圓通國際

YTO EXPRESS (INTERNATIONAL) HOLDINGS LIMITED
圓通速遞(國際)控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 6123)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL HIGHLIGHTS

- The Group's revenue amounted to about HK$5,048.1 million for the FY2020, representing an increase of about 29.5% as compared to that of the FY2019 (FY2019: about HK$3,897.9 million);
- Air freight business recorded an increase of about 148.5% in segment results for the FY2020 as compared to that of the FY2019, to about HK$376.7 million (FY2019: about HK$151.6 million);
- The Group recorded a profit attributable to equity shareholders of the Company of about HK$252.2 million for the FY2020, an increase of about 866.3% as compared to that of the FY2019 (FY2019: about HK$26.1 million); and
- The Board recommended the payment of a final dividend of HK6.1 cents per share for the FY2020 (FY2019: HK1.0 cents), which is subject to the approval of the Company's shareholders at the AGM.

The board (the "**Board**") of directors (the "**Directors**") of YTO Express (International) Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2020 (the "**FY2020**"), together with the comparative audited figures for the year ended 31 December 2019 (the "**FY2019**"), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year ended 31 December 2020

	NOTES	2020 HK$'000	2019 HK$'000
Revenue	2	**5,048,113**	3,897,903
Cost of sales		**(4,275,497)**	(3,346,982)
Gross profit		**772,616**	550,921
Other income		**30,150**	15,726
Administrative expenses		**(484,628)**	(498,589)
Net impairment loss recognised under expected credit loss model		**(8,773)**	(5,858)
Impairment loss on goodwill		–	(19,309)
Impairment loss on intangible assets		–	(787)
Other gains or losses		**(19,732)**	(2,663)
Share of results of associates		**82**	694
Share of results of joint ventures		**1,268**	1,250
Finance costs		**(4,889)**	(7,602)
Profit before taxation		**286,094**	33,783
Income tax expense	3	**(30,221)**	(5,170)
Profit for the year	4	**255,873**	28,613
Profit for the year attributable to:			
Equity shareholders of the Company		**252,231**	26,101
Non-controlling interests		**3,642**	2,512
		255,873	28,613
Earnings per share (Hong Kong cents)			
Basic	5	**60.84**	6.32
Diluted	5	**60.48**	6.32

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31 December 2020

	2020	2019
	HK$'000	*HK$'000*
Profit for the year	**255,873**	28,613
Other comprehensive income for the year (after tax and reclassification adjustments):		
Items that will not be reclassified to profit or loss		
Surplus on revaluation of leasehold land and buildings	**527**	605
Deferred tax arising on revaluation of leasehold land and buildings	**14**	(54)
Items that may be reclassified subsequently to profit or loss		
Share of other comprehensive income of associates	**226**	(224)
Share of other comprehensive income of joint ventures	**798**	(190)
Exchange difference arising from foreign operations	**7,707**	(6,371)
Reclassification adjustment upon disposal of subsidiaries	**87**	–
Other comprehensive income for the year	**9,359**	(6,234)
Total comprehensive income for the year	**265,232**	22,379
Attributable to:		
Equity shareholders of the Company	**261,134**	20,600
Non-controlling interests	**4,098**	1,779
Total comprehensive income for the year	**265,232**	22,379

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	NOTES	2020 HK$'000	2019 HK$'000
Non-current assets			
Investment properties		**6,593**	6,471
Property, plant and equipment		**54,779**	44,032
Right-of-use assets		**140,888**	51,256
Goodwill		**16,188**	14,828
Intangible assets		**7,505**	11,244
Interests in associates		**15,066**	16,045
Interests in joint ventures		**9,786**	7,720
Finance lease receivables		–	8,427
Deferred tax assets		**2,706**	392
		253,511	160,415
Current assets			
Trade receivables	7	**772,812**	561,283
Other receivables, deposits and prepayments		**81,689**	53,197
Contract assets		**46,046**	44,863
Financial asset at fair value through profit or loss		**896**	952
Debt investment at amortised cost		**7,463**	7,580
Finance lease receivables		**8,388**	12,345
Amount due from an intermediate holding company		**2**	–
Amount due from immediate holding company		–	1,245
Amounts due from a joint venture		**4,102**	7,233
Amounts due from associates		**12,548**	11,730
Amount due from a fellow subsidiary		–	42
Loan to an associate		–	200
Prepaid tax		**2,422**	6,341
Pledged bank deposits		**7,633**	20,720
Bank balances and cash		**491,932**	269,008
		1,435,933	996,739

	NOTES	2020 HK$'000	2019 HK$'000
Current liabilities			
Trade and other payables	*8*	**556,239**	402,905
Contract liabilities		**36,043**	6,464
Loan from immediate holding company		–	30,000
Amounts due to associates		**1,172**	2,763
Amounts due to fellow subsidiaries		**35,854**	128
Tax liabilities		**10,957**	3,629
Lease liabilities		**44,066**	47,242
Bank borrowings		**1,067**	30,565
		685,398	523,696
Net current assets		**750,535**	473,043
Total assets less current liabilities		**1,004,046**	633,458
Non-current liabilities			
Other payables	*8*	**3,889**	3,855
Lease liabilities		**121,371**	23,557
Deferred tax liabilities		**13,649**	8,933
		138,909	36,345
		865,137	597,113
Capital and reserves			
Share capital	*9*	**41,676**	41,676
Reserves		**815,727**	548,929
Total equity attributable to equity shareholders of the Company		**857,403**	590,605
Non-controlling interests		**7,734**	6,508
Total equity		**865,137**	597,113

NOTES TO THE FINANCIAL INFORMATION

1. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial information for the year ended 31 December 2020 comprises the Group and the Group's interests in associates and joint ventures.

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

- Amendments to HKFRS 3, *Definition of a Business*
- Amendment to HKFRS 16, *Covid-19-Related Rent Concessions*

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

The amendment to HKFRS 16, which became effective for accounting periods beginning on or after 1 June 2020, provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("**COVID-19-related rent concessions**") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the year. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred. There is no impact on the opening balance of equity at 1 January 2020.

2. SEGMENT INFORMATION

	Segment revenue		Segment results	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Operating and reportable segments				
Air freight	**3,062,518**	2,201,854	**376,679**	151,558
Ocean freight	**817,371**	855,276	**97,668**	119,175
Logistics	**82,778**	81,591	**2,904**	15,107
International express and parcel	**952,870**	642,349	**111,553**	65,457
Others	**132,576**	116,833	**36,381**	20,395
Total	**5,048,113**	3,897,903	**625,185**	371,692
Other income			**30,150**	15,726
Other gains or losses			**(19,732)**	(2,663)
Unallocated corporate expenses			**(345,970)**	(345,314)
Share of results of associates			**82**	694
Share of results of joint ventures			**1,268**	1,250
Finance costs			**(4,889)**	(7,602)
Profit before taxation			**286,094**	33,783

3. INCOME TAX EXPENSE

	2020	2019
	HK$'000	*HK$'000*
Current tax:		
– Hong Kong Profits Tax	**8,154**	1,523
– Enterprise Income Tax ("**EIT**") in the People's Republic of China (the "**PRC**")	**8,935**	232
– Netherlands Corporate Income Tax	**1,362**	1,227
– Vietnam Corporate Income Tax	**1,352**	1,430
– Thailand Corporate Income Tax	**4,510**	109
– Malaysia Corporate Income Tax	**2,745**	2,025
– Canadian Corporate Income Tax	**310**	793
– Other jurisdictions	**1,355**	1,760
	28,723	9,099
Under/(over) provision in respect of prior years		
– Hong Kong Profits Tax	**182**	(1,960)
– EIT in the PRC	**–**	251
– Other jurisdictions	**(334)**	(263)
	(152)	(1,972)
	28,571	7,127
Deferred taxation	**1,650**	(1,957)
	30,221	5,170

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

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

Netherlands corporate income tax rates are progressive tax rates. The corporate income tax charge has been calculated at the tax rate between 16.5% to 25.0% for both financial years.

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

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

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

Income tax expense in Canada comprises federal corporate income tax and provincial corporate income tax at 15% and 11.5% respectively for both financial years.

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

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

4. PROFIT FOR THE YEAR

	2020	2019
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging/(crediting):		
Auditors' remuneration	**6,562**	7,114
Depreciation of property, plant and equipment	**10,905**	9,187
Depreciation of right-of-use assets	**46,938**	36,972
Amortisation of intangible assets (included in administrative expenses)	**4,164**	5,422
Allowance for credit losses on trade receivables recognised	**9,390**	6,417
Less: reversal of allowance for credit losses on trade receivables	**(617)**	(559)
	8,773	5,858
Staff costs		
Directors' emoluments	**28,751**	3,709
Other staff costs		
Staff costs excluding retirement benefit contributions	**286,371**	297,095
Retirement benefit contributions	**19,986**	28,698
Equity-settled share-based payment	**8,275**	5,343
Total staff costs	**343,383**	334,845
Gain on bargain purchase	**(752)**	–
Gross rental income from investment properties	**286**	333
Less: outgoings incurred which generated rental income	**(51)**	(69)
	235	264

5. EARNINGS PER SHARE

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

	2020	2019
	HK$'000	*HK$'000*
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to equity shareholders of the Company)	**252,231**	26,101
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**414,560,000**	412,895,452
Effect of dilutive potential ordinary shares on share award plan	**2,468,762**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**417,028,762**	412,895,452

6. DIVIDEND

Pursuant to the resolution passed by the shareholders of the Company at the Company's annual general meeting held on 10 June 2020, a final dividend of HK1.0 cents per ordinary share in respect of the FY2019, in an aggregate amount of HK$4,168,000, was paid on 10 July 2020 to all shareholders whose names appeared on the register of members of the Company on 19 June 2020.

The Board recommended the payment of a final dividend of HK6.1 cents per ordinary share, in an aggregate amount of about HK$25,422,000, in respect of the FY2020, which is subject to the approval of the shareholders of the Company at the annual general meeting of the Company (the "**AGM**") to be held on Thursday, 10 June 2021. The proposed final dividend is expected to be paid on Friday, 9 July 2021 to all shareholders whose names to be appeared on the register of members of the Company on Wednesday, 23 June 2021.

7. TRADE RECEIVABLES

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

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

	2020	2019
	HK$'000	*HK$'000*
0–30 days	**516,850**	321,962
31–60 days	**182,501**	152,119
61–90 days	**54,174**	49,488
91–180 days	**13,382**	31,501
Over 180 days	**5,905**	6,213
	772,812	561,283

8. TRADE AND OTHER PAYABLES

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

	2020	2019
	HK$'000	*HK$'000*
Within 60 days	**325,199**	256,099
61–180 days	**36,428**	10,790
181–365 days	**2,116**	1,321
1–2 years	**1,911**	1,562
	365,654	269,772
Trade and other payables analysed as:		
– current	**556,239**	402,905
– non-current	**3,889**	3,855
	560,128	406,760

9. SHARE CAPITAL

	Number of ordinary shares	Share capital
		HK$'000
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 January 2019, 31 December 2019 and 31 December 2020	2,000,000,000	200,000
Issued and fully paid:		
At 1 January 2019	414,270,000	41,427
Issue of shares upon exercise of equity-settled share-based payment	2,490,000	249
At 31 December 2019, 1 January 2020 and 31 December 2020	416,760,000	41,676

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Board announces the audited annual results of the Group for the FY2020. During the FY2020, global economy and consumption suffered unprecedented hit due to the outbreak of COVID-19, resulting in a decrease in overall demand for logistics and freight forwarding services. Nonetheless, the increase in demand for health care and medical supplies contributed to a large portion of the Group's revenue and led to a substantial increase in the net profit during the FY2020.

With the positive advancement of vaccination plans in various countries and regions, the impact of the COVID-19 pandemic may gradually weaken in 2021, thus the Company keeps a prudent and optimistic attitude regarding the impact of the COVID-19 pandemic for the year ending 31 December 2021. According to the statistics from the World Health Organization, as of January 2021, the vaccination of the COVID-19 vaccines around the world has surpassed the total number of COVID-19 infected cases, meaning the COVID-19 pandemic may be well under control within this year. Accordingly, the Group considers the following key factors require our particular attention for the year ending 31 December 2021.

The impact of the pandemic remains in the short run with the demand for the pandemic prevention supplies continues

Though the progress of the vaccination plans is beyond expectations, the emerging virus variants still bring uncertainties over the current pandemic prevention policies. According to the weekly epidemiological update recently published by the World Health Organization, the virus variant VOC 202012/01 founded in the UK spreads more rapidly, and it may cause an adverse impact on the current pandemic prevention. Therefore, it is expected that the demand for the pandemic prevention supplies from 2020 will continue in 2021.

Global vaccination will drive the needs for new logistics

According to a market research conducted by a market research institution, the vaccination needs around the world will exceed 10 billion doses, which requires approximately 200,000 pallet shipments, 15 million cold container shipments, and 15,000 full flights of Boeing 747 freighter aircraft to deliver. The demand will urge stricter requirements on international logistic companies to satisfy the progress of global vaccination plans, and may promote a new international logistics industry.

Consumer behavior affected by the pandemic and the e-commerce penetration rate may be further strengthened

According to the global research report released by a world's leading payment and technology company, an increasing number of consumers globally choose online shopping to meet their daily purchasing needs for safety concerns and due to the closure of physical shops. The trend that the consumers embrace e-commerce and digital payment will continue to surge after the pandemic, so the Group believes that this trend will further promote its business expansion in international express and parcel services.

The post-pandemic effect will further strengthen the central role of "Made in China"

Benefiting from the control over the pandemic, China took the lead to leave the shadows of the pandemic behind. According to the National Bureau of Statistics of China, the total trading import and export value of goods in China amounted to US$4,646.26 billion in 2020, which increased by 1.5% year-on-year. Of which, the export value amounted to US$2,590.65 billion, increased by 3.6% year-on-year. With the recovering situation of the pandemic, Chinese manufacturing may secure more global market share and increase its proportion in the global manufacturing industry, thereby further improve the growth for the international export logistics needs in China.

Financial Results

The Group recorded revenue of about HK$5,048.1 million during the FY2020 (FY2019: about HK$3,897.9 million), representing an increase of about 29.5%. Gross profit amounted to about HK$772.6 million during the FY2020 (FY2019: about HK$550.9 million), representing an increase of about 40.2%. Gross profit margin during the FY2020 was about 15.3% (FY2019: about 14.1%). Net profit was about HK$255.9 million during the FY2020 (FY2019: about HK$28.6 million), representing an increase of about 794.8% while the net profit attributable to equity shareholders of the Company increased by about 866.3% to about HK$252.2 million during the FY2020 (FY2019: about HK$26.1 million). As disclosed in the interim report of the Company, the net profit attributable to equity shareholders of the Company for the first half of 2020 increased significantly to about HK$95.5 million compared to HK$5.1 million for the first half of 2019, representing a period-on-period increase of about 1,772.5%. The increased in profit for the first half of 2020 was mainly due to (a) the demand for health care and medical supplies have increased substantially due to the COVID-19 pandemic in Europe and the United States. Benefiting from the business transaction of its overseas subsidiaries and the business network of its overseas freight forwarder business partners, the Group has secured plenty of business of providing air freight chartering service; (b) although the number of flights has decreased significantly under the COVID-19 pandemic, benefiting from the established and sound business relationship with airlines, the Group was able to secure cargo space to satisfy its customers demand. In the second half of 2020, the outbreak of COVID-19 continued. While the net profit attributable to equity shareholders of the Company continued to increase in the second half of 2020 due to the reasons set out above. In addition, the increase of the net profit attributable to equity shareholders of the Company in FY2020 was also due to the fact that for the year ended 31 December 2019, the Group recognised an impairment loss on goodwill and intangible asset of about HK$20.0 million arising from the acquisition of 翼尊國際貨運代理（上海）有限公司 (Best Loader Logistics (Shanghai) Company Limited*) ("**Best Loader Shanghai**"), which has ceased its business in 2020. As a result, the net profit attributable to equity shareholders of the Company for the second half of 2020 was about HK$156.7 million compared to HK$21.0 million for the second half of 2019, representing a period-on-period increase of about 646.2%.

Segmental Analysis

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

Air Freight

The air freight forwarding business continued to constitute the largest business segment of the Group, representing about 60.7% of the Group's total revenue during the FY2020 (FY2019: about 56.5%). It principally involves arranging shipment upon receipt of booking instructions from customers, obtaining cargo space from airlines, preparing the relevant documentation, and upon delivery to the destination, arranging customs clearance and cargo handling. The Group is well recognised in the logistics industry, having received numerous accolades from international organisations and major airlines since 2000, including "Top Agent Award" from Cathay Pacific Cargo each year since 2006. Consequently, the Group has become the preferred business partner of renowned companies from around the world, hailing from the garment, footwear and electronic industries, delivery of small parcels for e-commerce business and among others.

During the FY2020, the air freight forwarding business recorded revenue of about HK$3,062.5 million (FY2019: about HK$2,201.9 million), representing an increase of about 39.1%. Gross profit of the segment also increased from about HK$238.6 million during the FY2019 to about HK$455.2 million during the FY2020, representing an increase of about 90.8%. In respect of air import and export tonnage, the Group noted a total increase of tonnage of about 9.0% for the FY2020 when compared to the FY2019. During the FY2020, the Group opened 1 office in Hong Kong and 2 offices in Vietnam, and closed 3 offices in Hong Kong, 3 offices in China, 4 offices in other Asia countries and one office in Hungary. The Group also disposed a subsidiary in Canada in June 2020. As such, 44 offices around the world remained as at 31 December 2020, out of which 40 offices are located in 11 Asian countries and territories, comprising Hong Kong, the PRC, Cambodia, India, Indonesia, Japan, Malaysia, Singapore, Thailand, the United Arab Emirates and Vietnam, one office in Europe and three offices in America.

Ocean Freight

Contributing about 16.2% of the Group's total revenue during the FY2020 (FY2019: about 21.9%), the ocean freight forwarding business principally involves organising shipments, arranging customs clearance and haulage services. The established relationships with trade partners and shipping lines, together with the in-house tailored freight operations system, have enabled the Group to capture the ocean freight market growth. During the FY2020, revenue of ocean freight segment slightly decreased by about 4.4% year-on-year to about HK$817.4 million (FY2019: about HK$855.3 million). Gross profit decreased to about HK$138.5 million during the FY2020 (FY2019: about HK$170.6 million), representing a decrease of about 18.8%. During the FY2020, the Group noted a decrease of tonnage of about 21.2% in respect of ocean freight shipping volume handled by the Group, which is due to the decrease in the demand in ocean freight services during COVID-19 pandemic.

Ancillary and Contract Logistics Services

Accounting for about 1.6% of the Group's total revenue during the FY2020 (FY2019: about 2.1%), the ancillary and contract logistics services segment includes warehousing, distribution and customs clearance. Warehousing includes pick and pack, labelling, quality inspection, sorting, pick-up and delivery services for export shipments from the shipper's location to the outgoing port and delivery of import shipments from arrival at the incoming port to the consignee's location. It is supported by the Group's information technology platform, which allows customers to conveniently trace inventory levels, incoming and outgoing shipments and other information online. During the FY2020, the Group sought to further adjust its warehouse operation and enhance its transshipment capacities to cope with the market conditions. This segment result was reflected with revenue of about HK$82.8 million during the FY2020 (FY2019: about HK$81.6 million), representing an increase of about 1.5%.

International Express and Parcel Services

International express and parcel services which mainly consist of cross-border small parcels business is one of the Company's emerging businesses in recent years and also one of the Company's important strategic segments to respond to the booming of global cross-border e-commerce. It represents about 18.9% of the revenue of the Group for the FY2020 (FY2019: about 16.5%). The Company pays continuous attention to the cross-border e-commerce market and consumer needs, and provides high-quality cross-border parcel logistic services for e-commerce platforms, merchants, and consumers.

The Group responded actively to changes in markets and competitive landscapes and proactively developed the international express and parcel services market during the FY2020. Benefiting from the rapid development of e-commerce in Southeast Asia, the continuous deepening of the cooperation with Hangzhou Cainiao Supply Chain Management Co., Limited and the development of new customers, revenue from international express and parcel services increased from about HK$642.3 million during the FY2019 to about HK$952.9 million during the FY2020, representing a significant increase of about 48.4%. During the FY2020, the Group has completed the delivery of about 77.5 million units in international express and parcel business (FY2019: about 74.7 million).

During the FY2020, the gross profit of international express and parcel services increased to about HK$114.4 million (FY2019: about HK$68.4 million) representing a significant growth of about 67.3%.

Others

The other businesses include combined shipments, trucking, e-commerce business and hand-carry services, the latter of which involves time sensitive shipments that allow the Group to charge higher fees and consequently benefit from higher profits. During the FY2020, the other businesses recorded revenue of about HK$132.6 million (FY2019: about HK$116.8 million), representing an increase of about 13.5%, and gross profit of about HK$36.4 million (FY2019: about HK$20.4 million), representing an increase of about 78.4%.

Liquidity and Financial Resources

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

The Group's working capital as at 31 December 2020 was about HK$750.5 million, representing a significant increase of about 58.7% from about HK$473.0 million as at 31 December 2019. The current ratio of the Group increased from about 1.90 times as at 31 December 2019 to about 2.10 times as at 31 December 2020. As at 31 December 2020, the Group's bank balances and cash amounted to about HK$491.9 million, representing an increase of about 82.9% from about HK$269.0 million as at 31 December 2019. For the FY2020, the Group had operating cash inflow of about HK$322.9 million (FY2019: operating cash inflow of about HK$239.5 million). As at 31 December 2020, the Group's outstanding bank borrowings amounted to about HK$1.1 million (as at 31 December 2019: about HK$30.6 million). The gearing ratio of the Group was about 0.1% as at 31 December 2020 (as at 31 December 2019: 5.1%). The gearing ratio was calculated as total bank borrowings divided by total equity of the Group. As at 31 December 2020 and 2019, the Group maintained a net cash position. The Group will continue to secure financing as and when the need arises.

Foreign Exchange Risk

In light of the nature of the Group's business, the Group is exposed to various foreign currency risks including RMB, USD, RM, SGD, THB, INR, EUR, GBP, CAD, JPY, VND, IDR, HUF, AED and TWD among which, RMB, EUR and USD are mostly used in the Group's business apart from HK$. Nevertheless, the Group's operations are predominately subject to the fluctuations of RMB since HK$ is pegged to USD. The Group did not use any derivative contracts to hedge against its exposure to currency risk during the FY2019 and the FY2020. The Group continued to exercise a strict control policy and did not engage in any speculative trading in debt securities or financial derivatives during the FY2020.

Significant investments

During the FY2020, the Group did not hold any material investments.

Capital Expenditure Commitments

As at 31 December 2020, the Group has the following capital expenditure commitments:

The contingent consideration of HK$250,000 (as at 31 December 2019: HK$250,000) to be determined based on the future financial performance and settlement of certain outstanding account receivables of Best Loader Logistics Company Limited ("**Best Loader HK**").

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

Performance Guarantees

(A) In Relation to the Acquisition of the Entire Issued Shares of Best Loader HK

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

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

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

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

(B) In Relation to the Acquisition of the Entire Issued Shares of Best Loader Shanghai

On Line Service Limited ("**On Line HK**"), an indirect wholly-owned subsidiary of the Company, as purchaser, entered into a sale and purchase agreement on 5 May 2017 (the "**Second Sale and Purchase Agreement**") with the First Vendor and the Guarantor, in relation to the acquisition of the entire issued shares of Best Loader Shanghai. Pursuant to the Second Sale and Purchase Agreement, the First Vendor undertakes and guarantees to On Line HK that (i) the net assets value of Best Loader Shanghai for the year ended 31 December 2017 in accordance with HKFRS, which shall be verified by the Company's auditor (the "**2017 SH Accounts**"), will be no less than HK$3.5 million (the "**2017 SH NAV Guarantee**"); (ii) the net assets value of Best Loader Shanghai for the year ended 31 December 2018 in accordance with HKFRS, which shall be verified by the Company's auditor (the "**2018 SH Accounts**"), will be no less than HK$5.3 million (the “**2018 SH NAV Guarantee**”); and (iii) the net assets value of Best Loader Shanghai for the year ended 31 December 2019 in accordance with HKFRS, which shall be verified by the Company’s auditor (the “**2019 SH Accounts**”), will be no less than HK$7.9 million (the “**2019 SH NAV Guarantee**”).

After the determination of the 2017 SH Accounts, the 2018 SH Accounts and the 2019 SH Accounts, respectively, On Line HK shall pay to the First Vendor the remaining balance of the purchase price in the following manner: (i) HK$2.7 million to the First Vendor if the 2017 SH NAV Guarantee is fulfilled; (ii) HK$2.25 million to the First Vendor if the 2018 SH NAV Guarantee is fulfilled; and (iii) HK$2.25 million to the First Vendor if the 2019 SH NAV Guarantee is fulfilled.

The 2017 SH NAV Guarantee, the 2018 SH NAV Guarantee and the 2019 SH NAV Guarantee had been fulfilled. Given the fulfillment of the 2017 SH NAV Guarantee, 2018 SH NAV Guarantee and 2019 SH NAV Guarantee, On Line HK has paid to the First Vendor in aggregate of HK$7.2 million in cash for the payment of the consideration for the Second Sale and Purchase Agreement (out of which the final payment of HK$2.25 million was settled in August 2020).

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

(C) In Relation to the Acquisition of the Remaining 25% Equity Interest in the Issued Share Capital of OTX Logistics Holland

Jumbo Channel Limited (“**Jumbo Channel**”), an indirect wholly-owned subsidiary of the Company, as purchaser, entered into a sale and purchase agreement on 9 March 2018 (the “**Third Sale and Purchase Agreement**”) with, among others, T.Y.D. Holding B.V. (the “**Second Vendor**”), in relation to the acquisition of the remaining 25% equity interest in the issued share capital of OTX Logistics B.V. (“**OTX Logistics Holland**”). Pursuant to the Third Sale and Purchase Agreement, the Second Vendor undertakes to Jumbo Channel that: (i) in the event that the sum of the audited consolidated net profits after tax of OTX Logistics Holland as stated in the audited accounts of the Company for each of the financial years ended 31 December 2017, 2018 and 2019, respectively, adjusted by any revaluation surplus or deficit of tangible or intangible assets (the “**Accumulated Consolidated Net Profit**”), shall be less than HK$18.0 million, the Second Vendor shall in aggregate compensate Jumbo Channel HK$3,330,000 after completion of the audited accounts of OTX Logistics Holland for the financial year ended 31 December 2019 (the “**2019 Holland Accounts**”); (ii) in the event that the Accumulated Consolidated Net Profit shall be less than HK$12.0 million, the Second Vendor shall in aggregate compensate Jumbo Channel HK$6,660,000 after completion of the 2019 Holland Accounts; and (iii) in the event that the Accumulated Consolidated Net Profit shall be less than HK$6.0 million, the Second Vendor shall in aggregate compensate Jumbo Channel HK$10.0 million after completion of the 2019 Holland Accounts. Based on the 2019 Holland Accounts, the Accumulated Consolidated Net Profit was not less than HK$18.0 and the profit guarantee has been fulfilled. As such the Second Vendor does not need to compensate Jumbo Channel pursuant to the Third Sale and Purchase Agreement.

Please refer to the announcements of the Company dated 9 March 2018 and 30 March 2020 and the circular of the Company dated 3 April 2018 for further details in respect of the acquisition and the fulfillment of performance guarantees.

Charge on Assets

As at 31 December 2020, the Group had pledged the following assets to secure certain banking facilities representing guarantees on payment to certain airline suppliers of the Group for the Group's cargo space purchase and bank borrowings granted to the Group:

	2020	2019
	HK$'000	*HK$'000*
Trade receivables	–	50
Financial asset at fair value though profit or loss	**896**	952
Debt investment at amortised cost	**7,463**	7,580
Pledged bank deposits	**7,633**	20,720
	15,992	29,302

EVENTS AFTER THE REPORTING PERIOD

There were no events causing material impact on the Group from the end of the Report Period to the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 30 March 2020, YTO Express Worldwide Limited ("**YTO BVI**"), a direct wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with YTO Global Holdings Limited, pursuant to which the YTO Global Holdings Limited has agreed to sell, and YTO BVI has agreed to purchase, the 45,010,000 ordinary shares in YTO Courier (Hong Kong) Company Limited ("**YTO Courier (HK)**"), representing the entire issued shares in YTO Courier (HK), at the consideration of HK$6,940,086, subject to and in accordance with the terms and conditions of the sale and purchase agreement. Upon completion, YTO Courier (HK) became an indirect wholly-owned subsidiary of the Company. Please refer to the announcement of the Company dated 30 March 2020 for details.

On 1 June 2020, OTX Logistics Canada Limited ("**OTX Canada**"), an indirect non-wholly owned subsidiary of the Company, and Harbour Zone Limited as the selling shareholder, an indirect wholly owned subsidiary of the Company, entered into a share redemption agreement ("**SRA**"), pursuant to which Harbour Zone Limited has agreed to sell, and, OTX Canada has agreed to redeem, the 51 common shares in OTX Canada owned by Harbour Zone Limited, representing 51% of the entire issued shares in OTX Canada, at the consideration of CAD513,846 (equivalent to approximately HK$2.9 million), subject to and in accordance with the terms and conditions of the SRA. Upon completion, OTX Canada ceased to be a subsidiary of the Company, and accordingly, the financial results of OTX Canada would no longer be consolidated into the consolidated financial statements of the Group. Please refer to the announcement of the Company dated 1 June 2020 for details.

Saved as disclosed, there was no material acquisition or disposal of subsidiaries, associates or joint ventures of the Company during the FY2020.

PROSPECTS

Looking forward to 2021, the Company believes that this year is still full of challenges and opportunities. In the latest issue of the Global Economic Prospects, the World Bank predicts that global output will recover in 2021 and is expected to increase by 4%, but it is much lower than the forecast before the pandemic. The impact of COVID-19 remains strong. With the gradual advancement of vaccination plans in various countries, the Group keeps a prudent and optimistic attitude towards the global economy in 2021, which is mainly based on the following key factors:

The recovery of China's manufacturing and consumption promotes the recovery of international trade supply and demand

According to the GDP figure for 2020 announced by the Chinese government, China achieved an annual growth of 2.3% and may become the only major economy with positive growth in the world. The total value of China's imports and exports of trade in goods was RMB32.16 trillion, representing an increase of 1.9% as compared to that in 2019, and the scale of imports and exports hit a record high. The supply and demand of the global supply chain rely more on "Made in China" and the Chinese consumer market. For the Group, this will stimulate more market demand for the cross-border supply chains between China and other parts of the world.

Regional Comprehensive Economic Partnership drives the development of intra-Asia trade

The Regional Comprehensive Economic Partnership **("RCEP")** is one of the most important regional trade agreements in recent years. Among the current 15 member countries, the GDP is US$26 trillion, the total population is 2.27 billion, and the total export value is US$5.2 trillion. The signing of the RCEP free trade agreement will form a free trade zone with the largest population, the largest economic and trade scale, and the most development potential in the world today. The Company considers that the signing of RCEP will further reduce the operating costs of enterprises in the region, expand the market, and enhance the vitality of the regional economy. Secondly, RCEP will further strengthen cooperation between regional industrial chain supply chains and achieve mutual complementarity among regions and countries. Therefore, the cross-border supply chain demand in regions will be further released.

The changes in global consumption habits as a result of the pandemic may promote the development of cross-border e-commerce

The retail industry experienced severe challenges from the pandemic in 2020. According to the forecast by a world-renowned market research company, global retail sales would drop by about 3% in 2020, but the performance of e-commerce was still better than expected. Global retail e-commerce sales were expected to increase by 27.6%, showing that consumers shifted to e-commerce significantly last year. Affected by the changes in consumers' consumption habits, the development of cross-border e-commerce was also strongly promoted. The global cross-border B2C e-commerce trend report jointly released by AliResearch and Accenture predicted that the global cross-border B2C e-commerce transaction volume would reach US$994 billion in 2020, benefiting 943 million global consumers. In particular, the Asia-Pacific region with China as the core ranked the first with a contribution of 53.6% in respect of increase in transaction amount. Benefiting from the rapid growth in demand from upstream industries, the international express and parcel market will see significant development in 2021.

Aviation resources are still in short supply in the short term and may become the core competitiveness of international cross-border logistics

According to the observations of the International Air Transport Association, the performance indicators of the global air transport industry in 2021 will be improved as compared to 2020. The performance will experience a difficult situation in the first half of 2021, and will rebound in the second half. The association expects that the number of tourists will increase to 2.8 billion in 2021, representing an increase of 1 billion from the previous year, but is still 1.7 billion less than that in 2019, which means that the recovery of the transport capacity of passenger airplane bellyhold, which is one of the important supply sources of air freight, is still slow and the transport capacity will continue to be tight in the short term. In view of the increased business confidence and the important role air freight plays in vaccine distribution, it is expected that freight performance will have a strong performance and freight revenue will increase to a record level of US$139.8 billion. Therefore, strong air freight cooperation and proprietary resources will become the core competitiveness in the international supply chain market.

To sum up, although the negative impact of COVID-19 is still strong, the Company is still of the view that, leveraging on its own advantages, resources of the parent company and cooperation with partners, it will seize the abovementioned opportunities, face the challenges, and achieve sustainable business growth. To cope with the needs and changes of the international supply chain, the Group will focus on the following aspects in 2021 to challenge higher goals in the face of the historical opportunities.

Continue to strengthen agency network construction and enhance strategic partnerships

In the context of the global economic recession in 2020, the impressive results achieved by the Group were due to the deep cooperation with business partners for many years. Therefore, the Group will continue to promote and deepen existing partnerships under the existing strategic guidance, and develop more potential partners to enhance the Group's network and service coverage.

For the existing agents in the current freight forwarding segment, the Group will further expand the scope of cooperation and share resources to enhance the strategic partnership. In particular, the Group will use its existing service capabilities, e.g. international express and parcel business, air chartering, warehousing, etc., to empower partners, enrich the product matrix of current agents, and work with them to enhance customer service capabilities to strive for more business and revenue. In addition, the Group also hopes to deepen the cooperation with current agents through resource sharing. The Group is willing to share the corporate brand influence in China and among overseas Chinese, the customer resources and aviation resources of the parent company 圓通速遞股份有限公司 (YTO Express Group Co., Ltd*, "**YTO Express**") with partners, and achieve the goal of new business growth together through joint sales, etc.

At the same time, the Group also wants to continue to expand the agency cooperation network in order to achieve broader business service capabilities. The Group will achieve complementarity with new partners in terms of capabilities and resources through various forms including strategic cooperation and authorized franchise, so as to achieve stronger business development capabilities and service coverage.

Focus on the East Asian market and improve service capabilities in the region

The Group will take advantage of the RCEP to deepen its development in the East Asian market. Relying on many years of investment and development in East Asia, the Company operates a number of subsidiaries in the region and has strong brand influence and service capabilities. In 2021, the Group is willing to continue to increase investment in the region, to improve the full-chain service capabilities and logistic infrastructure construction in the region and expand the existing product matrix. The Group plans to enter more market segments, in particular the local logistic service market in Southeast Asia, through strategic cooperation, franchise authorization and proprietary construction, and use the advantages and capabilities of its parent company YTO Express in the local express service industry to quickly enter emerging markets in order to obtain higher business returns and build strong competitive advantages. At the same time, the Company will also utilise its investment in East Asia and unite its partners in North America and Europe to explore more potential cooperation opportunities, and take advantage of the vigorous development of East Asia to increase the proportion of business between East Asia and Europe and the United States and create new growth drivers for the Group.

Seize the opportunities of Chinese enterprises' globalization to tap new overseas business

In the post-pandemic era, the Company believes that the globalization of Chinese manufacturing and Chinese companies will further accelerate, which will stimulate more needs for Chinese export logistics, including needs for general trade logistics and international express parcel businesses. Therefore, the Company will further tap the cross-border logistics needs of Chinese enterprises and build corresponding customized logistic services in line with the needs of customers, relying on the excellent brand and customer relationships with Chinese enterprises of the parent company YTO Express. At the same time, the Group also uses YTO Airlines' air freight resources to enhance the Group's core competitiveness in respect of international logistics. The Company expects that in 2021, it will launch more proprietary aviation dedicated line products for customers to choose from and rely on the parent company's global logistic hub built in Jiaxing, China, to enhance the Group's competitive advantages in the international air freight logistic market.

Continue to advance digital transformation

Continuous advancement of digital transformation is a key move for the Group to improve internal management efficiency and service quality. In 2021, the Group will continue to increase investment in information technology and system construction, and plans to launch a new generation of business management system and a variety of digital management tools within the year to improve the Group's operating efficiency. Specifically, the Group will use the new generation of business management system to integrate various pre-sales, in-sales, and after-sales business information of the Company's subsidiaries around the world, to enhance the linkage of subsidiaries in the world and further improve the Group's operating efficiency through intelligent analysis of operating data. Meanwhile, the Group will also make use of the advantages of information system to strengthen the construction of global operation standardization, improve service consistency and promote service refinement, and create an efficient and safe global supply chain service system.

It is expected that the Group will implement the above plans by its internal resources and/or external financing.

HUMAN RESOURCES

As at 31 December 2020, the Group employed about 893 employees (as at 31 December 2019: about 1,070 employees). Remuneration packages are generally structured to market terms, individual qualifications and experience. The Company has also adopted a share option scheme and a share award plan for the purpose of providing incentives and rewards to eligible participants, including the employees of the Group, who contribute to the success of the Group's operations. Training activities have also been conducted to improve the performance of sales and marketing activities and customer services.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the FY2020.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK6.1 cents (2019: HK1.0 cents) per ordinary share, absorbing a total amount of about HK$25,422,000 (2019: HK$4,168,000), in respect of the FY2020, which is subject to the approval of the shareholders of the Company ("**Shareholders**") at the AGM to be held on Thursday, 10 June 2021. The proposed final dividend is expected to be paid on Friday, 9 July 2021 to all Shareholders whose names to be appeared on the register of members of the Company on Wednesday, 23 June 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 7 June 2021 to Thursday, 10 June 2021 (both days inclusive) for the purpose of determining the right to attend and vote at the forthcoming AGM. In order to be qualified for attending and voting at the forthcoming AGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Friday, 4 June 2021.

Conditional on the passing of the resolution approving the declaration of the proposed final dividend at the forthcoming AGM, the register of members of the Company will also be closed from Monday, 21 June 2021 to Wednesday, 23 June 2021 (both days inclusive) for the purpose of determining the entitlement to the proposed final dividend in respect of the FY2020. In order to be qualified for the proposed final dividend (subject to the approval of the Shareholders at the forthcoming AGM), unregistered holders of Shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at the address stated above for registration not later than 4:30 p.m. (Hong Kong time) on Friday, 18 June 2021.

SCOPE OF WORK OF KPMG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the FY2020 as set out in this announcement have been agreed by the Company's auditor, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the FY2020. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's independent auditor.

CORPORATE GOVERNANCE

The Board has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Listing Rules. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the CG Code throughout the FY2020.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. After specific enquiry made by the Company, all of the Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct of the Company governing the Directors' securities transactions during the FY2020.

AUDIT COMMITTEE

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

The audit committee of the Company has discussed with the management of the Group and reviewed the audited consolidated financial results of the Group for the FY2020, including accounting principles and practices adopted by the Group, and discussed the financial reporting system and the risk management and internal control systems of the Company.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the websites of the Stock Exchange and the Company. The annual report for the FY2020 will be despatched to the Shareholders and will be published on the websites of the Stock Exchange and the Company in due course in accordance with the Listing Rules.

APPRECIATION

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

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

Hong Kong, 31 March 2021

* *For identification purpose only*

As at the date of this announcement, the Board comprises one executive Director, namely, Mr. Huang Yifeng; four non-executive Directors, namely Mr. Yu Huijiao, Mr. Pan Shuimiao, Mr. Li Xianjun and Mr. Lin Kai; and three independent non-executive Directors, namely, Mr. Li Donghui, Mr. Xu Junmin and Mr. Chung Kwok Mo John.