Shares”	an aggregate of 9,400,000 Shares awarded to the Selected Participants under the Plan pursuant to the Board’s approval on 31 August 2018
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	shares of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust deed dated 17 August 2018 and entered into between the Company as settlor and Acheson Limited as trustee for governing, among other matters, the duties and powers of the Trustee, as restated, supplemented and amended from time to time
“Trust Fund”	the funds and properties held under the Trust and managed by the Trustee for the benefit of the eligible participants under the Plan in accordance with the terms of the Plan and the Trust Deed
“Trustee”	the trustee or any additional or replacement trustee as shall be from time to time appointed by the Company for the administration of the Shares and other trust fund to be held by the Trustee for the implementation of the Plan. As at the Latest Practicable Date, the Trustee was Acheson Limited, a company incorporated in Hong Kong
“Vesting Date”	in relation to any Selected Participant, the date on which the legal and beneficial ownership of the Award Shares are vested in such Selected Participant pursuant to an Award
“Vesting Period”	in relation to any Selected Participant, the period commencing on the date on which the Award Shares have been provisionally set aside pursuant to an Award to such Selected Participant and ending on the Vesting Date (both dates inclusive)
“Vesting Year”	in relation to any Selected Participant, the year on which the legal and beneficial ownership of the Award Shares are vested in such Selected Participant pursuant to an Award

DEFINITIONS

“YTO Express”	YTO Express Group Co., Ltd.* 圓通速遞股份有限公司, a joint stock limited liability company incorporated in the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600233), and a controlling Shareholder
“YTO Express Group”	YTO Express and its subsidiaries
“Yuan Jun”	Shanghai Yuan Jun International Trading Company Limited* 上海圓鈞國際貿易有限公司, a company established in the PRC and a wholly-owned subsidiary of YTO Express, and a controlling Shareholder
“Yuantong Jiaolong”	Shanghai Yuantong Jiaolong Investment Development (Group) Co., Ltd.* 上海圓通蛟龍投資發展(集團)有限公司, a company established in the PRC which directly held approximately 51.05% of the equity interest in the share capital of YTO Express, and a controlling Shareholder
“%”	per cent.

* For identification purposes only

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Li Xianjun
Mr. Lam Chun Chin, Spencer

Non-executive Directors:

Mr. Yu Huijiao
Mr. Su Xiufeng
Mr. Zhu Rui
Mr. Lin Kai

Independent Non-executive Directors:

Mr. Li Donghui
Mr. Xu Junmin
Mr. Chung Kwok Mo John

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business:*

Unit 18, 1st Floor
Sino Industrial Plaza
9 Kai Cheung Road
Kowloon Bay
Hong Kong

1 February 2019

To the Shareholders,

Dear Sir/Madam,

**PROPOSED ISSUE OF NEW SHARES UNDER
THE SHARE AWARD PLAN PURSUANT TO SPECIFIC MANDATE,
CONNECTED TRANSACTION IN RELATION TO
THE PROPOSED ISSUE OF NEW SHARES UNDER
THE SHARE AWARD PLAN TO CONNECTED PERSONS
PURSUANT TO SPECIFIC MANDATE**

INTRODUCTION

Reference is made to the Announcement. As disclosed in the Announcement, the Board has resolved to grant Awards to 42 Selected Participants under the Plan comprising of an aggregate of 10,400,000 Award Shares, subject to acceptance of the Selected Participants, of which, (i) 2,500,000 Connected Award Shares were awarded to four Connected Selected Participants and (ii) 7,900,000 Independent Award Shares were awarded to 38 Independent Selected Participants. A Connected Selected Participant, Mr. Dennis Ronald de Wit, and two Independent Selected Participants did not accept the

LETTER FROM THE BOARD

Award Shares. As such an aggregate of 9,400,000 Award Shares were granted and accepted by the Selected Participants, of which, (i) 1,900,000 Connected Award Shares were awarded to three Connected Selected Participants; and (ii) 7,500,000 Independent Award Shares were awarded to 36 Independent Selected Participants.

The main purpose of this circular is to provide you with, among other things, (i) information regarding the Award Shares and the proposed specific mandate for the allotment and issue of the Selected Participant Award Shares, (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Award Shares, (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Connected Award Shares and (iv) a notice of the EGM to the Shareholders.

GRANT OF AWARD SHARES UNDER THE PLAN

On 31 August 2018, the Board has resolved to grant Awards to 42 Selected Participants under the Plan comprising of an aggregate of 10,400,000 Award Shares, subject to acceptance of the Selected Participants, by way of issue and allotment of new Shares pursuant to the specific mandate which may be granted by the Independent Shareholders/Shareholders (as the case may be) at the EGM. A Connected Selected Participant, Mr. Dennis Ronald de Wit, and two Independent Selected Participants did not accept the Award Shares. As such an aggregate of 9,400,000 Award Shares were granted and accepted by the Selected Participants, of which, (i) 1,900,000 Connected Award Shares were awarded to three Connected Selected Participants; and (ii) 7,500,000 Independent Award Shares were awarded to 36 Independent Selected Participants.

Among the 9,400,000 Award Shares:

- (i) the Connected Award Shares were awarded to three Connected Selected Participants; and
- (ii) the Independent Award Shares were awarded to 36 Independent Selected Participants.

LETTER FROM THE BOARD

AWARD TO THE CONNECTED SELECTED PARTICIPANTS

The Awards will be satisfied by the issue and allotment of new Shares to the Trustee or satisfied by the Shares purchased or to be purchased by the Trustee on the market under the Plan which shall be held on trust by the Trustee before the vesting of the Awards. The allotment and issue of such Connected Award Shares to Connected Selected Participants shall constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The issue and allotment of the Connected Award Shares shall be subject to, among others, the approval by the Independent Shareholders at the EGM.

The Connected Award Shares were awarded to, and accepted by, the following connected persons of the Company:

Name of Connected Selected Participants	Relationship with the Group as at the Latest Practicable Date	Number of Connected Award Shares
Wong Pui Wah	Currently director of certain subsidiaries of the Company	800,000
Cheung Ching Wa, Camy	Currently director of certain subsidiaries of the Company	600,000
Chen Jinbo	Director of certain subsidiaries of the Company	500,000
Total		<u>1,900,000</u>

The Awards granted to the Connected Selected Participants have been approved by the independent non-executive Directors.

None of the Directors has any material interest in the awards of the Connected Award Shares. Accordingly, none of the Directors has abstained from approving the relevant board resolutions on the awards of the Connected Award Shares.

LETTER FROM THE BOARD

AWARD TO THE INDEPENDENT SELECTED PARTICIPANTS

7,500,000 Independent Award Shares were awarded to, and accepted by, 36 Independent Selected Participants, who are either employees of the Group (none of which are directors or chief executive of any members of the Group) or Selected Participants who have contributed or may contribute by way of business arrangement to the development and growth of the Group. The Awards will be satisfied by the issue and allotment of new Shares to the Trustee or satisfied by the Shares purchased or to be purchased by the Trustee on the market under the Plan which shall be held on trust by the Trustee before the vesting of the Independent Award Shares. The issue and allotment of the Independent Award Shares shall be subject to, among others, the approval by the Shareholders at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Independent Selected Participants are third parties independent of the Company and connected persons of the Company.

CONDITIONS

The issue and allotment of the Connected Award Shares to the Trustee which shall be held on trust for the Connected Selected Participants shall be subject to:

- (i) the approval by the Independent Shareholders at the EGM in respect of the specific mandate for the issue and allotment of the Connected Award Shares; and
- (ii) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Connected Award Shares which may be allotted and issued by the Company to the Trustee.

The issue and allotment of the Independent Award Shares to the Trustee which shall be held on trust for the Independent Selected Participants shall be subject to:

- (i) the approval by the Shareholders at the EGM in respect of the specific mandate for the issue and allotment of the Independent Award Shares; and
- (ii) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Independent Award Shares which may be allotted and issued by the Company to the Trustee.

LETTER FROM THE BOARD

FURTHER DETAILS OF THE SELECTED PARTICIPANT AWARD SHARES

The information in relation to the Awards of the Selected Participant Award Shares is set out below:

Securities to be issued:

An aggregate of a maximum of 9,400,000 Award Shares, comprising (i) a maximum of 1,900,000 Connected Award Shares which may be issued and allotted to the Trustee which shall be held on trust for the Connected Selected Participants before the vesting of the Awards; and (ii) a maximum of 7,500,000 Independent Award Shares which may be issued and allotted to the Trustee which shall be held on trust for the Independent Selected Participants before the vesting of the Awards. The Trustee will not be regarded as connected person of the Company under Rule 14A.12 of the Listing Rules as the Connected Award Shares to be held by the Trustee before vesting of the Awards will be less than 30% of the Selected Participant Award Shares.

The Selected Participant Award Shares which may be issued by the Company to the Selected Participants represent approximately 2.3% of the total number of Shares in issue at the Latest Practicable Date and approximately 2.2% of the total number of Shares in issue as enlarged by the issue and allotment of the Selected Participant Award Shares.

The Selected Participant Award Shares will rank equally with the Shares in issue on the date of their allotment and issue. The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust constituted by the Trust Deed.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Selected Participant Award Shares.

LETTER FROM THE BOARD

Issue price of the Award Shares:	At par value of HK\$0.10 per Share
Market value of the Award Shares:	<p>Based on the closing price of the Shares as at the date of the Announcement, as quoted on the Stock Exchange of HK\$3.34 per Share, the market values of 1,900,000 Connected Award Shares and 7,500,000 Independent Award Shares are approximately HK\$6,346,000 and HK\$25,050,000, respectively.</p> <p>Based on the closing price of the Shares as at the Latest Practicable Date as quoted on the Stock Exchange of HK\$2.77 per Share, the market values of 1,900,000 Connected Award Shares and 7,500,000 Independent Award Shares are approximately HK\$5,263,000 and HK\$20,775,000, respectively.</p>
Market price of the Shares:	<p>The closing price of the Shares as at the date of the Announcement and the Latest Practicable Date, was HK\$3.34 and HK\$2.77 per Share, respectively.</p> <p>The average closing price of the Shares for the five consecutive trading days immediately preceding the date of the Announcement and the Latest Practicable Date as quoted on the Stock Exchange was HK\$3.44 and HK\$2.75 per Share, respectively.</p>
Nominal value of the Award Shares:	The Award Shares have a total nominal value of HK\$940,000.

LETTER FROM THE BOARD

**Consideration and funds
to be raised:**

The Selected Participants are required to pay (the “**Vesting Price**”) a vesting price of HK\$1 per Selected Participant Award Share to the Trustee on or before the applicable Vesting Date to which the vesting of the relevant Selected Participant Award Shares relates (as carried forward pursuant to sub-paragraph (i) of the paragraph headed “Vesting Conditions” below where applicable) (the “**Prescribed Payment Deadline**”), failing which, the Selected Participant Awards for the Selected Participant Award Shares shall automatically lapse upon expiry of such Prescribed Payment Deadline. The Vesting Price will be paid to the Trustee as Trust Fund to be held by the Trustee for the Plan. As such, no fund will be raised by the Company as a result of the issue and allotment of the Award Shares or the satisfaction of the Award Shares by the Shares purchased by the Trustee on the market.

The lapsed Selected Participant Award Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Plan. The Trustee shall hold Returned Shares exclusively for the benefit of all or one or more of the eligible participants (excluding any Excluded Participants) as the Board shall in its absolute discretion at any time determine and select in writing as Selected Participant(s).

Identity of the allottee:

The Shares will be allotted and issued to the Trustee and the Trustee will hold the Selected Participant Award Shares during the Vesting Period on the terms of the Trust Deed.

LETTER FROM THE BOARD

Vesting:

Subject to the acceptance by each of the Selected Participants and the vesting conditions as mentioned below being fully satisfied, the Selected Participant Award Shares shall be vested on the following date as follows:

Vesting Year	Vesting Date	Percentage of Selected Participant Award Shares to be vested
2019	The later of (i) the Business Day immediately after the 12th month following 31 August 2018 (“ Date of Grant ”); or (ii) the Business Day immediately after the 30th day of the Business Day immediately after the publication of the annual results of the Company for the year ending 31 December 2018 pursuant to the Listing Rules, subject however to the carrying forward mechanism as referred to in sub-paragraph (i) of the paragraph headed “Vesting Conditions” below.	30%
2020	The later of (i) the Business Day immediately after the 24th month following the Date of Grant; or (ii) the Business Day immediately after the 30th day of the Business Day immediately after the publication of the annual results of the Company for the year ending 31 December 2019 pursuant to the Listing Rules, subject however to the carrying forward mechanism as referred to in sub-paragraph (i) of the paragraph headed “Vesting Conditions” below (the “ 2020 Vesting Date ”).	30%
2021	The later of (i) the Business Day immediately after the 36th month following the Date of Grant; or (ii) the Business Day immediately after the 30th day of the Business Day immediately after the publication of the annual results of the Company for the year ending 31 December 2020 pursuant to the Listing Rules.	40%

LETTER FROM THE BOARD

Vesting Conditions:

Subject to the acceptance by each of the Selected Participants and the vesting conditions as mentioned below being fully satisfied, the Selected Participant Award Shares shall be vested on the following date as follows:

(i) *Company level performance target:*

The Company achieves an audited consolidated profit after tax (excluding extraordinary items) in an amount as prescribed by the Board for each of the years ending 31 December 2018, 2019 and 2020.

If any of the above Company level performance target for the Vesting Year 2019 or Vesting Year 2020 could not be achieved, unless such relevant Company level performance target having been waived or adjusted by the Board, the Selected Participant Award Shares (the “**C/F Awarded Shares**”) in relation to the relevant Vesting Date will not be vested but will be carried forward to the Vesting Date for the next Vesting Year so that the vesting of these C/F Awarded Shares will be vested on the Vesting Date for the next Vesting Year subject to the Company achieving the performance target for the original Vesting Year and the next Vesting Year on an accumulated basis. Assuming that the Selected Participants have achieved his/her personal level performance targets for Vesting Year 2019 as mentioned below, if the Company fails to achieve the performance target set for the Vesting Year 2019 but is able to achieve the performance target set for the Vesting Year 2020 so that the aggregate audited consolidated profit after tax (excluding extraordinary items) for the years ending 31 December 2018 and 2019 equals to or exceeds the aggregate performance targets as prescribed by the Board, the C/F Awarded Shares for the Vesting Year 2019 will be vested on the 2020 Vesting Date. However, if the Company is only able to achieve the performance target set for the Vesting Year 2020 but fails to achieve the aggregate performance targets for both Vesting Year 2019 and Vesting Year 2020, the Selected Participant Awards for the C/F Awarded Shares in respect of the Vesting Year 2019 shall automatically lapse on the 2020 Vesting Date.

LETTER FROM THE BOARD

(ii) *Personal level performance target*

The Selected Participant shall obtain an overall score of 60 or above for his/her personal level performance target(s) in respect of the relevant Vesting Year in the appraisal conducted by the chairman of the Company before each of the date of the publication of the annual results of the Company for the financial years ending 2018, 2019 and 2020. Personal level performance target is assessed based on one or more of the indicators as prescribed by the Board.

If the Selected Participant fails to achieve the relevant personal level performance target(s) in respect of the relevant Vesting Year, the Selected Participant Award for the Selected Participant Award Shares for the relevant Vesting Year shall automatically forthwith lapse on the date when the Company by way of written notice informs the Selected Participant of his/her overall score in respect of the relevant Vesting Year on the respective dates of the publication of the annual results of the Company for the years ending 31 December 2018, 2019 and 2020.

Others:

In the event that the Selected Participant ceases to be an Employee by reason as described in the Plan, or the Selected Participant is found to be an Excluded Participant or fails to return duly executed transfer documents prescribed by the Trustee between the date the Selected Participant has made the payment for the Vesting Price and the relevant Vesting Date, the Selected Participant Award made to him/her shall automatically lapse forthwith and all/the relevant Selected Participant Award Shares (as the case may be) shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Plan. Under such circumstances, the Trustee shall within 10 Business Days from the original intended Vesting Date refund to the Selected Participant all of the Vesting Price received (without interest).

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

REASONS FOR AND BENEFITS IN THE GRANT OF AWARD SHARES

The Plan forms part of the incentive schemes of the Group. The Board considers that the grant of the Awards to the Selected Participants, which were determined with reference to, among others, the contribution and/or future contribution to the development and growth of the Group, provides incentives to each of them and will allow the Group to attract and retain talents for the continual operation and development of the Group. Furthermore, if the Board elects to satisfy the Award Shares by way of issue and allotment of new Shares, there will not be any actual cash outflow by the Company for the Awards of the Award Shares.

INFORMATION ON THE GROUP

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.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The independent board committee of the Company, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the specific mandate for the allotment and issue of the Connected Award Shares to the Connected Selected Participants is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Red Sun Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the specific mandate for the allotment and issue of the Connected Award Shares to the Connected Selected Participants.

EGM

An EGM will be held to consider and, if thought fit, passing the ordinary resolutions to approve, among other matters, the specific mandate for the allotment and issue of the Selected Participant Award Shares.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the relevant connected transaction is required to abstain from voting on the relevant resolutions at the EGM.

LETTER FROM THE BOARD

Ms. Cheung Ching Wa, Camy (“**Ms. Cheung**”) and Mr. Chen Jinbo (“**Mr. Chen**”) are Connected Selected Participants. As at the Latest Practicable Date, Mr. Chen and an associate of Ms. Cheung held a total of 108,000 Shares, representing approximately 0.003% of the Shares in issue as at the Latest Practicable Date, are required to abstain from voting on all the resolutions at the EGM to approve the specific mandate in respect of the allotment and issue of the Connected Award Shares.

Save for the above, to the best of the Directors’ knowledge, information and belief, no other Shareholders has a material interest in respect of the allotment and issue of the Selected Participant Award Shares and accordingly none of them is required to abstain from voting on the resolutions relating to the proposed specific mandate for the allotment and issue of the Selected Participant Award Shares at the EGM.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ytglobal.com). Whether or not you are able to attend the EGM, please complete and return the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time scheduled for holding the EGM or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM if you so wish and in such event, your proxy form shall be deemed to be revoked.

Details of the Connected Award Shares will be disclosed in the Company’s published annual report and accounts in accordance with Rule 14A.49 of the Listing Rules.

VOTING BY POLL AT THE EGM

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the EGM. An announcement on the poll vote results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Board believes that the grant of the Selected Participant Awards is in line with the purposes and objectives of the Plan.

The Directors (including the independent non-executive Directors) consider that the awards of the Connected Award Shares to the Connected Selected Participants and the transactions contemplated thereunder is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the grant of the specific mandate for the allotment and issue of the Connected Award Shares to the Connected Selected Participants.

The Directors (including the independent non-executive Directors) consider that the awards of the Selected Participant Award Shares to the Selected Participants and the transactions contemplated thereunder is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the grant of the specific mandate for the allotment and issue of the Selected Participant Award Shares to the Selected Participants.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 20 to 21 of this circular, which contains its recommendation to the Independent Shareholders as to the award of the Connected Award Shares to the Connected Selected Participants; and (ii) the letter from the Independent Financial Adviser set out on pages 22 to 35 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the award of the Connected Award Shares to the Connected Selected Participants and reasons considered by it in arriving at its opinion.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the view that the grant of the specific mandate for the allotment and issue of the Connected Award Shares to the Connected Selected Participants is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommend that the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the grant of the specific mandate for the allotment and issue of the Connected Award Shares to the Connected Selected Participants.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 25 February 2019 to Thursday, 28 February 2019 (both days inclusive) for the purpose of determining the right to attend and vote at the EGM. In order to be qualified for attending and voting at the EGM, 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Friday, 22 February 2019.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
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



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)

1 February 2019

To the Shareholders,

Dear Sir/Madam,

**PROPOSED ISSUE OF NEW SHARES UNDER
THE SHARE AWARD PLAN PURSUANT TO SPECIFIC MANDATE,
CONNECTED TRANSACTION IN RELATION TO
THE PROPOSED ISSUE OF NEW SHARES UNDER
THE SHARE AWARD PLAN TO CONNECTED PERSONS
PURSUANT TO SPECIFIC MANDATE**

We refer to the circular dated 1 February 2019 (the “Circular”) issued by the Company to its Shareholders of which this letter forms part. Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the Circular.

We understand that as the Connected Selected Participants are connected persons of the Company, the issue and allotment of the Connected Award Shares to those Connected Selected Participants constitute connected transactions on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the Independent Shareholders.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether the grant of the specific mandate for the allotment and issue of the Connected Award Shares to the Connected Selected Participants is in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Red Sun Capital Limited has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this respect. Further information of its advice is set out on pages 22 to 35 of the Circular. Your attention is also drawn to the letter from the Board set forth on pages 6 to 19 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the advice and recommendation of Red Sun Capital Limited, we are of the opinion that the grant of the specific mandate for the allotment and issue of the Connected Award Shares to the Connected Selected Participants is in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the grant of the specific mandate for the allotment and issue of the Connected Award Shares to the Connected Selected Participants.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Li Donghui

Mr. Xu Junmin

Mr. Chung Kwok Mo John

Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from Red Sun Capital Limited to the Independent Board Committee and the Independent Shareholders in relation to the grant of the Connected Award Shares to the Connected Selected Participants prepared for the purpose of incorporation in this circular.



紅日資本有限公司
RED SUN CAPITAL LIMITED

Unit 3303, 33/F, West Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong
Tel: (852) 2857 9208
Fax: (852) 2857 9100

1 February 2019

To: *The Independent Board Committee and the Independent Shareholders of
YTO Express (International) Holdings Limited*

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ISSUE OF NEW SHARES UNDER THE SHARE AWARD PLAN TO CONNECTED PERSONS PURSUANT TO SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Award Shares and the transactions contemplated thereunder, details of which are set out in the circular to the Shareholders dated 1 February 2019 (the “**Circular**”), of which this letter forms part. This letter contains our advice to the Independent Board Committee and the Independent Shareholders in respect of the grant of Connected Award Shares and the transactions contemplated thereunder. Unless otherwise stated, terms defined in the Circular have the same meanings in this letter.

As set out in the letter from the Board in the Circular (the “**Letter from the Board**”), and with reference to the announcements of the Company dated 17 August 2018 and 31 August 2018 (the “**Announcements**”), the Board approved the adoption of the Plan on 17 August 2018 with a view to provide incentives to the Selected Participants, including Connected Selected Participants and Independent Selected Participants, and to attract and retain talents for the continual operation and development of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 31 August 2018, the Board resolved to grant Awards to 42 Selected Participants under the Plan comprising of an aggregate of 10,400,000 Award Shares, subject to acceptance of the Selected Participants, of which, (i) 2,500,000 Connected Award Shares were awarded to four Connected Selected Participants; and (ii) 7,900,000 Independent Award Shares were awarded to 38 Independent Selected Participants by way of issue and allotment of new Shares.

However, as set out in the Letter from the Board, a Connected Selected Participant, namely Mr. Dennis Ronald de Wit, and two Independent Selected Participants did not accept the Award Shares. As such, an aggregate of 9,400,000 Award Shares were granted and accepted by the Selected Participants, of which, (i) 1,900,000 Connected Award Shares were awarded to three Connected Selected Participants; and (ii) 7,500,000 Independent Award Shares were awarded to 36 Independent Selected Participants.

The Awards will be satisfied by the issue and allotment of new Shares to the Trustee or satisfied by the Shares purchased or to be purchased by the Trustee on the market under the Plan which shall be held on trust by the Trustee before the vesting of the Awards. As such, the allotment and issue of such Connected Award Shares or the satisfaction of the Connected Award Shares by the Shares purchased or to be purchased by the Trustee on the market to the three remaining Connected Selected Participants, who are connected persons of the Company shall constitute connected transactions of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the Independent Shareholders at the EGM. Specific mandate will also be obtained for issue and allotment of the Independent Award Shares to the Independent Selected Participants.

The EGM will be held to consider and, if thought fit, passing the ordinary resolutions to approve, among other matters, the specific mandate for the allotment and issue of the Selected Participant Award Shares.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the relevant connected transaction is required to abstain from voting on the relevant resolutions at the EGM.

Ms. Cheung Ching Wa, Camy ("**Ms. Cheung**") and Mr. Chen Jinbo ("**Mr. Chen**") are Connected Selected Participants. As at the Latest Practicable Date, Mr. Chen and an associate of Ms. Cheung held a total of 108,000 Shares, representing approximately 0.003% of the Shares in issue as at the Latest Practicable Date, are required to abstain from voting on all the resolutions at the EGM to approve the specific mandate in respect of the allotment and issue of the Connected Award Shares.

Save for the above, to the best of the Directors' knowledge, information and belief, no other Shareholders has a material interest in respect of the allotment and issue of the Selected Participant Award Shares and accordingly none of them is required to abstain from voting on the resolutions relating to the proposed specific mandate for the allotment and issue of the Selected Participant Award Shares at the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Li Donghui, Mr. Xu Junmin and Mr. Chung Kwok Mo John, has been formed to advise the Independent Shareholders in relation to the grant of the Connected Award Shares to the Connected Selected Participants and the transactions contemplated thereunder. As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to whether or not the grant of the Connected Award Shares to the Connected Selected Participants and the transactions contemplated thereunder is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

We, Red Sun Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the grant of the Connected Award Shares are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant in assessing our independence. In the previous two years, save for our appointment as the independent financial adviser for a discloseable and connected transaction in relation to the acquisition of the remaining 25% equity interest in the issued shares of OTX Logistics B.V., Red Sun Capital Limited has not acted as an independent financial adviser to the Independent Board Committee and the Independent Shareholders of the Company for any transaction. Apart from normal professional fees paid or payable to us in connection with this appointment and the engagement as stated above as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant in assessing our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR ADVICE

In formulating our advice to the Independent Board Committee and the Independent Shareholders, we have relied solely on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and/or its senior management staff (the “**Management**”). We have assumed that all such statements, information, opinions and representations contained or referred to in the Circular or otherwise provided or made or given by the Company, the Directors and/or the Management (for which it is/they are solely and wholly responsible), were true and accurate and valid at the time they were made and given and continue to be true and valid as at the date of the Circular.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors jointly and severally accept full responsibility for the accuracy of the statements, information and representations contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been reasonably arrived at after due and careful consideration and there are no other material facts not contained in the Circular the omission of which would make any statement in the Circular misleading. We consider that we have been provided with sufficient information in order to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion.

We have not, however, for the purpose of this exercise, conducted any independent verification, investigation or audit into the information provided by the Directors and the Management, business or affairs or future prospects of the Company, their respective shareholder(s) and subsidiaries or affiliates, the Connected Selected Participants and the Independent Selected Participants, and their respective history, experience and track records, or, where relevant, the prospects of the markets in which they respectively operate.

This letter is issued for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the grant of the Connected Award Shares to the Connected Selected Participants and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the grant of the Connected Award Shares to the Connected Selected Participants and the terms contemplated thereunder, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the grant of the Connected Award Shares to the Connected Selected Participants

The Group has recorded profit attributable to owners of the Company of approximately HK\$97.5 million for the year ended 31 December 2017 and approximately HK\$38.0 million for the six months ended 30 June 2018 (six months ended 30 June 2017: HK\$19.6 million). In view of the financial performance and ongoing development of the Group, the Plan was set up to recognize and reward the contribution and provide an additional mean for the Company to incentivise employees and to retain key senior management of Selected Participant.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The 42 Selected Participants included four Connected Selected Participants, being former Directors in the last 12 months and/or directors of certain subsidiaries of the Company, and the remaining 38 were Independent Selected Participants, who are either employees of the Group (none of which are directors or chief executive of any members of the Group) or Selected Participants who have contributed or may contribute by way of business arrangement to the development and growth of the Group.

However, as set out in the Letter from the Board, a Connected Selected Participant, namely Mr. Dennis Ronald de Wit, and two Independent Selected Participants did not accept the Award Shares. As such, an aggregate of 9,400,000 Award Shares were granted and accepted by the Selected Participants, of which, (i) 1,900,000 Connected Award Shares were awarded to three Connected Selected Participants by way of issue and allotment of new Shares; and (ii) 7,500,000 Independent Award Shares were awarded to 36 Independent Selected Participants.

As set out in the Letter from the Board and as advised by the Management, the Connected Selected Participants are members of the Group's senior management who are expected to continue their significant contribution towards the Group's ongoing operations and financial performance, as well as support the Group's continued development and growth. The grant of the Awards to the Selected Participants, including the grant of the Connected Award Shares, were determined with reference to, among others, the contribution and/or future contribution to the development and growth of the Group, allow the Group to attract and retain talents for the continual operation and development of the Group as well as provide a performance-driven long term incentive award to motivate and retain key senior management. Furthermore, there will not be any material cash outflow by the Company for the grant of the Award Shares as such Award Shares will be satisfied by way of issue and allotment of new Shares. Having considered the above, we concur with the Management's view that the grant of Connected Award Shares to the Connected Selected Participants is in the interests of the Company and Independent Shareholders as a whole.

2. Principal terms of the Selected Participant Award Shares

Based on the Letter from the Board, we have set out a summary of the principal terms of the grant of the Selected Participant Award Shares under the Plan.

(i) Grant of Awards

On 31 August 2018, the Board resolved to grant Awards to 42 Selected Participants under the Plan comprising of an aggregate of 10,400,000 Award Shares, subject to acceptance of the Selected Participants, of which, (i) 2,500,000 Connected Award Shares were awarded to four Connected Selected Participants; and (ii) 7,900,000 Independent Award Shares were awarded to 38 Independent Selected Participants. However, as set out in the Letter from the Board, a Connected Selected Participant, namely Mr. Dennis Ronald de Wit, and two Independent Selected

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER
--

Participants did not accept the Award Shares. As such, an aggregate of 9,400,000 Award Shares were granted and accepted by the Selected Participants, of which, (i) 1,900,000 Connected Award Shares were awarded to three Connected Selected Participants; and (ii) 7,500,000 Independent Award Shares were awarded to 36 Independent Selected Participants.

The Connected Award Shares were awarded to, and accepted by, the following connected persons of the Company:

Name of Connected Selected Participants <i>(Note)</i>	Relationship with the Group	Number of Connected Award Shares
Wong Pui Wah	Currently director of certain subsidiaries of the Company	800,000
Cheung Ching Wa, Camy	Currently director of certain subsidiaries of the Company	600,000
Chen Jinbo	Director of certain subsidiaries of the Company	500,000
Total		<hr style="border: 0.5px solid black;"/> 1,900,000 <hr style="border: 1.5px solid black;"/>

Note: As set out in the Letter from the Board, 600,000 Connected Award Shares were awarded but to be vested to Mr. Dennis Ronald de Wit were not accepted by him. On this basis, the aforesaid 600,000 Connected Award Shares will not be vested. As at the Latest Practicable Date, Mr. Dennis Ronald de Wit was only Connected Selected Participants who has not accepted the Connected Award Shares.

As set out in the Letter from the Board, the number of Award Shares granted to each Connected Selected Participant is determined with reference to the relevant Connected Selected Participant's position within the Group.

Pursuant to the Plan, the Award Shares will be held on trust by the Trustee before vesting of the Awards.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) Maximum number of Award Shares to be granted to the Connected Selected Participants and its market value

Assuming (i) the maximum number of 9,400,000 new Shares were to be issued to the Selected Participants, such would represent approximately 2.3% of the total issued Shares at the Latest Practicable Date; and (ii) no other new Shares would be issued up to date of the Award Shares and the transactions contemplated thereunder, the maximum number of 9,400,000 new Shares to be issued to the Selected Participants would represent approximately 2.2% of the total enlarged Share capital of the Company upon the issue of the Award Shares. Out of the 9,400,000 Award Shares, 1,900,000 shall be Connected Award Shares to be issued and allotted to the Trustee or satisfied by the Shares purchased or to be purchased by the Trustee on the market, shall be held on trust for the Connected Selected Participants before the vesting of the Awards. Based on the closing price of the Shares as at the Latest Practicable Date, as quoted on the Stock Exchange of HK\$2.77 per Share, the market values of 1,900,000 Connected Award Shares and 7,500,000 Independent Award Shares are approximately HK\$5.3 million and HK\$20.8 million, respectively.

(iii) Consideration and funds to be raised

The Selected Participants are required to pay the Vesting Price of HK\$1 per Selected Participant Award Share (including Connected Award Shares and Independent Award Shares) to the Trustee on or before the applicable Vesting Date to which the vesting of the relevant Selected Participant Award Shares relates (as carried forward pursuant to sub-paragraph (i) of the paragraph headed "Vesting Conditions" in the Letter from the Board where applicable) (i.e. the Prescribed Payment Deadline), failing which, the Selected Participant Awards for the Selected Participant Award Shares shall automatically lapse upon expiry of such Prescribed Payment Deadline. The Vesting Price will be paid to the Trustee as Trust Fund to be held by the Trustee for the Plan. As such, no fund will be raised by the Company as a result of the issue and allotment of the Award Shares or the satisfaction of the Award Shares by the Shares purchased by the Trustee on the market.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER
--

(iv) *Vesting*

Vesting shall subject to the acceptance by each of the Selected Participants and the vesting conditions as set out in the Letter from the Board being fully satisfied, the Selected Participant Award Shares shall be vested on the following date:

Vesting Year	Vesting Date	Percentage of Selected Participant Award Shares to be vested
2019	The later of (i) the Business Day immediately after the 12th month following 31 August 2018 (i.e. the Date of Grant); or (ii) the Business Day immediately after the 30th day of the Business Day immediately after the publication of the annual results of the Company for the year ending 31 December 2018 pursuant to the Listing Rules, subject however to the carrying forward mechanism as referred to in sub-paragraph (i) of the paragraph headed "Vesting Conditions" in the Letter from the Board.	30%
2020	The later of (i) the Business Day immediately after the 24th month following the Date of Grant; or (ii) the Business Day immediately after the 30th day of the Business Day immediately after the publication of the annual results of the Company for the year ending 31 December 2019 pursuant to the Listing Rules, subject however to the carrying forward mechanism as referred to in sub-paragraph (i) of the paragraph headed "Vesting Conditions" in the Letter from the Board (i.e. the 2020 Vesting Date).	30%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER
--

Vesting Year	Vesting Date	Percentage of Selected Participant Award Shares to be vested
2021	The later of (i) the Business Day immediately after the 36th month following the Date of Grant; or (ii) the Business Day immediately after the 30th day of the Business Day immediately after the publication of the annual results of the Company for the year ending 31 December 2020 pursuant to the Listing Rules.	40%

(v) Vesting Conditions

Subject to the acceptance by each of the Selected Participants and the vesting conditions as mentioned below being fully satisfied, the Selected Participant Award Shares shall be vested on the following date as follows:

(a) Company level performance target:

The Company achieves an audited consolidated profit after tax (excluding extraordinary items) in an amount as prescribed by the Board for each of the years ending 31 December 2018, 2019 and 2020.

If any of the above Company level performance target for the Vesting Year 2019 or Vesting Year 2020 could not be achieved, unless such relevant Company level performance target having been waived or adjusted by the Board, the Selected Participant Award Shares (the “C/F Awarded Shares”) in relation to the relevant Vesting Date will not be vested but will be carried forward to the Vesting Date for the next Vesting Year so that the vesting of these C/F Awarded Shares will be vested on the Vesting Date for the next Vesting Year subject to the Company achieving the performance target for the original Vesting Year and the next Vesting Year on an accumulated basis. Assuming that the Selected Participants have achieved his/her personal level performance targets for Vesting Year 2019 as mentioned below, if the Company fails to achieve the performance target set for the Vesting Year 2019 but is able to achieve the performance target set for the Vesting Year 2020 so that the aggregate audited consolidated profit after tax (excluding extraordinary items) for the years ending 31 December 2018 and 2019 equals to or exceeds the aggregate performance targets as prescribed by the Board, the C/F Awarded Shares for the Vesting Year 2019 will be vested on the 2020 Vesting Date. However, if the Company is only able to achieve the performance target set for the Vesting Year 2020 but fails to achieve the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

aggregate performance targets for both Vesting Year 2019 and Vesting Year 2020, the Selected Participant Awards for the C/F Awarded Shares in respect of the Vesting Year 2019 shall automatically lapse on the 2020 Vesting Date.

(b) Personal level performance target:

The Selected Participant shall obtain an overall score of 60 or above for his/her personal level performance target(s) in respect of the relevant Vesting Year in the appraisal conducted by the chairman of the Company before each of the date of the publication of the annual results of the Company for the financial years ending 2018, 2019 and 2020. Personal level performance target is assessed based on one or more of the indicators as prescribed by the Board.

If the Selected Participant fails to achieve the relevant personal level performance target(s) in respect of the relevant Vesting Year, the Selected Participant Award for the Selected Participant Award Shares for the relevant Vesting Year shall automatically forthwith lapse on the date when the Company by way of written notice informs the Selected Participant of his/her overall score in respect of the relevant Vesting Year on the respective dates of the publication of the annual results of the Company for the years ending 31 December 2018, 2019 and 2020.

For further information on the market price of the Shares, nominal value of the Award Shares and other information, such as the treatment of Selected Participated Award in the event the Selected Participant ceases to be an employee by reason as described in the Plan, please refer to the Letter from the Board.

3. Our analysis

As set out in the Letter from the Board, vesting of the Award Shares is subject to the acceptance by each of the Selected Participants and the vesting conditions as set out in the Letter from the Board being fully satisfied. As set out in the Letter from the Board, three of the 42 Selected Participants did not accept the Award Shares, one of whom is a Connected Selected Participant. On this basis, as at the Latest Practicable Date, there are 39 remaining Selected Participants (the “**Remaining Selected Participants**”).

We understand from the Management that the award of the Selected Participants Award Shares to the Selected Participants was after consideration their respective roles, contributions and remuneration packages with reference to, among others, the Selected Participants’ performance appraisal in accordance with the Group’s internal assessment procedures for the relevant year.

In this connection, we have obtained from the Management a template of the appraisal form for performance assessment of the Selected Participants, including Connected Selected Participants and Independent Selected Participants. We noted that the area of performance assessment is person specific included business related performance targets and operation related performance targets, of which a score is given to each area of assessment.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We also note from the Letter from the Board that the vesting conditions applied to the Connected Selected Participants and the Independent Selected Participants are similar. We have discussed the vesting conditions and the personal level performance score with the Management and have been advised that the scoring assessment method is applied to both the Connected Selected Participants and Independent Selected Participants. Under such performance assessment method, performance is assessed against prescribed key performance measures and targets which are in accordance with the Company's business plan as set by the Management.

In addition, we also understand from the Management that, in accordance with the Company's remuneration policy, the remuneration package of both the Connected Selected Participants and the Independent Selected Participants consisted of (i) a fixed remuneration in the form of a monthly salary; (ii) discretionary performance-related bonus each year as a short-term incentive subject to the performance of the relevant individuals; and (iii) share options under the share option schemes and/or share awards under the Plan which aligns the interests of the Connected Selected Participants and the Independent Selected Participants with the financial performance of the Company and the interests of Shareholders through the ownership of Shares. In this connection, we have reviewed the remuneration package of the Remaining Selected Participants, which included both Connected Selected Participants and Independent Selected Participants and conducted analysis on value attributable to Award Shares in a given year compared to other form of remuneration (i.e. monthly salary and discretionary performance-related bonus) and noted that the value of Award Shares to total remuneration package of Connected Selected Participants is generally in line with that of the Independent Selected Participants. For information purposes only, based on the closing price per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of the 1,900,000 Award Shares granted to the Remaining Selected Participants who are connected persons to the Company are approximately HK\$5.3 million.

We understand from the Management that other alternative forms of remuneration to the Selected Participants, such as salary and bonus, were also considered, however given the reasons as set out under paragraph headed "Reasons for and benefits in the grant of Award Shares" in the Letter from the Board, the Directors consider that the Awards as a whole to be a more appropriate method of remuneration to align the interests of the Selected Participants with that of the Company.

In respect of the vesting period, being over three years for the Awards, we have conducted market research into other listed companies which also published announcement for the proposed grant of shares to connected person under their respective share award schemes/plans in 2017 and 2018 on a non-exhaustive basis, including Altus Holdings Limited (8149), Galaxy Entertainment Group Limited (0027), Jingrui Holdings Limited (1862), KWG Property Holding Limited (1813) and Li Ning Company Limited (2331). Based on our market research, we noted that it is a common market practice for companies to have vesting period for the award shares over a number of years, which would provide incentives for the selected participants to continue their contribution towards the ongoing operation and development of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In view of our analysis in respect of the vesting of the Award Shares set out above, in particular, the vesting of the Award Shares to both the Connected Selected Participants and the Independent Selected Participants depends on his/her role and responsibilities and subject to the company level performance target and the personal level performance target, we are of the view that the grant of the Connected Award Shares to the Connected Selected Participants being subject to the Company and personal level performance targets being satisfied is fair and reasonable.

4. Dilution effect on the shareholding of the Company and possible financial effects

(a) Dilution effect

Assuming all of the Award Shares granted to the Remaining Selected Participants were satisfied by way of issue and allotment of new Shares under Specific mandate, (i) the Selected Participant Award Shares to be issued by the Company to the Remaining Selected Participants of 9,400,000 Shares represented approximately 2.3% of the total number of Shares in issue at the Latest Practicable Date and approximately 2.2% of the total number of Shares in issue as enlarged by the issue and allotment of the Selected Participant Award Shares; and (ii) the Connected Award Shares to be issued by the Company to the three Connected Selected Participants who have accepted the 1,900,000 Shares represented approximately 0.5% of the total number of Shares in issue at the Latest Practicable Date and approximately 0.5% of the total number of Shares in issue as enlarged by the issue and allotment of the Connected Award Shares.

For information purposes, if the Board elects to satisfy the Award Shares by Shares purchased or to be purchased by the Trustee on the market under the Plan, there would be no dilution effect to the shareholdings of the existing Shareholders.

Taking into account the reasons for the grant of Connected Award Shares and the transactions contemplated thereunder as set out under the section headed "1. Background of and reasons for the grant of Connected Award Shares to the Connected Selected Participants" in this letter, we concur with the Management that the slight dilution to the Independent Shareholders in the event that the Award Share are satisfied by the issuance of new Shares is reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) Possible financial effects arising from the Connected Award Shares

According to the accounting policies of the Company, the value of the Connected Awarded Shares would be allocated and charged as expenses of the Group for the relevant financial year during the Vesting Period. As a result of the grant of the Connected Award Shares, no direct cash outflow is expected, save for the relevant expenses relating to the execution and approval of the Plan, including but not limited to, the professional and other fees in relation to the publication and printing of relevant announcements and Circular and the convene of the EGM.

RECOMMENDATION

Having considered the principal factors and reasons as set out above, in particular,

- the reasons as set out under the paragraph headed “1. Background of and reasons for the grant of the Connected Award Shares to the Connected Selected Participants” in this letter, such as, the Share Award Scheme incentivises the Selected Participants to promote future growth of the Group through financial achievement;
- the grant of 10,400,000 Award Shares to the Selected Participants, subject to acceptance of the Selected Participants, of which, (i) 2,500,000 Connected Award Shares were awarded to four Connected Selected Participants by way of issue and allotment of new Shares; and (ii) 7,900,000 Independent Award Shares were awarded to 38 Independent Selected Participants by way of issue and allotment of new Shares. As at Latest Practicable Date, as three of the 42 Selected Participants have not accepted the Award Shares, the Award Shares granted to the Remaining Selected Participants would total to 9,400,000 Award Shares, of which 1,900,000 are granted to connected persons to the Company;
- the vesting price per Selected Participant Award Share for both Connected Selected Participants and Independent Selected Participants are the same;
- the vesting is conditional upon the appraisal results of the personal level performance target(s), taking into account the Company level performance target and personal level performance target during the relevant period;
- the vesting period was determined with a view to provide a performance-driven long term incentive to motivate and retain key senior management;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- the Connected Award Shares, assuming to be fully satisfied by the issue of new Shares by the Company to the Remaining Selected Participants who are connected person(s) to the Company, of 1,900,000 Shares, represented approximately 0.5% of the total number of Shares in issue at the Latest Practicable Date and approximately 0.5% of the total number of Shares in issue as enlarged by the issue and allotment of the Connected Award Shares; and
- the Connected Award Shares is expected to have minimal adverse effect (before transaction costs) to the Group's cash position.

We are of the opinion that the grant of Connected Award Shares to the Connected Selected Participants under the Plan is in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the EGM to approve the issue and allotment of the Selected Participants Award Shares.

Yours faithfully
For and on behalf of
Red Sun Capital Limited
Lewis Lai
Managing Director

Mr. Lewis Lai is a licensed person registered with the SFC and a responsible officer of Red Sun Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 12 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors, collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Disclosure of interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(A) Long position in ordinary shares of the Company

Name of Director	Capacity/nature of interest	Number of Share(s) involved	Approximate percentage* of shareholding
Mr. Lam Chun Chin, Spencer	Interest of controlled corporation (<i>Note 1</i>)	40,224,000	9.71%
Mr. Yu Huijiao	Interest of controlled corporations (<i>Note 2</i>)	268,229,408	64.75%

Notes:

- These shares are held by Golden Strike International Limited (“**Lam Investco**”), which is wholly owned by Mr. Lam Chun Chin, Spencer. By virtue of the SFO, Mr. Lam Chun Chin, Spencer is deemed to be interested in the shares of the Company held by Lam Investco.

2. These shares of the Company are held by YTO Global Holdings Limited, a company wholly owned by Yuan Jun. Yuan Jun is a company wholly owned by YTO Express, which is in turn owned as to 51.05% by Yuantong Jiaolong. Yuantong Jiaolong is a company owned as to 51% by Mr. Yu Huijiao and 49% by his spouse, Ms. Zhang Xiaojuan. By virtue of the SFO, Mr. Yu Huijiao and Ms. Zhang Xiaojuan are deemed to be interested in the shares of the Company held by YTO Global Holdings Limited.

(B) *Long position in the shares of associated corporations of the Company*

Name of Director	Name of associated corporation	Capacity/nature of interest	Number of share(s) involved/amount of registered capital	Approximate percentage* of shareholding
Mr. Yu Huijiao	Yuantong Jiaolong	Beneficial owner	RMB260,100,000	51.00%
		Interest of spouse	RMB249,900,000	49.00%
	YTO Express	Interest of controlled corporations	1,579,971,414	55.86%
		Beneficial owner	133,450,083	4.72%
		Interest of spouse	98,127,852	3.47%
	Yuan Jun	Interest of controlled corporations	RMB1,800,000,000	100.00%
	YTO Global Holdings Limited	Interest of controlled corporations	1,600,000,000	100.00%

Note: The relations between Mr. Yu Huijiao and the above associated corporations are set out in note 2 of part (A) of the paragraph headed "2. Disclosure of Interests — (a) Disclosure of interests of Directors". YTO Global Holdings Limited holds more than 50% of the issued share capital of the Company, and Yuantong Jiaolong, YTO Express and Yuan Jun directly/indirectly hold more than 50% of the issued share capital of YTO Global Holdings Limited. In this connection, Yuantong Jiaolong, YTO Express, Yuan Jun and YTO Global Holdings Limited are associated corporations of the Company within the meaning of Part XV of the SFO.

* The percentage represents the number of shares involved divided by the number of the Company's/the Company's associated corporations' issued shares or registered capital as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company had any interest and short position in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Disclosure of interests of substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following person, other than a Director or the chief executive of the Company, had an interest or a short position in the Shares and underlying Shares which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of any other members of the Group, were as follows:

Long position in ordinary shares of the Company:

Name of shareholder	Capacity/nature of interest	Number of Share(s) involved	Approximate percentage* of the Company's issued share capital
Lam Investco (Note 1)	Beneficial owner	40,224,000	9.71%
Ms. Li Wai Fun (Note 1)	Interest of spouse	40,224,000	9.71%
YTO Global Holdings Limited (Note 2)	Beneficial owner	268,229,408	64.75%
YTO Express (Note 2)	Interest of controlled corporations	268,229,408	64.75%
Yuantong Jiaolong (Note 2)	Interest of controlled corporations	268,229,408	64.75%

Name of shareholder	Capacity/nature of interest	Number of Share(s) involved	Approximate percentage* of the Company's issued share capital
Ms. Zhang Xiaojuan (<i>Note 2</i>)	Interest of controlled corporations	268,229,408	64.75%
CAM SPC – Alpha SP	Investment manager	37,698,000 (<i>Note 3</i>)	9.10%

Notes:

- Lam Investco is wholly owned by Mr. Lam Chun Chin, Spencer and Mr. Lam Chun Chin, Spencer is the sole director of Lam Investco. By virtue of the SFO, Mr. Lam Chun Chin, Spencer is deemed to be interested in the shares of the Company held by Lam Investco as disclosed in the paragraph headed "2. Disclosure of Interests — (a) Disclosure of interests of Directors" above. Ms. Li Wai Fun is the spouse of Mr. Lam Chun Chin, Spencer. Under the SFO, Ms. Li Wai Fun is taken to be interested in the same number of shares of the Company in which Mr. Lam Chun Chin, Spencer is interested.
 - These interests are also disclosed as the interest of Mr. Yu Huijiao in the paragraph headed "2. Disclosure of Interests — (a) Disclosure of interests of Directors".
 - Based on the disclosure of interests form submitted by this substantial shareholder as at the Latest Practicable Date.
- * The percentage represents the number of Shares involved divided by the number of issued Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, other than the Directors and the chief executive of the Company whose interests are set out in the paragraph headed "2. Disclosure of Interests — (a) Disclosure of interests of Directors" above, no person had an interest or a short position in the Shares, or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of any other members of the Group.

(c) Directors' service contracts

As at the Latest Practicable Date, none of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

(d) Interest in contracts and arrangements of significance

None of the Directors had material interest in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

(e) Interest in competing business

As at the Latest Practicable Date, the following Director was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group (the “**Competing Business**”), as defined in the Listing Rules, details of which are set out below:

Name of Director	Mr. Yu Huijiao, non-executive Director of the Company, who is also a substantial shareholder of YTO Express
Nature and scope of the Competing Business	YTO Express Group is principally engaged in the warehousing and distribution of goods as a leader in the express and courier service market in the PRC
Size of the Competing Business	YTO Express is a company listed on the Shanghai Stock Exchange (stock code: 600233), with market capitalization amounted to RMB35.07 billion as at the Latest Practicable Date
Management of the Competing Business	The positions held by the Directors in YTO Express are as follows: Mr. Yu Huijiao, <i>chairman of the board and chief executive officer</i> Mr. Li Xianjun, <i>supervisor</i> Mr. Xu Siufeng, <i>vice president</i> Mr. Zhu Rui, <i>vice president and secretary to the Board</i> Mr. Lin Kai, <i>vice president and chief financial officer</i>

As at the Latest Practicable Date, since YTO Express Group’s main focus was warehousing and distribution of goods through express and courier service in the PRC and apart from intra-group freight forwarding services among YTO Express Group members, YTO Express Group did not carry out any freight forwarding services to and/or business with external parties, the Directors considered that the operations of YTO Express Group did not affect the Group’s business.

Save as disclosed, to the best of the knowledge of the Directors, none of the Directors or their respective close associates have any other interest in a business, which competes or may compete with the business of the Group.

(f) Interest in assets

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which has since 31 December 2017, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

3. EXPERT

The following is the qualification of the expert who has given, or agreed to the inclusion of, its opinion or advice in this circular:

Name	Qualification
Red Sun Capital Limited	A licensed corporation under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities

The expert as set out above has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, the expert as set out above did not have any beneficial interest in the share capital of any member of the Group, nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, nor did it have any direct or indirect interest in any asset which has since 31 December 2017, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

4. NO MATERIAL ADVERSE CHANGE

The Directors confirm that there has not been any material adverse changes in the financial or trading position of the Group since 31 December 2017, being the date to which the latest published audited financial statements of the Group were made up.

5. MISCELLANEOUS

- (a) All references to dates in this circular refer to Hong Kong dates.
- (b) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. on any weekday (except public holidays) at the office of the Company at Unit 18, 1st Floor, Sino Industrial Plaza, 9 Kai Cheung Road, Kowloon Bay, Hong Kong, up to and including the date falling on 14 days from the date of this circular:

- (a) the letter from the Independent Financial Adviser, the text of which is set out on pages 22 to 35 of this circular;
- (b) the written consent referred to in the sub-paragraph headed “3. Expert” of this Appendix; and
- (c) a copy of the Plan.

**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)

NOTICE OF THE EGM

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of YTO Express (International) Holdings Limited (“Company”) will be held at Bowen Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 28 February 2019 at 2:30 p.m. for the purposes of considering and, if thought appropriate, approving the following ordinary resolutions:

ORDINARY RESOLUTIONS

1. “THAT
 - (a) conditional upon The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in an aggregate of a maximum of 1,900,000 new shares of the Company (the “Connected Awarded Shares”), the directors of the Company (the “Directors”) be and are hereby granted a specific mandate (the “Specific Mandate I”) for the allotment and issue of the Connected Awarded Shares to the trustee (or special purpose vehicle (“SPV”) established by the trustee for the purpose of the Plan (as defined below)) or any additional or replacement trustee (or SPV established by the replacement trustee for the purpose of the Plan (as defined below)) (the “Trustee”) as shall be from time to time appointed by the Company for the administration of the shares of the Company and other trust fund to be held by the Trustee for the implementation of the Plan (as defined below) to hold on trust for selected persons who are director of certain subsidiaries of the Company, accordingly connected persons (as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange) of the Company, and are selected by the Board for participation in the share award plan (the “Plan”) adopted by the Company on 17 August 2018 (a copy of which has been produced at the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification);
 - (b) the grant of 800,000 award shares pursuant to the Plan to Ms. Wong Pui Wah be and is hereby approved and confirmed;
 - (c) the grant of 600,000 award shares pursuant to the Plan to Ms. Cheung Ching Wa, Camy be and is hereby approved and confirmed;

- (d) the grant of 500,000 award shares pursuant to the Plan to Mr. Chen Jinbo be and is hereby approved and confirmed; and
- (e) any one of the Directors be and is hereby authorised for and on behalf of the Company to take any action and execute such other documents as he/she considers necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the allotment and issue of the Connected Awarded Shares under the Specific Mandate I and/or the purchase of Shares by the Trustee on the market to satisfy the Connected Awarded Shares and the transactions contemplated thereunder.”; and

2. “THAT

- (a) conditional upon the Stock Exchange granting the listing of and permission to deal in an aggregate of a maximum of 7,500,000 new shares of the Company (the “**Independent Awarded Shares**”), the Directors be and are hereby granted a specific mandate (the “**Specific Mandate II**”) for the allotment and issue of the Independent Awarded Shares to the Trustee (or SPV established by the Trustee for the purpose of the Plan) to hold on trust for selected persons who are third parties independent of the Company and connected persons of the Company, and are selected by the Board for participation in the Plan;
- (b) the grant of an aggregate of 7,500,000 award shares pursuant to the Plan to 36 independent selected participants be and is hereby approved and confirmed; and
- (c) any one of the Directors be and is hereby authorised for and on behalf of the Company to take any action and execute such other documents as he/she considers necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the allotment and issue of the Independent Awarded Shares under the Specific Mandate II and/or the purchase of Shares by the Trustee on the market to satisfy the Independent Awarded Shares and the transactions contemplated thereunder.”

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, 1 February 2019

Notes:

1. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or the adjourned meeting (as the case may be). Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the form of proxy shall be deemed to be revoked.
3. In the case of joint holders of a share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share of the Company as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such share of the Company shall alone be entitled to vote in respect thereof.
4. To ascertain shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 25 February 2019 to Thursday, 28 February 2019 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the EGM, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates are lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at its address shown in note 2 above for registration no later than 4:30 p.m. (Hong Kong time) on Friday, 22 February 2019.
5. References to time and dates in this notice are to Hong Kong time and dates.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.