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

(incorporated in the Cayman Islands with limited liability)

(Stock code: 6123)

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

GRANT OF AWARD SHARES UNDER THE PLAN

Reference is made to the announcement of the Company dated 17 August 2018 in relation to the adoption of the Plan.

On 10 June 2021, the Board has resolved to grant Awards to 20 Selected Participants under the Plan comprising of an aggregate of 18,969,300 Award Shares, subject to acceptance of the Selected Participants, of which, (i) 12,769,300 Connected Award Shares were awarded to five Connected Selected Participants by way of issue and allotment of new Shares and (ii) 6,200,000 Independent Award Shares were awarded to 15 Independent Selected Participants by way of issue and allotment of new Shares.

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. 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.

A circular containing, among other matters, (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, will be despatched to the Shareholders on or before 5 July 2021.

Reference is made to the announcement of the Company dated 17 August 2018 in relation to the adoption of the Plan (“**Announcement**”). Capitalised terms used in this announcement have the same meanings as defined in the Announcement unless otherwise stated.

GRANT OF AWARD SHARES UNDER THE PLAN

On 10 June 2021, the Board has resolved to grant Awards to 20 Selected Participants under the Plan comprising of an aggregate of 18,969,300 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.

Among the 18,969,300 Award Shares:

- (i) the Connected Award Shares were awarded to five Connected Selected Participants;
and
- (ii) the Independent Award Shares were awarded to 15 Independent Selected Participants.

AWARD TO THE CONNECTED SELECTED PARTICIPANTS

As the five Connected Selected Participants are the connected persons (as defined in Chapter 14A of the Listing Rules) of the Company, the Awards will be satisfied by the issue and allotment of new Shares to the Trustee 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 shall constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The (a) Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the issue and allotment of the Connected Award Shares, and (b) specific mandate for 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 the following connected persons of the Company:

Name of Connected Selected Participants	Relationship with the Group	Number of Connected Award Shares
Li Xianjun	Non-executive Director	3,334,100
Sun Jian	Executive Director and the chief executive officer of the Company	4,017,600
Huang Yifeng	Executive Director	3,017,600
Chen Dong	Non-executive Director	1,600,000
Wong Pui Wah	Chief financial officer of the Company and director of certain subsidiaries of the Company	<u>800,000</u>
Total		<u>12,769,300</u>

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

As Mr. Li Xianjun, Mr. Sun Jian, Mr. Huang Yifeng and Mr. Chen Dong are materially interested in the awards of the Connected Award Shares, they have abstained from voting on the respective solutions passed at the Board meeting for approving the awards of the Connected Award Shares. Save for the Directors mentioned above, none of the other Directors is or is deemed to have a material interest in the Connected Award Shares.

AWARD TO THE INDEPENDENT SELECTED PARTICIPANTS

6,200,000 Independent Award Shares were awarded to the 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 under the Plan which shall be held on trust by the Trustee before the vesting of the Awards. 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.

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 18,969,300 Award Shares, comprising (i) 12,769,300 Connected Award Shares to 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) 6,200,000 Independent Award Shares to 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 Selected Participant Award Shares to be issued by the Company to the Selected Participants represent approximately 4.6% of the total number of Shares in issue at the date of this announcement and approximately 4.4% 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.

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.

Issue price of the Award Shares:	At par value of HK\$0.10 per Share
Market value of the Award Shares:	Based on the closing price of the Shares as at the date of this announcement, as quoted on the Stock Exchange of HK\$4.73 per Share, the market values of 12,769,300 Connected Award Shares and 6,200,000 Independent Award Shares are approximately HK\$60,399,000 and HK\$29,326,000, respectively.
Market price of the Shares:	<p>The closing price of the Shares as at the date of this announcement as quoted on the Stock Exchange is HK\$4.73 per Share.</p> <p>The average closing price of the Shares for the five consecutive trading days immediately preceding the date of this announcement as quoted on the Stock Exchange was HK\$4.78 per Share.</p>
Nominal value of the Award Shares:	The Award Shares have a total nominal value of HK\$1,896,930.
Consideration and funds to be raised:	The Selected Participants are required to pay (the “ Vesting Price ”) a vesting price of HK\$2.37 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 (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.

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.

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
2022	The Business Day immediately after the 30th day of the date of publication of the annual results announcement of the Company for the year ending 31 December 2021 pursuant to the Listing Rules.	25%
2023	The Business Day immediately after the 30th day of the date of publication of the annual results announcement of the Company for the year ending 31 December 2022 pursuant to the Listing Rules.	25%
2024	The Business Day immediately after the 30th day of the date of publication of the annual results announcement of the Company for the year ending 31 December 2023 pursuant to the Listing Rules.	25%
2025	The Business Day immediately after the 30th day of the date of publication of the annual results announcement of the Company for the year ending 31 December 2024 pursuant to the Listing Rules.	25%

Vesting Conditions: Subject as provided under the Plan, (i) vesting of 50% of the Award Shares on a particular Vesting Date is unconditional; and (ii) vesting of the remaining 50% of the Awarded Shares on a particular Vesting Date is conditional upon the personal level performance targets as set out below being fully satisfied:

Personal level performance target is assessed based on one or more of the indicators as prescribed by the Board. The vesting of the remaining 50% of the Awarded Shares on a particular Vesting Date based on the Selected Participant's personal level performance target 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 announcement of the Company for the financial years ending 2021, 2022, 2023 and 2024 will be as follows:

Overall Score	Percentage of the remaining 50% of the Awarded Shares to be vested on a particular Vesting Date
Less than 60	Nil
Equal to or greater than 60 but less than 90	Overall Score achieved/100
Equal to or greater than 90	100%

If the overall score of a Selected Participant is below 90, the relevant Selected Participant Award Shares that do not vest for the relevant Vesting Year in accordance with the table above 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 announcement of the Company for the years ending 31 December 2021, 2022, 2023 and 2024.

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).

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 (a) the Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the issue and allotment of the Connected Award Shares, and (b) 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.

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, there will not be any actual cash outflow by the Company for the Awards of the Award Shares as such Award Shares will be satisfied by way of issue and allotment of new Shares.

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 date of this announcement.

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.

EGM

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.

As at the date of this announcement, none of the Connected Selected Participants and their respective associates hold any Shares.

As at the date of this announcement, five of the Independent Selected Participants and an associate of one of the Independent Selected Participants hold 80,000 Shares in aggregate, representing approximately 0.02% of the number of Shares in issue, and are required to abstain from voting on the relevant resolutions relating to the proposed specific mandate for the allotment and issue of the Independent Award Shares at the EGM.

Save as disclosed, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Selected Participant Award Shares and therefore no other Shareholder is required to abstain from voting at the EGM for the relevant resolutions.

A circular containing, among other matters, (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, will be despatched to the Shareholders on or before 5 July 2021.

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.

GENERAL

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 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.

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. Independent financial adviser will be appointed 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.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associates”	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
“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
“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 12,769,300 Award Shares awarded to the Connected Selected Participants
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Connected Selected Participants”	Selected Participants who are Directors and/or director of certain subsidiaries of the Company, being connected persons of the Company
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the allotment and issue of the Selected Participant Award Shares
“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 6,200,000 Award Shares awarded to the Independent 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 who are independent of, and not connected with, the Connected Selected Participants and their respective associates and are not required to abstain from voting at the EGM
“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 17 August 2018, as altered from time to time
“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 18,969,300 Shares awarded to the Selected Participants under the Plan pursuant to the Board’s approval on 10 June 2021
“Shares”	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
“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 Tricor Trust (Hong Kong) Limited (formerly known as 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 under the Trust Deed which, as at the date of this announcement, is 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

“%” per cent.

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, 10 June 2021

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