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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.

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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)

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



紅日資本有限公司
RED SUN CAPITAL LIMITED

A letter from the Board is set out on pages 6 to 20 of this circular. A letter from the Independent Board Committee containing its recommendation is set out on pages 21 to 22 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 23 to 41 of this circular.

A notice convening the EGM of YTO Express (International) Holdings Limited to be held at Suite 3610, 36th Floor, Office Tower, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong on Friday, 8 October 2021 at 2:30 p.m. is set out on pages 48 to 50 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.ytoglobal.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 54, 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 (i.e. not later than 2:30 p.m. on Wednesday, 6 October 2021) 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.

PRECAUTIONARY MEASURES AT THE EXTRAORDINARY GENERAL MEETING

In view of the recent developments of the coronavirus (COVID-19) pandemic, and taking into consideration of the guidelines issued by the Government of Hong Kong, the Company will implement the following preventive measures at the EGM to protect attending shareholders from the risk of infection:

- compulsory body temperature check will be conducted for every shareholder or proxy at the entrance of the venue;
- every shareholder or proxy is required to wear surgical face mask throughout the meeting;
- no refreshment will be served; and
- no souvenir will be distributed.

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue.

The Company wishes to remind all shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

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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 10 June 2021 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
“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 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
“controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

- “EGM” the extraordinary general meeting of the Company to be held at Suite 3610, 36th Floor, Office Tower, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong at 2: 30 p.m. on Friday, 8 October 2021 to consider, and if thought fit, to approve the allotment and issue of the Selected Participants Award Shares
- “Eligible Participants” the following classes of participants (excluding the Excluded Participants) are eligible for participation in the Plan:
- (a) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any subsidiary or any Invested Entity (an “**Employee**”);
 - (b) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary or any Invested Entity;
 - (c) any supplier of goods or services to any member of the Group or any Invested Entity;
 - (d) any customer of any member of the Group or any Invested Entity;
 - (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
 - (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
 - (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
 - (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the Plan, the Award may be made to any company wholly owned by one or more of the above participant

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“Excluded Participant(s)”	any person who is resident in a place where the Award of the Award 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 5,200,000 Award Shares awarded to 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
“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 (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
“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
“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Latest Practicable Date”	6 September 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“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
“Remuneration Committee”	the remuneration committee of the Company
“Returned Shares”	such Award 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 17,969,300 Shares awarded to the Selected Participants under the Plan pursuant to the Board’s approval on 10 June 2021
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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)”	a company which is for the time being and from time to time a subsidiary (within the meaning of Division 4 of Part 1 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere
“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 the Trustee as trustee for governing, among other matters, the duties and powers of the Trustee, as restated, supplemented and amended from time to time

DEFINITIONS

“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 Tricor Trust (Hong Kong) Limited (formerly known as 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
“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 34.26% of the equity interest in the share capital of YTO Express, and a controlling Shareholder
“%”	per cent.

* For identification purpose only



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. Sun Jian
Mr. Huang Yifeng

Non-executive Directors:

Mr. Yu Huijiao (*Chairman*)
Mr. Pan Shuimiao
Mr. Li Xianjun
Mr. Chen Dong

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:*

Suite 3610, 36th Floor
Office Tower, Skyline Tower
39 Wang Kwong Road
Kowloon Bay, Kowloon
Hong Kong

13 September 2021

To the Shareholders,

Dear Sir/Madam,

**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**

INTRODUCTION

Reference is made to the Announcement. As disclosed in the Announcement, 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 allotment and issue of new Shares and (ii) 6,200,000 Independent Award Shares were awarded to 15 Independent Selected Participants by way of allotment

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and issue of new Shares. Two Independent Selected Participants did not accept the Award Shares. As such an aggregate of 17,969,300 Award Shares were granted and accepted by the Selected Participants, of which, (i) 12,769,300 Connected Award Shares, representing approximately 3.04% of the total number of Shares in issue as at the Latest Practicable Date, were awarded to five Connected Selected Participants; and (ii) 5,200,000 Independent Award Shares, representing approximately 1.24% of the total number of Shares in issue as at the Latest Practicable Date, were awarded to 13 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 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 allotment and issue 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. Two Independent Selected Participants did not accept the Award Shares. As such an aggregate of 17,969,300 Award Shares were granted and accepted by the Selected Participants, of which, (i) 12,769,300 Connected Award Shares were awarded to five Connected Selected Participants; and (ii) 5,200,000 Independent Award Shares were awarded to 13 Independent Selected Participants.

Among the 17,969,300 Award Shares:

- (i) the Connected Award Shares were awarded to five Connected Selected Participants; and
- (ii) the Independent Award Shares were awarded to 13 Independent Selected Participants.

AWARD TO THE CONNECTED SELECTED PARTICIPANTS

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 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 (a) Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the allotment and issue of the Connected Award Shares, and (b) specific mandate for the allotment and issue of the Connected Award Shares shall be subject to, among others, the approval by the Independent Shareholders at the EGM.

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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	800,000
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.

The Connected Selected Participants have played a major role in managing the business and/or contributed in the business development of the Group, and the grant of the Connected Award Shares to these Connected Selected Participants were because these participants had and is expected to continue to contribute to the business affairs of and benefits to the Group (in terms of, including without limitation, catalysing the continuing development and growth of the Group via (i) increasing demand of the Group's services by developing and/or introducing new sizable customers; (ii) improving business performance of the services provided by the Group by increasing the tonnage volume of the Group and improving the quality of services; and (iii) increasing Group's overall profits by formulating proposals to maintain and/or lower the overall operational cost and/or lower the Group's credit risk by stimulating earlier recovery of trade receivables from the Group's customers). Given the reasons as set out above, the Board considers that the grant of the Awards to Connected Award Shares to these Connected 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 assist the

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Group to retain these talents, for the continual operation and development of the Group. As such, the grant of the Awards to the Connected Selected Participants meets the purpose of the Plan.

AWARD TO THE INDEPENDENT SELECTED PARTICIPANTS

5,200,000 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) (“**Employee Selected Participants**”) or Selected Participants who have contributed or may contribute by way of business arrangement to the development and growth of the Group (“**Non-employee Selected Participants**”). These Non-employee Selected Participants are certain senior management of YTO Express (a controlling Shareholder) involved in managing information technology, corporate finance and operation of the small parcels and customs business. The grant of Awards to the Non-employee Selected Participants were to recognise and reward the participation and involvement of these participants in the business development of the Group. Over the years, the Group benefited from the synergy between YTO Express and the Group. YTO Express has extensive experience in logistic service market in the PRC and resources to share (in terms of, among others, corporate brand influence in the PRC, customers referral, provision of international express and parcel services and/or air and ocean freight services) with the Group which in turn allowed the Group to develop and grow over the years. The grant of Awards to the Non-employee Selected Participants was because these participants had and is expected to continue to contribute to the business affairs of and benefits to the Group (in terms of, including without limitation, catalysing the continuing development and growth of the Group via (i) sharing know-how of information technology systems adopted by YTO Express to the Group to improve the Group’s operating efficiency; (ii) increasing demand of the Group’s international express and parcel services and/or air and ocean freight services through increasing YTO Express’s provision of such services as YTO Express has appointed the Group as agent for the members of the YTO Express Group for the rest of the world, for the provision of international express and parcel services and/or air and ocean freight services; and (iii) introducing potential investors to the Company by leveraging YTO Express’s corporate brand influence in the PRC). Given the reasons as set out above, the Board considers that the grant of the Awards to the Non-employee 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 for the continual operation and development of the Group. As such, the grant of the Awards to the Non-employee Selected Participants meets the purpose of the Plan.

These 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 allotment and issue 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.

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CONDITIONS

The allotment and issue 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 allotment and issue of the Connected Award Shares, and (b) the specific mandate for the allotment and issue 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 allotment and issue 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 allotment and issue 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.

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 17,969,300 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) 5,200,000 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 4.276% of the total number of Shares in issue as at the Latest Practicable Date and approximately 4.101% of the total number of Shares in issue as enlarged by the allotment and issue of the Selected Participant Award Shares.

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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:	<p>Based on the closing price of the Shares as at the date of the Announcement, as quoted on the Stock Exchange of HK\$4.73 per Share, the market values of 12,769,300 Connected Award Shares and 5,200,000 Independent Award Shares are HK\$60,398,789 and HK\$24,596,000, 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\$3.37 per Share, the market values of 12,769,300 Connected Award Shares and 5,200,000 Independent Award Shares are HK\$43,032,541 and HK\$17,524,000, 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 as quoted on the Stock Exchange was HK\$4.73 and HK\$3.37 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 approximately HK\$4.78 and HK\$3.20 per Share, respectively.</p>
Nominal value of the Award Shares:	The Award Shares have a total nominal value of HK\$1,796,930.

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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 allotment and issue 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%

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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 Award 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 attributes of the personal level performance target relates to the business performance of the Group and/or the Selected Participants which may include, among others, business performance of the air freight, ocean freight and international express and parcel business, profits, tonnage volume of the Group, the number of sizable customers sourced by the Selected Participants and the Selected Participants' contribution to the reduction of operation costs of the Group. As the personal level performance target will provide incentive to the Selected Participants to make contribution to the development and growth of the Group, the Board considers that the attributes set could achieve the purpose of the Plan. The vesting of the remaining 50% of the Award 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 Award 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 (Note)
Equal to or greater than 90	100%

Note: For illustration purpose only, the percentage of the remaining 50% of the Award Shares to be vested on a particular Vesting Date if such Selected Participants achieved an overall score of 65 would be 32.5% (i.e. $(65/100) \times 50\% = 32.5\%$). As such 32.5% of the remaining 50% of the Award Shares will be vested in such scenario.

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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).

LETTER FROM THE BOARD

EFFECT OF THE ISSUE OF THE SELECTED PARTICIPANT AWARD SHARES ON SHAREHOLDING

For illustration purpose only, the table below sets out the shareholding structure of the Company based on each of the following scenarios and taking no account of any other issue or repurchase of Shares by the Company:

Shareholder	As at the Latest Practicable Date		Upon full vesting of the Connected Award Shares only ^(Note 1)		Upon full vesting of the Independent Award Shares only ^(Note 2)		Upon full vesting of all the Selected Participant Award Shares	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Controlling Shareholder								
YTO Global Holdings Limited ^(Note 3)	268,229,408	63.84	268,229,408	61.95	268,229,408	63.05	268,229,408	61.22
Connected Selected Participants								
Huang Yifeng ^(Note 4)	700,000	0.17	3,717,600	0.86	700,000	0.17	3,717,600	0.85
Li Xianjun ^(Note 5)	—	—	3,334,100	0.77	—	—	3,334,100	0.76
Sun Jian ^(Note 6)	—	—	4,017,600	0.93	—	—	4,017,600	0.92
Chen Dong ^(Note 7)	—	—	1,600,000	0.37	—	—	1,600,000	0.37
Wong Pui Wah ^(Note 8)	560,000	0.13	1,360,000	0.31	560,000	0.13	1,360,000	0.30
Sub-total (A):	<u>1,260,000</u>	<u>0.30</u>	<u>14,029,300</u>	<u>3.24</u>	<u>1,260,000</u>	<u>0.30</u>	<u>14,029,300</u>	<u>3.20</u>
Public								
Independent Selected Participants	286,000	0.07	286,000	0.07	5,486,000	1.29	5,486,000	1.25
Other public Shareholders	<u>150,414,592</u>	<u>35.79</u>	<u>150,414,592</u>	<u>34.74</u>	<u>150,414,592</u>	<u>35.36</u>	<u>150,414,592</u>	<u>34.33</u>
Sub-total (B):	<u>150,700,592</u>	<u>35.86</u>	<u>150,700,592</u>	<u>34.81</u>	<u>155,900,592</u>	<u>36.65</u>	<u>155,900,592</u>	<u>35.58</u>
Total:	<u>420,190,000</u>	<u>100</u>	<u>432,959,300</u>	<u>100</u>	<u>425,390,000</u>	<u>100</u>	<u>438,159,300</u>	<u>100</u>

Notes:

- (1) Without taking into account any Independent Award Shares which may be vested on the Independent Selected Participants.
- (2) Without taking into account any Connected Award Shares which may be vested on the Connected Selected Participants.
- (3) YTO Global Holdings Limited is wholly owned by Yuan Jun, which is in turn wholly owned by YTO Express. YTO Express is controlled by Yuantong Jiaolong, which is in turn owned as to 51% and 49% by Mr. Yu Huijiao, a non-executive Director and the Chairman of the Board and his spouse, respectively.
- (4) Mr. Huang Yifeng is an executive Director.
- (5) Mr. Li Xianjun is a non-executive Director.
- (6) Mr. Sun Jian is an executive Director and the chief executive officer of the Company.
- (7) Mr. Chen Dong is a non-executive Director.
- (8) Ms. Wong Pui Wah is the chief financial officer of the Company and a director of certain subsidiaries of the Company.

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 Award Shares 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 allotment and issue of new Shares.

In light of that the Board's intention to maintain continuous and sustainable development for the Group can be supported by the Connected Selected Participants and Employee Selected Participants' contributions and/or future contributions and taking into account the Connected Selected Participants and Employee Selected Participants' contributions and/or future contributions to the Group as set out above, the Remuneration Committee considers the grant of the Award Shares to the Connected Selected Participants and Employee Selected Participants' under the Plan to be generally in line with the Company's remuneration policy, as the granting of Award Shares is aligned with the contributions and/or performance of the these participants. The Remuneration Committee has also taken into account the financial performance of the Group during the latest financial year, and in particular, the contributions and efforts made by the Connected Selected Participants and Employee Selected Participants' in enhancing the overall financial performance of the Group.

Grant of Share Award as incentives or rewards for performance is common practice among listed companies in Hong Kong. For instance, during the three-month period immediately prior to the date of the Announcement, not less than 20 main board listed companies have granted award shares to their respective management and/or employees. To align with market practice, the Company has adopted the Plan which forms part of the incentive schemes of the Group as explained above. As such, the Remuneration Committee and the Board are of the view that the grant of the Award Shares to the Connected Selected Participants and Employee Selected Participants' is in line with the remuneration policy of the Company and the market practice of other listed companies.

In view of the above, the Remuneration Committee is of the opinion that since (i) the Connected Selected Participants and Employee Selected Participants contributions and/or future contributions will be beneficial to the continual operation and development of the Group; (ii) there will not be any actual cash outflow by the Company as a result for the Awards of the Award Shares to the Connected Selected Participants and Employee Selected Participants as such Award Shares will be satisfied by way of allotment and issue of new Shares; (iii) the grant of Award Shares to the Connected Selected Participants and Employee Selected Participants' were in line with the remuneration policy of the Group;

LETTER FROM THE BOARD

and (iv) the Awards to the Connected Selected Participants and Employee Selected Participants are expected to serve as a key incentive to these participants to strive for higher returns to the Group and their long term support will continue to promote the Group's future development, the Awards to the Connected Selected Participants and Employee Selected Participants is in the ordinary and usual course of business of the Group, on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

LETTER FROM THE BOARD

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. As at the Latest Practicable Date, Mr. Huang Yifeng and Ms. Wong Pui Wah hold 700,000 Shares and 560,000 Shares respectively, representing approximately 0.17% and 0.13% of the total number of Shares in issue as at the Latest Practicable Date, and are required to abstain from voting on the relevant resolutions relating to the proposed specific mandate for the allotment and issue of the Connected Award Shares at the EGM.

As at the Latest Practicable Date, five Independent Selected Participants and an associate of one of the Independent Selected Participants hold 290,000 Shares in aggregate, representing approximately 0.07% of the total number of Shares in issue as at the Latest Practicable Date, 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 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 54, 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 (i.e. not later than 2:30 p.m. on Wednesday, 6 October 2021) 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 (a) the Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the allotment and issue of the Connected Award Shares, and (b) the allotment and issue of the Connected Award Shares to the Connected Selected Participants, and the transactions contemplated thereunder is in the ordinary and usual course of business of the Group, on normal commercial terms or better, 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 (a) the Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the allotment and issue of the Connected Award Shares, and (b) 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 Independent Award Shares to the Independent 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 Independent Selected Participant Award Shares to the Independent Selected Participants.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 21 to 22 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 23 to 41 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 (a) the Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the allotment and issue of the Connected Award Shares, and (b) and 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 or better, 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 (a) the Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the allotment and issue of the Connected Award Shares, and (b) 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 Tuesday, 5 October 2021 to Friday, 8 October 2021 (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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Monday, 4 October 2021.

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)

13 September 2021

To the Shareholders,

Dear Sir/Madam,

**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**

We refer to the circular dated 13 September 2021 (the “**Circular**”) issued by the Company to its Shareholders of which this letter forms part. Unless the context requires otherwise, the capitalized 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 (a) Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the allotment and issue of the Connected Award Shares, and (b) the grant of the specific mandate for the allotment and issue of the Connected Award Shares to the 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 (a) the Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the allotment and issue of the Connected Award Shares, and (b) 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 or better, 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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

us and the Independent Shareholders in this respect. Further information of its advice is set out on pages 23 to 41 of the Circular. Your attention is also drawn to the letter from the Board set forth on pages 6 to 20 of the Circular.

Having considered the advice and recommendation of Red Sun Capital Limited, we are of the opinion that (a) the Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the allotment and issue of the Connected Award Shares, and (b) 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 or better, 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 (a) the Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the allotment and issue of the Connected Award Shares, and (b) 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 pursuant to the specific mandate prepared for the purpose of incorporation in this circular.



紅日資本有限公司
RED SUN CAPITAL LIMITED

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Hong Kong

Tel: (852) 2857 9208
Fax: (852) 2857 9100

13 September 2021

*To the Independent Board Committee and the Independent Shareholders of
YTO Express (International) Holdings Ltd.*

Dear Sirs,

**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**

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 13 September 2021 (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 10 June 2021 and 6 July 2021, 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 10 June 2021, the Board resolved to grant the 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.

However, as set out in the Letter from the Board, two Independent Selected Participants did not accept the Award Shares. As such, an aggregate of 17,969,300 Award Shares were granted and accepted by the Selected Participants, of which, (i) 12,769,300 Connected Award Shares, representing approximately 3.04% of the total number of Shares in issue as at the Latest Practicable Date, were awarded to five Connected Selected Participants by way of issue and allotment of new Shares; and (ii) 5,200,000 Independent Award Shares, representing approximately 1.24% of the total number of Shares in issue as at the Latest Practicable Date, were awarded to 13 Independent Selected Participants.

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 to the five Connected Selected Participants, who are connected persons of the Company 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 allotment and issue of the Connected Award Shares; and (b) specific mandate for the allotment and issue of the Connected Award Shares shall be subject to, among others, the approval by the Independent Shareholders at the EGM.

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. As set out in the Letter from the Board, Mr. Huang Yifeng and Ms. Wong Pui Wah hold 700,000 Shares and 560,000 Shares respectively, representing approximately 0.17% and 0.13% of the total number of Shares in issue as at the Latest Practicable Date, and are required to abstain from voting on the relevant resolutions relating to the proposed specific mandate for the allotment and issue of the Connected Award Shares at the EGM.

As at the Latest Practicable Date, five of the Independent Selected Participants and an associate of one of the Independent Selected Participants hold 290,000 Shares in aggregate, representing approximately 0.07% of the total 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 for the above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholders has a material interest in the Selected Participant Award Shares and other Shareholder is required to abstain from voting at the EGM for the relevant resolutions.

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 (a) the Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the allotment and issue of the Connected Award Shares; and (b) 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 or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The role of Red Sun Capital Limited, as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to whether (a) the Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the allotment and issue of the Connected Award Shares; and (b) 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 or better, 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 this appointment and our appointment as the independent financial adviser for the certain continuing connected transactions between the Group and group members of YTO Express Group Co., Ltd., details of which are set out in the circular of the Company dated 29 October 2019, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

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 Plan, forms part of the incentive schemes of the Group, which is set up with a view to recognise and reward the contribution and provide an additional mean for the Company to incentivise and retain the Selected Participant, comprising of certain employees and key senior management of the Company, certain of which are the Connected Selected Participants.

The 20 Selected Participants included five Connected Selected Participants, being Directors and/or directors of certain subsidiaries of the Company, and the remaining 15 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. 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.

However, as set out in the Letter from the Board, two Independent Selected Participants did not accept the Award Shares. As such, an aggregate of 17,969,300 Award Shares were granted and accepted by the Selected Participants, of which, (i) 12,769,300 Connected Award Shares, representing approximately 3.04% of the total number of Shares in issue as at the Latest Practicable Date, were awarded to five Connected Selected Participants by way of issue and allotment of new Shares; and (ii) 5,200,000 Independent Award Shares, representing approximately 1.24% of the total number of Shares in issue as at the Latest Practicable Date, were awarded to 13 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 continuous development and growth. The grant of the Award Shares would enable the Group to retain, motivate and incentivise key members of the management for the continual operation and development of the Group as well as to align their interests with that of the Group in the long-term. 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 the Connected Award Shares to the Connected Selected Participants under the specific mandate to be in the interests of the Company and Independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 10 June 2021, the Board 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. However, as set out in the Letter from the Board, two Independent Selected Participants did not accept the Award Shares. As such, an aggregate of 17,969,300 Award Shares were granted and accepted by the Selected Participants, of which, (i) 12,769,300 Connected Award Shares, representing approximately 3.04% of the total number of Shares in issue as at the Latest Practicable Date, were awarded to five Connected Selected Participants; and (ii) 5,200,000 Independent Award Shares, representing approximately 1.24% of the total number of Shares in issue as at the Latest Practicable Date, were awarded to 13 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	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	800,000
Total		<u>12,769,300</u>

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

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

Assuming (i) the maximum number of new Shares to be granted to the Selected Participants of 17,969,300 Shares, which represents approximately 4.276% of the total issued Shares at the Latest Practicable Date, were to be issued; and (ii) no other new Shares would be issued up to the date of issue and allotment of the Connected Award Shares and the transactions contemplated thereunder, the maximum number of 17,969,300 new Shares to be issued to the Selected Participants would represent approximately 4.101% of the total number of Shares in issue as enlarged by the allotment and issue of Selected Participant Award Shares. Out of the 17,969,300 Award Shares, 12,769,300 shall be Connected Award Shares to be issued and allotted to the Trustee, and 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\$3.37 per Share, the market value of 12,769,300 Connected Award Shares and 5,200,000 Independent Award Shares are approximately HK\$43,032,541 and HK\$17,524,000, respectively.

(iii) Consideration and funds to be raised

The Selected Participants are required to pay the Vesting Price of HK\$2.37 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, 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.

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(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
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%

(v) 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 attributes of the personal level performance target relates to the business performance of the Group and/or the Selected Participants which may include, among others, business performance of the air freight, ocean freight and international express and parcel business,

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profits, tonnage volume of the Group, the number of sizable customers sourced by the Selected Participants and the Selected Participants' contribution to the reduction of operation costs of the Group. As the personal level performance target will provide incentive to the Selected Participants to make contribution to the development and growth of the Group, the Board considers that the attributes set could achieve the purpose of the Plan. 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 ^(Note)
Equal to or greater than 90	100%

Note: For illustration purposes only, the percentage of the remaining 50% of the Award Shares to be vested on a particular Vesting Date if such Selected Participants achieved an overall score of 65 would be 32.5% (i.e. $(65/100) \times 50\% = 32.5\%$). As such 32.5% of the remaining 50% of the Award Shares will be vested in such scenario.

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.

For further information on the Awards of the Selected Participant Award Shares, including 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, (i) 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 satisfied; and (ii) two of the 20 Selected Participants did not accept the Award Shares, none of whom is a Connected Selected Participant. On this basis, as at the Latest Practicable Date, there are 18 remaining Selected Participants (the “**Remaining Selected Participants**”).

We understand from the Management that the award of the Selected Participant Award Shares to the Remaining Selected Participants was after consideration of their respective roles, contributions and remuneration packages with reference to, among others, the Remaining 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 the Connected Selected Participants and the 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.

Based on our discussion with the Management and our work performed, we noted that the purpose of setting out business-related performance targets and operation related performance targets as part of the personal level performance assessment, which are linked to various financial performance of the Group and determined with reference to the job responsibilities of the subject individual, are to provide an objective mean to evaluate the contribution of the Selected Participants (including the Connected Selected Participants). Furthermore, vesting of 50% of the Awarded Shares on a particular Vesting Date is conditional upon certain personal level performance targets as set out above has been satisfied in respect of the relevant Vesting Year 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, such would provide reward for past performance and contribution as well as provide incentive for future contribution for the subject individuals with a view to attract and retain talent for the continual operation and development of the Group, which would also align the interests of the Selected Participants with that of the Group (i.e. the continuous development and growth of the Group over time). Therefore, we are of the view that the personal level performance targets as one of the vesting conditions can achieve the purpose of the Plan.

We also noted 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

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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, where applicable, (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 long-term financial performance of the Company and the interests of Shareholders through the ownership of Shares. In this connection, we noted from the annual report of the Company for the year ended 31 December 2020 and as advised by the Management that the remuneration package of the Selected Participants, which included both the Connected Selected Participants and the Independent Selected Participants, is based on, where relevant, market trends, performance, qualifications and experience of individuals.

For information purposes only, based on the closing price of HK\$3.37 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of the 12,769,300 Award Shares granted to and accepted by the Connected Selected Participants were approximately HK\$43,032,541.

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 and the Shareholders as a whole.

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 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 vesting conditions, including personal level performance targets being achieved, is reasonable as it serves the purpose of the Plan, such as providing incentives to the respective Selected Participants (including the Connected Selected Participants) and will allow the Group to attract and retain talents for the continual operation and development of the Group.

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With a view to further assess the fairness and reasonableness of the terms of the Award, we have reviewed announcements of Main Board listed companies for a three-month period immediately prior to the date of the Announcement, being 10 June 2021 (the “**Review Period**”), whereby shares of the relevant subject listed company were granted to their connected person(s), such as member(s) of the board and/or director(s) at its subsidiary level (the “**Criteria**”). It is noted that such identified share awards granted to connected person(s) may be carried out at the same time as share awards to non-connected person(s) under certain Comparable Grants (defined hereafter), such as senior management and other employees, under their respective share award schemes. Based on the Criteria, we have identified an exhaustive list of 21 grants of share award (the “**Comparable Grants**”).

It should be noted that although the size, business nature, scale of operations and prospects of the Company may not be the same as the Comparable Grants, this analysis is conducted with the view to identify a general reference to the recent market practice in relation to similar type of share awards, hence we consider the Comparable Grants to be a representative sample for the purpose of our analysis. Set out below is a summary of the Comparable Grants based on the information contained in the respective transaction announcement issued by the subject listed company:

Date of announcement	Company name (stock code)	Number of grantee(s) as disclosed in the share award announcement	Percentage of total/ maximum number of awarded shares/ restricted awarded shares to total number of shares in issue on the date of the announcement (approx.)	Percentage of total/ maximum number of awarded shares to connected person(s) to total number of shares in issue on the date of the announcement (approx.)	Vesting date/period	Discount of the vesting price to the closing price of share as at the date of announcement	
1.	12 March 2021	SITC International Holdings Company Limited (1308)	634 grantees, including 4 connected persons	0.180%	0.023%	9 March 2024	100%
2.	16 March 2021	Chong Hing Bank Limited (1111)	58 grantees, including 3 connected persons	0.075%	0.005%	25% on 16 March 2021 25% on 16 March 2022 25% on 16 March 2023 25% on 16 March 2024	100%
3.	19 March 2021	Standard Chartered Plc. (2888)	2 connected persons	0.136%	0.039%	Minimum 12 months retention period/in five equal tranches on the third, fourth, fifth, sixth and seventh anniversaries of the award/in five equal tranches on the third, fourth, fifth, sixth and seventh anniversaries after a minimum of seven years, subject to performance conditions	100%
4.	24 March 2021	WuXi Biologics (Cayman) Inc. (2269)	1625 grantees, including 8 connected persons	0.150%	0.036%	Not disclosed	100%
5.	25 March 2021	China Modern Dairy Holdings Limited (1117)	160 grantees, including 2 connected persons	0.330%	0.034%	25 March 2022	100%
6.	26 March 2021	NetDragon Websoft Holdings Limited (777)	1 grantee, who is a connected person	0.022%	0.022%	26 March 2021	100%

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Date of announcement	Company name (stock code)	Number of grantee(s) as disclosed in the share award announcement	Percentage of total/ maximum number of awarded shares/ restricted awarded shares to total number of shares in issue on the date of the announcement (approx.)	Percentage of total/ maximum number of awarded shares to connected person(s) to total number of shares in issue on the date of the announcement (approx.)	Vesting date/period	Discount of the vesting price to the closing price of share as at the date of announcement
7.	29 March 2021	BOE Varitronix Limited (710)	72 grantees, including five connected persons	0.860%	0.177% 40% on 28 April 2021 30% on 28 April 2022 30% on 28 April 2023	100%
8.	31 March 2021	Fosun International Limited (656)	88 grantees, including 21 connected persons	0.153%	0.095% 33% on 31 March 2022 33% on 31 March 2023 34% on 31 March 2024	100%
9.	31 March 2021	Hong Kong Television Network Limited (1137)	1 grantee, who is a connected person	5.000%	5.000% 20% on 31 December 2021 20% on 31 December 2022 20% on 31 December 2023 20% on 31 December 2024 20% on 31 December 2025	100%
10.	8 April 2021	Elife Holdings Limited (223)	9 grantees, including 1 connected person	2.840%	0.160% 25% on 8 April 2021 25% on 1 July 2021 25% on 1 October 2021 25% on 1 January 2022	100%
11.	9 April 2021	Bison Finance Group Limited (888)	12 grantees, including 5 connected persons	3.704%	not less than 0.971% (Note 1) Within 10 business days upon acceptance of grant	100%
12.	12 April 2021	Riverine China Holdings Limited (1417)	Not less than 17 grantees, including 2 connected persons	2.030% (Note 2)	0.426% (Note 3) To be vested after the annual result of the company for the year ending 31 December 2022	100%
13.	15 April 2021	China Mengniu Dairy Company Limited (2319)	Not disclosed, including 1 connected person	0.130%	0.004% 50% on 15 April 2022 50% on 15 April 2023, both subject to other vesting conditions, including the group's performance targets	100%
14.	20 April 2021	China Environmental Technology and Bioenergy Holdings Limited (1237)	13 grantees, including 2 connected persons	8.500%	3.783% Not subject to any vesting conditions	100%
15.	20 April 2021	i-Control Holdings Limited (1402)	1, who is a connected person	0.050%	0.050% 30% on 20 April 2022 30% on 20 April 2023 40% on 20 April 2024, subject to a lock-up period of six (6) months commencing on the respective vesting dates	100%
16.	22 April 2021	Midea Real Estate Holding Limited (3990)	31 grantees, including 4 connected persons	0.425%	0.098% 1 April 2022, subject to the achievement of certain performance targets	100%

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				Percentage of total/ maximum number of awarded shares/ restricted awarded shares to total number of shares in issue on the date of the announcement (approx.)	Percentage of total/ maximum number of awarded shares to connected person(s) to total number of shares in issue on the date of the announcement (approx.)	Vesting date/period	Discount of the vesting price to the closing price of share as at the date of announcement
17.	6 May 2021	IGG INC (799)	23 grantees, including 9 connected persons	0.270%	0.252%	<p><i>For grantees who are connected persons:</i> 50% on the date of the annual general meeting to be convened in 2022 50% on the date of the annual general meeting to be convened in 2023</p> <p><i>For certain grantees:</i> 50% on 6 May 2022 50% on 6 May 2023</p> <p><i>For other grantees:</i> 25% on 6 May 2022 25% on 6 May 2023 25% on 6 May 2024 25% on 6 May 2025</p>	100%
18.	18 May 2021	Shinlong Automotive Lightweight Application Limited (1930)	24 grantees, including 4 connected persons	1.400%	0.359%	30% on 18 November 2021 30% on 18 November 2022 40% on 18 November 2023	49.2%
19.	19 May 2021	TCL Electronics Holdings Limited (1070)	226 grantees including 32 connected persons	4.635%	2.620%	40% on 20 June 2022 30% on 20 June 2023 30% on 20 June 2024, <i>or</i> 40% on 20 June 2023 30% on 20 June 2024 30% on 20 June 2025, and subject to certain vesting conditions	100%
20.	20 May 2021	Haidilao International Holding Ltd. (6862)	More than 1517 grantees, including 17 connected persons	3.000%	0.300%	Ten years from 20 May 2021	100%
21.	26 May 2021	AsiaInfo Technologies Limited (1675)	Certain number of grantees, including 1 connected person	1.700%	0.500%	Between 26 May 2022 and 26 May 2024	100%
			Maximum	8.500%	5.000%		
			Minimum	0.022%	0.004%		
			Average	1.695%	0.712%		
		The Company	20 Selected Participants, including five Connected Selected Participants	4.312%	3.064%	(i) 50% of the Award Shares on a particular Vesting Date is unconditional; and (ii) the remaining 50% of the Award Shares, subject to the fulfilment of certain conditions, 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, 2022, 2023 and 2024, respectively	49.9%

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Notes:

1. Number of shares granted to two of the five connected persons were not disclosed.
2. 2.03% represents approximately 8,218,000 shares, of which 1,644,000 shares have been reserved for the purpose of incentive award for the selected 17 awardees, including 2 connected persons, subject to vesting conditions.
3. None of the 1,644,000 shares reserved for the purpose of incentive award has been included in this figure.

As shown from the table above, we noted that the vesting date/period of the Comparable Grants ranged from immediate vesting to up to around ten years after the date of grant. As set out in the Letter from the Board, the Connected Award Shares shall be vested as to (i) 50% of the Award Shares on a particular Vesting Date, which shall be unconditional; and (ii) the remaining 50% of the Award Shares, subject to the fulfilment of certain conditions, on 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, 2022, 2023 and 2024, respectively, which is within range of the vesting period of the Comparable Grants. Given the vesting of a significant portion of the Connected Award Shares (i.e. 50% of the subject Award Shares) is subject to the fulfilment of certain conditions and to take place over a number of financial years, such would provide incentives for the selected participants to continue their contribution towards the ongoing operation and development of the Group.

In addition, we noted that (i) the proportion of award shares of the Comparable Grants granted to the grantees ranged between approximately 0.022% and 8.500% of the total number of shares in issue as at the date of relevant announcement; and (ii) the size of award shares of the Comparable Grants granted to the grantees who were connected persons ranged between approximately 0.004% and 5.000% of the total number of shares in issue as at the date of the relevant announcement. The Award Shares and Connected Award Shares represent approximately 4.312% and 3.064% of the total number of Shares in issue as at the Date of Grant, respectively, such are within the respective range of the Comparable Grants. Furthermore, based on our review of the relevant announcements in relation to the Comparable Grants, we also noted that the share awards for a significant number of Comparable Grants do not require the subject awardees to pay a vesting price for their award shares, while the Selected Participants, whether they are Independent Selected Participants or Connected Selected Participants, are required to pay a Vesting Price of HK\$2.37 Selected Participant Award Share to the Trustee.

In connection with the Vesting Price, we noted that the Vesting Price of HK\$2.37 per Selected Participant Award Share payable to the Trustee applies to both Connected Selected Participants and Independent Selected Participants. As part of our work, we also considered the discount of the Vesting Price to the closing Share price as at the date of Announcement of approximately 49.9% is within that of the Comparable Grants, which ranged from 100% discount (i.e. at a nil vesting price) to approximately 49.2% discount to the closing price of the date of the subject share award

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announcement, under the subject share award. On this basis, we are of the view that the Vesting Price, which is no less favourable than those from the Comparable Grants is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

As such, having considered (i) the Vesting Period is broadly in line with the vesting period of the Comparable Grants; (ii) the proportion of the Connected Award Shares to the total number of issued Shares is within the respective range of the relevant Comparable Grants; and (iii) the discount of the Vesting Price to the closing Share price as at the date of the Announcement is within the range of the relevant Comparable Grants, we are of the view that the vesting period, the proportion of the Connected Award Shares and the Vesting Price are reasonable and in line with general market practice.

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

(a) Dilution effect

As set out in the Letter from the Board, all of the Award Shares granted to and accepted by the Remaining Selected Participants shall be satisfied by way of issue and allotment of new Shares under the specific mandate, (i) the Selected Participant Award Shares of 17,969,300 Shares, granted to and accepted by the Remaining Selected Participants, represented approximately 4.276% of the total number of Shares in issue at the Latest Practicable Date and approximately 4.101% 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 of 12,769,300 Shares, granted to and accepted by the five Connected Selected Participants, represented approximately 3.039% of the total number of Shares in issue at the Latest Practicable Date and approximately 2.914% of the total number of Shares in issue as enlarged by the issue and allotment of the Award Shares.

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For illustration purposes only, the table below, which has been extracted from the Letter from the Board, sets out the shareholding structure of the Company based on each of the following scenarios and taking no account of any other issue or repurchase of Shares by the Company:

Shareholder	As at the Latest Practicable Date		Upon full vesting of the Connected Award Shares only ^(Note 1)		Upon full vesting of the Independent Award Shares only ^(Note 2)		Upon full vesting of all the Selected Participant Award Shares	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Controlling Shareholder								
YTO Global Holdings Limited ^(Note 3)	268,229,408	63.84	268,229,408	61.95	268,229,408	63.05	268,229,408	61.22
Connected Selected Participants								
Huang Yifeng ^(Note 4)	700,000	0.17	3,717,600	0.86	700,000	0.17	3,717,600	0.85
Li Xianjun ^(Note 5)	—	—	3,334,100	0.77	—	—	3,334,100	0.76
Sun Jian ^(Note 6)	—	—	4,017,600	0.93	—	—	4,017,600	0.92
Chen Dong ^(Note 7)	—	—	1,600,000	0.37	—	—	1,600,000	0.37
Wong Pui Wah ^(Note 8)	560,000	0.13	1,360,000	0.31	560,000	0.13	1,360,000	0.30
Sub-total (A):	<u>1,260,000</u>	<u>0.30</u>	<u>14,029,300</u>	<u>3.24</u>	<u>1,260,000</u>	<u>0.30</u>	<u>14,029,300</u>	<u>3.20</u>
Public								
Independent Selected Participants	286,000	0.07	286,000	0.07	5,486,000	1.29	5,486,000	1.25
Other public Shareholders	<u>150,414,592</u>	<u>35.79</u>	<u>150,414,592</u>	<u>34.74</u>	<u>150,414,592</u>	<u>35.36</u>	<u>150,414,592</u>	<u>34.33</u>
Sub-total (B):	<u>150,700,592</u>	<u>35.86</u>	<u>150,700,592</u>	<u>34.81</u>	<u>155,900,592</u>	<u>36.65</u>	<u>155,900,592</u>	<u>35.58</u>
Total:	<u><u>420,190,000</u></u>	<u><u>100</u></u>	<u><u>432,959,300</u></u>	<u><u>100</u></u>	<u><u>425,390,000</u></u>	<u><u>100</u></u>	<u><u>438,159,300</u></u>	<u><u>100</u></u>

Notes:

- Without taking into account any Independent Award Shares which may be vested on the Independent Selected Participants.
- Without taking into account any Connected Award Shares which may be vested on the Connected Selected Participants.
- YTO Global Holdings Limited is wholly owned by Yuan Jun, which is in turn wholly owned by YTO Express. YTO Express is controlled by Yuantong Jiaolong, which is in turn owned as to 51% and 49% by Mr. Yu Huijiao, a non-executive Director and the Chairman of the Board and his spouse, respectively.
- Mr. Huang Yifeng is an executive Director.
- Mr. Li Xianjun is a non-executive Director.
- Mr. Sun Jian is an executive Director and the chief executive officer of the Company.
- Mr. Chen Dong is a non-executive Director.
- Ms. Wong Pui Wah is the chief financial officer of the Company and a director of certain subsidiaries of the Company.

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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 the Connected Award Shares to the Connected Selected Participants” in this letter, in particular, the grant of the Award Shares would enable the Group to retain, motivate and incentivise key members of the management for the continual operation and development of the Group as well as to align their interests with that of the Group in the long-term, and the Company will not record material cash outflow for the grant of Award Shares, we concur with the Management that the dilution effect to the Independent Shareholders in the event that the Award Shares are satisfied by the issue of new Shares is reasonable.

(b) Possible financial effects arising from the grant of 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 fund will be raised and 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 the Circular and the convene of the EGM.

RECOMMENDATION

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

- the grant of the Connected Award Shares to the Connected Selected Participants should facilitate the Group to retain, motivate and incentivise key members of the management for the continual operation and development of the Group as well as align their interests with that of the Group in the long-term;
- out of the grant of 17,969,300 Award Shares to the Remaining Selected Participants, as at the Latest Practicable Date, (i) 12,769,300 Connected Award Shares were granted and accepted by five Connected Selected Participants; and (ii) 5,200,000 Independent Award Shares were granted and accepted by 13 Independent Selected Participants;
- both the Connected Selected Participants and Independent Selected Participants, subject to the acceptance of the Awards by the Selected Participants, shall pay the same vesting price per Selected Participant Award Share to the Trustee;
- subject as provided under the Plan, (i) vesting of 50% of the Award Shares on a particular Vesting Date is unconditional; and (ii) the vesting of the remaining 50% of the Award Shares is conditioned upon the appraisal results of the personal level performance target(s) prescribed by the Board, taking into account the personal level performance target during the relevant financial years ending 2021, 2022, 2023 and 2024, which is broadly in line with the vesting period of the

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Comparable Grants, and the proportion of the Connected Award Shares to the total number of issued Shares is also within the range of the relevant Comparable Grants;

- the vesting period was determined with a view to provide a performance-driven long-term incentive to motivate and retain key senior management and employees; and
- the 12,769,300 Connected Award Shares granted to and accepted by the Remaining Selected Participants who are connected person(s) to the Company represented approximately 3.039% of the total number of Shares in issue at the Latest Practicable Date and approximately 2.914% of the total number of Shares in issue as enlarged by the issue and allotment of the Award Shares, and that the dilution effect arising therefrom is considered to be reasonable,

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 advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve (i) the Awards of the Connected Award Shares to the Connected Selected Participants to be satisfied by the allotment and issue of the Connected Award Shares, and (ii) 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
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 14 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. Yu Huijiao	Interest of controlled corporations (<i>Note 1</i>)	268,229,408	63.84%
Mr. Huang Yifeng	Beneficial owner (<i>Note 2</i>)	3,717,600	0.88%
Mr. Li Xianjun	Beneficial owner (<i>Note 3</i>)	3,334,100	0.79%
Mr. Sun Jian	Beneficial owner (<i>Note 3</i>)	4,017,600	0.96%
Mr. Chen Dong	Beneficial owner (<i>Note 3</i>)	1,600,000	0.38%

Notes:

- These Shares 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 34.26% 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 held by YTO Global Holdings Limited.
- (i) 700,000 Shares are held by Mr. Huang Yifeng; and (ii) 3,017,600 Shares represents the interests in Award Shares granted by the Company on 10 June 2021 and remain unvested.
- These Shares represents the interests in Award Shares granted by the Company on 10 June 2021 and remain unvested.

(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 <i>(Note)</i>	YTO Express	Interest of controlled corporations	1,082,712,613	34.26%
		Beneficial owner	100,673,929	3.19%
		Interest of spouse	74,027,054	2.34%
	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 relationship between Mr. Yu Huijiao and the above associated corporations are set out in note 1 of part (A) of the paragraph headed “2. Disclosure of Interests — (a) Disclosure of interests of Directors — (A) Long position in ordinary shares of the Company”. YTO Global Holdings Limited, YTO Express and Yuan Jun are the direct/indirect holding companies of the Company. In this connection, 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
YTO Global Holdings Limited (<i>Note</i>)	Beneficial owner	268,229,408	63.84%
YTO Express (<i>Note</i>)	Interest of controlled corporations	268,229,408	63.84%
Yuantong Jiaolong (<i>Note</i>)	Interest of controlled corporations	268,229,408	63.84%
Ms. Zhang Xiaojuan (<i>Note</i>)	Interest of controlled corporations	268,229,408	63.84%

Note: These interests are also disclosed as the interest of Mr. Yu Huijiao in the paragraph headed “(a) Disclosure of interests of Directors”.

* *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 RMB37.2 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 of YTO Express and chairman of the board and general manager of Yuantong Jiaolong</i> Mr. Li Xianjun, <i>vice president</i> Mr. Chen Dong, <i>senior director</i> Mr. Pan Shuimiao, <i>director and president</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 2020, 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 2020, 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 2020, 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 Suite 3610, 36th Floor, Office Tower, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong, up to and including the date falling on 14 days from the date of this circular:

- (a) a copy of the Plan;
- (b) the Announcement; and
- (c) 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)

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 Suite 3610, 36th Floor, Office Tower, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong on Friday, 8 October 2021 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 12,769,300 new shares of the Company (the “**Connected Award Shares**”), the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate (the “**Specific Mandate I**”) to exercise the powers of the Company to allot and issue the Connected Award Shares to Tricor Trust (Hong Kong) Limited to hold on trust for persons as referred to in the ordinary resolutions numbered 1(b) below, being persons selected by the board of Directors (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) who are connected persons (as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange) of the Company;
- (b) conditional upon the ordinary resolution numbered 1(a) above having been passed and each as separate resolution, the grant of the following number of Connected Award Shares pursuant to the Plan to each of the following persons be and is hereby approved and confirmed:
 - (A) the grant of 3,334,100 Connected Award Shares pursuant to the Plan to Mr. Li Xianjun;

- (B) the grant of 4,017,600 Connected Award Shares pursuant to the Plan to Mr. Sun Jian;
 - (C) the grant of 3,017,600 Connected Award Shares pursuant to the Plan to Mr. Huang Yifeng;
 - (D) the grant of 1,600,000 Connected Award Shares pursuant to the Plan to Mr. Chen Dong;
 - (E) the grant of 800,000 Connected Award Shares pursuant to the Plan to Ms. Wong Pui Wah; 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 Connected Award Shares under the Specific Mandate I and the transactions contemplated thereunder.”

2. “**THAT**

- (a) conditional upon the Stock Exchange granting the listing of and permission to deal in an aggregate of 5,200,000 new shares of the Company (the “**Independent Award Shares**”), the Directors be and are hereby granted a specific mandate (the “**Specific Mandate II**”) to exercise the powers of the Company to allot and issue the Independent Award Shares to Tricor Trust (Hong Kong) Limited to hold on trust for persons selected by the Board for participation in the Plan who are third parties independent of the Company and connected persons of the Company; and
- (b) 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 Award Shares under the Specific Mandate II 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, 13 September 2021

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 54, 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 (i.e. not later than 2:30 p.m. on Wednesday, 6 October 2021) 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 Tuesday, 5 October 2021 to Friday, 8 October 2021 (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. on Monday, 4 October 2021.
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.

PRECAUTIONARY MEASURES AT THE EXTRAORDINARY GENERAL MEETING

In view of the recent developments of the coronavirus (COVID-19) pandemic, and taking into consideration of the guidelines issued by the Government of Hong Kong, the Company will implement the following preventive measures at the EGM to protect attending shareholders from the risk of infection:

- compulsory body temperature check will be conducted for every shareholder or proxy at the entrance of the venue;
- every shareholder or proxy is required to wear surgical face mask throughout the meeting;
- no refreshment will be served; and
- no souvenir will be distributed.

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue.

The Company wishes to remind all shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.