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YTO INTERNATIONAL EXPRESS AND SUPPLY CHAIN TECHNOLOGY LIMITED
圓通國際快遞供應鏈科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 6123)

ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

- The Group's revenue amounted to about HK\$6,706.5 million for the FY2022, representing a decrease of about 11.2% as compared to that of the FY2021 (FY2021: about HK\$7,556.4 million);
- Air freight business recorded a decrease of about 67.7% in segment results for the FY2022 as compared to that of the FY2021, to about HK\$91.4 million (FY2021: about HK\$282.6 million);
- Ocean freight business recorded a decrease of about 8.5% in segment results for the FY2022 as compared to that of the FY2021, to about HK\$196.1 million (FY2021: about HK\$214.4 million);
- The Group recorded a profit attributable to equity shareholders of the Company of about HK\$136.7 million for the FY2022, a decrease of about 50.0% as compared to that of the FY2021 (FY2021: about HK\$273.4 million); and
- The Board recommended the payment of a final dividend of HK3.3 cents per share for the FY2022 (FY2021: HK6.5 cents), which is subject to the approval of the Company's shareholders at the AGM.

The board (the "**Board**") of directors (the "**Directors**") of YTO International Express and Supply Chain Technology Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2022 (the "**FY2022**"), together with the comparative audited figures for the year ended 31 December 2021 (the "**FY2021**"), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year ended 31 December 2022

		2022	2021
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2	6,706,450	7,556,427
Cost of sales		<u>(6,163,136)</u>	<u>(6,763,586)</u>
Gross profit		543,314	792,841
Other income		18,288	17,124
Administrative expenses		(418,318)	(460,248)
Net impairment loss (recognised) reversed under expected credit loss model		(8,440)	49
Impairment loss on goodwill		–	(15,632)
Impairment loss on intangible assets		–	(464)
Other gains or losses		15,006	(6,644)
Share of results of associates		708	34
Share of results of joint ventures		(7,204)	1,035
Finance costs		<u>(2,577)</u>	<u>(4,171)</u>
Profit before taxation		140,777	323,924
Income tax expense	3(a)	<u>(968)</u>	<u>(45,681)</u>
Profit for the year	4	<u>139,809</u>	<u>278,243</u>
Profit for the year attributable to:			
Equity shareholders of the Company		136,744	273,377
Non-controlling interests		<u>3,065</u>	<u>4,866</u>
		<u>139,809</u>	<u>278,243</u>
Earnings per share (Hong Kong cents)			
Basic	5	<u>32.71</u>	<u>65.76</u>
Diluted	5	<u>32.71</u>	<u>65.47</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31 December 2022

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit for the year	<u>139,809</u>	<u>278,243</u>
Other comprehensive income for the year (after tax and reclassification adjustments)		
<i>Items that will not be reclassified to profit or loss</i>		
(Deficit) surplus on revaluation of leasehold land and buildings	(623)	741
Deferred tax arising on revaluation of leasehold land and buildings	288	(38)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Share of other comprehensive income of associates	(515)	(36)
Share of other comprehensive income of joint ventures	(920)	(749)
Exchange difference arising from foreign operations	(39,995)	(16,165)
Reclassification adjustment upon disposal of a subsidiary	<u>17,689</u>	<u>–</u>
Other comprehensive income for the year	<u>(24,076)</u>	<u>(16,247)</u>
Total comprehensive income for the year	<u><u>115,733</u></u>	<u><u>261,996</u></u>
Attributable to:		
Equity shareholders of the Company	113,206	258,209
Non-controlling interests	<u>2,527</u>	<u>3,787</u>
Total comprehensive income for the year	<u><u>115,733</u></u>	<u><u>261,996</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Investment properties		5,393	6,745
Property, plant and equipment		32,383	57,574
Right-of-use assets		38,205	144,257
Goodwill		511	542
Intangible assets		4,119	3,382
Interests in associates		3,356	3,210
Interests in joint ventures		46,483	10,072
Deferred tax assets		20,995	809
		<u>151,445</u>	<u>226,591</u>
Current assets			
Trade receivables	7	788,987	1,212,370
Other receivables, deposits and prepayments		93,134	115,483
Contract assets		28,804	117,092
Financial assets at fair value through profit or loss		708	3,939
Debt investment at amortised cost		–	7,069
Amount due from immediate holding company		119	119
Amounts due from joint ventures		21,399	9,693
Amounts due from associates		14,825	16,463
Amounts due from fellow subsidiaries		32,482	18,109
Prepaid tax		6,942	3,825
Pledged bank deposits		38,943	10,768
A fixed bank deposit with maturity more than 3 months		49,119	–
Bank balances and cash		998,365	567,828
		<u>2,073,827</u>	<u>2,082,758</u>

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	8	435,227	787,933
Contract liabilities		10,404	48,481
Amounts due to associates		1,543	914
Amounts due to fellow subsidiaries		494,286	132,380
Tax liabilities		23,905	40,041
Lease liabilities		16,068	42,770
Bank borrowings		–	5,370
		<u>981,433</u>	<u>1,057,889</u>
Net current assets		<u>1,092,394</u>	<u>1,024,869</u>
Total assets less current liabilities		<u>1,243,839</u>	<u>1,251,460</u>
Non-current liabilities			
Other payables	8	2,237	3,318
Lease liabilities		25,208	116,940
Deferred tax liabilities		5,983	14,666
		<u>33,428</u>	<u>134,924</u>
		<u>1,210,411</u>	<u>1,116,536</u>
Capital and reserves			
Share capital	9	42,019	42,019
Reserves		1,157,878	1,060,246
Total equity attributable to equity shareholders of the Company		<u>1,199,897</u>	<u>1,102,265</u>
Non-controlling interests		10,514	14,271
Total equity		<u>1,210,411</u>	<u>1,116,536</u>

NOTES TO THE FINANCIAL INFORMATION

1. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial information for the year ended 31 December 2022 comprises the Group and the Group’s interests in associates and joint ventures.

The HKICPA has issued the following amendments to HKFRSs for the current accounting period of the Group.

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract*

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. SEGMENT INFORMATION

	Segment revenue		Segment results	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Operating and reportable segments				
Air freight	3,681,328	3,361,805	91,396	282,554
Ocean freight	1,735,569	2,004,190	196,116	214,419
Logistics	67,154	67,162	2,522	7,445
International express and parcel	1,106,234	1,949,084	99,243	104,347
Others	116,165	174,186	13,129	36,667
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>6,706,450</u>	<u>7,556,427</u>	402,406	645,432
Other income			18,288	17,124
Impairment loss on goodwill			–	(15,632)
Impairment loss on Intangible assets			–	(464)
Other gains or losses			15,006	(6,644)
Unallocated corporate expenses			(285,850)	(312,790)
Share of results of associates			708	34
Share of results of joint ventures			(7,204)	1,035
Finance costs			(2,577)	(4,171)
			<u> </u>	<u> </u>
Profit before taxation			<u>140,777</u>	<u>323,924</u>

3. INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax :		
– Hong Kong Profits Tax	24,435	23,513
– Enterprise Income Tax (“EIT”) in the PRC	1,904	2,876
– United States Corporate Income Tax	10	6,643
– Vietnam Corporate Income Tax	2,003	2,747
– Thailand Corporate Income Tax	1,453	2,518
– Malaysia Corporate Income Tax	1,053	1,078
– India Corporate Income Tax	1,052	842
– Korea Corporate Income Tax	2,249	819
– Other jurisdictions	2,979	691
	<u>37,138</u>	<u>41,727</u>
Under (over) provision in respect of prior years		
– Hong Kong Profits Tax	(1,823)	(344)
– EIT in the PRC	11	480
– Other jurisdictions	(158)	54
	<u>(1,970)</u>	<u>190</u>
Withholding tax on dividend received	<u>435</u>	<u>832</u>
	35,603	42,749
Deferred taxation	<u>(34,635)</u>	<u>2,932</u>
	<u><u>968</u></u>	<u><u>45,681</u></u>

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

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

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

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

(b) Current taxation in the consolidated statement of financial position represents:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Provision for Hong Kong Profits Tax for the year	24,435	23,513
Provision for EIT in the PRC for the year	1,904	2,876
Provision for tax in other jurisdictions for the year	10,799	15,338
Provisional tax paid	<u>(20,609)</u>	<u>(14,092)</u>
	16,529	27,635
Balance of tax provision relating to prior years	<u>434</u>	<u>8,581</u>
	<u>16,963</u>	<u>36,216</u>

4. PROFIT FOR THE YEAR

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit for the year has been arrived at after charging (crediting):		
Auditors' remuneration	7,110	6,898
Depreciation of property, plant and equipment	9,964	11,238
Depreciation of right-of-use assets	34,216	38,858
Impairment loss on goodwill*	–	15,632
Impairment loss on intangible assets*	–	464
Amortisation of intangible assets (included in administrative expenses)	1,794	4,443
Allowance for expected credit losses on trade and other receivables recognised	11,109	6,993
Less: Reversal of allowance for expected credit losses on trade and other receivables	<u>(2,669)</u>	<u>(7,042)</u>
Net impairment loss recognised (reversed) under expected credit loss model	<u>8,440</u>	<u>(49)</u>
Staff costs		
Directors' emoluments	8,965	12,658
Other staff costs		
Staff costs excluding retirement benefit contributions	263,255	279,004
Retirement benefit contributions	26,811	23,319
Equity-settled share-based payment	<u>3,447</u>	<u>1,881</u>
Total staff costs	<u>302,478</u>	<u>316,862</u>
Gross rental income from investment properties	313	354
Less: outgoing incurred which generated rental income	<u>(63)</u>	<u>(77)</u>
	<u>250</u>	<u>277</u>

* OTX Logistics B.V. and its subsidiaries ("OTX Logistics Holland Group") was engaged in the provision of freight forwarding services in the Netherlands. During the year ended 31 December 2021, goodwill arose from the acquisitions of OTX Logistics Holland Group had been fully impaired and impairment loss of HK\$15,632,000 on goodwill and HK\$464,000 on intangible assets were recognised in the profit or loss.

5. EARNINGS PER SHARE

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to equity shareholders of the Company)	<u>136,744</u>	<u>273,377</u>
	2022	2021
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	417,990,000	415,705,507
Effect of dilutive potential ordinary shares on share award plan	<u>–</u>	<u>1,833,343</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>417,990,000</u>	<u>417,538,850</u>

Diluted earnings per share equaled basic earnings per share for the year ended 31 December 2022 because the dilutive potential ordinary shares outstanding were anti-dilutive.

6. DIVIDEND

Pursuant to the resolution passed by the shareholders of the Company at the Company's annual general meeting held on 9 June 2022, a final dividend of HK6.5 cents per ordinary share in respect of the FY2021, in an aggregate amount of HK\$27,312,000, was paid on 8 July 2022 to all shareholders whose names appeared on the register of members of the Company on 22 June 2022.

The Board recommended the payment of a final dividend of HK3.3 cents per ordinary share, in an aggregate amount of about HK\$13,866,000, in respect of the FY2022, which is subject to the approval of the shareholders of the Company at the annual general meeting of the Company (the "AGM") to be held on Friday, 9 June 2023. The proposed final dividend is expected to be paid on Friday, 7 July 2023 to all shareholders whose names to be appeared on the register of members of the Company on Wednesday, 21 June 2023.

7. TRADE RECEIVABLES

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

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0–30 days	425,990	836,348
31–60 days	253,323	243,244
61–90 days	27,062	93,275
91–180 days	36,498	37,775
Over 180 days	<u>46,114</u>	<u>1,728</u>
	<u>788,987</u>	<u>1,212,370</u>

8. TRADE AND OTHER PAYABLES

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 60 days	210,677	450,802
61–180 days	24,945	38,876
181–365 days	5,876	3,069
More than 1 years	10,262	3,210
	<u>251,760</u>	<u>495,957</u>
Trade and other payables analysed as:		
– current	435,227	787,933
– non-current	2,237	3,318
	<u>437,464</u>	<u>791,251</u>

9. SHARE CAPITAL

	Number of ordinary shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	<u>2,000,000,000</u>	<u>200,000</u>
Issued and fully paid:		
At 1 January 2021	416,760,000	41,676
Issue of shares upon exercise of equity-settled share-based payment	<u>3,430,000</u>	<u>343</u>
At 31 December 2021, 1 January 2022 and 31 December 2022	<u>420,190,000</u>	<u>42,019</u>

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

10. DISPOSAL OF A SUBSIDIARY

On 16 June 2022, Jumbo Channel Limited (“**Jumbo Channel**”), an indirect wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Uniserve Holdings Limited (“**Uniserve**”) and OTX Logistics B.V. (“**OTX Logistics Holland**”), pursuant to which Uniserve has agreed to acquire 50% of the entire issued shares in OTX Logistics Holland from Jumbo Channel, at the consideration of EUR5,409,469 (equivalent to approximately HK\$44,325,189), subject to and in accordance with the terms and conditions of the sale and purchase agreement. Upon completion, the Group’s interest in OTX Logistics Holland is 50% and OTX Logistics Holland ceased to be an indirect wholly owned subsidiary of the Company and became a joint venture of the Company.

The net assets of the subsidiary at the date of disposal were as follows:

	<i>HK\$’000</i>
Net assets disposed of:	
Property, plant and equipment	15,237
Right-of-use assets	71,290
Intangible assets	109
Interests in associates	47
Interests in joint ventures	9,284
Deferred tax assets	5,107
Trade receivables	30,118
Other receivables, deposits and prepayments	5,948
Amounts due from the Group	703
Amounts due from associates and joint ventures	453
Bank balances and cash	85,238
Trade and other payables	(30,324)
Amounts due to the Group	(27,006)
Amounts due to associates and joint ventures	(467)
Tax payables	(625)
Lease liabilities	(83,225)
	<u>81,887</u>
Gain on disposal is calculated as follows:	
Cash	44,325
Net assets of a subsidiary disposed of	(81,887)
Fair value of 50% retained interests in joint venture	53,819
Non-controlling interests previously recognised	3,177
Translation reserve reclassified to profit or loss	(17,689)
	<u>1,745</u>
Satisfied by:	
Cash	<u>44,325</u>
Cash consideration	44,325
Cash and bank balances disposed of	(85,238)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	<u>(40,913)</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Board announces the audited annual results of the Group for the FY2022. During the FY2022, global inflation, European geopolitical conflicts and the Covid-19 pandemic resulted in extremely negative impacts on global trade, consumption, production and manufacturing. The international cargo logistics also underwent a weaker industry recovery. Affected by the various macro factors mentioned above, the business of the Group slid to a certain extent as compared to the previous year.

In 2022, the Covid-19 still had material shocks on the global economy, in particular, China's economy, as well as the production and manufacturing, resulted in a greater impact on the Group's business results during the year. With the relaxation of China's Covid-19 pandemic prevention policy in December, the Group is optimistic about the impact of the Covid-19 pandemic in 2023. In general, the negative impacts of the pandemic on the economy and logistics industry will be gradually fading. The Group considers that the impacts of the Covid-19 pandemic on the industry will mainly be reflected in the following aspects:

The impacts of Covid-19 pandemic on the economic development are gradually fading

Although there are risks of a widespread pandemic due to Covid-19 variants, the negative impacts of the Covid-19 pandemic on global economy are gradually fading, and the society will open up again. More importantly, China and other Asian emerging markets show strong growth momentum, which will provide reliable support for the stable recovery of global economy. The Group believes that as the Covid-19 pandemic will no longer exert impacts on the economic development, production and manufacturing, and individual consumption of major economies in the world, the worldwide economic activities will be fully recovered to the pre-pandemic level.

The persistent impact of inflation in the post-pandemic era

According to the World Economic Situation and Prospects 2023 released lately by the United Nations, global inflation in 2022 was approximately 9%, and is expected to soften in 2023 but remain at a high level of 6.5%. Meanwhile, the global economic growth is expected to decrease from 3.0% to 1.9%. In particular, the United States and the European Union (the "EU") is anticipated to record low level of economic growth of 0.4% and 0.2%, respectively. The slowdown in economic growth may also bring significant material development risks to the global consumption, production and manufacturing. In view of this, the negative impact of global inflation may not diminish any time soon. With the decline in economic growth in the United States and Europe, the weakening of upstream consumer demand and the contraction of orders in production and manufacturing industry, the Group believes that we will see greater uncertainties along the journey of the recovery of the international logistics industry.

China's economic recovery fuels global growth

According to the United Nations World Economic Situation and Prospects 2023, the economic growth rate of East Asian region is expected to reach 4.4%, higher than the estimated growth rate of 3.2% in 2022. Such increase is mainly attributable to the improvement in the economic conditions of China, whose economic growth rate is expected to reach 4.8%, coupled with the loosening of monetary and fiscal policies, the economic growth of China in 2023 will be accelerated as compared to that of 2022. Based on the information from the General Administration of Customs of China, the total exports and imports of China in 2022 amounted to RMB42.07 trillion, representing a year-on-year increase of 7.7%, of which, exports amounted to RMB23.97 trillion, representing an increase of 10.5%; imports amounted to RMB18.1 trillion, representing an increase of 4.3%. As a result of the foregoing, it is expected that China's remarkable economic recovery in 2023 will provide additional impetus for the growth of imports and exports business. In the meantime, with the support of the Regional Comprehensive Economic Partnership Agreement ("RCEP"), the linkage with regional development will also boost the demand for international logistics services. The Group is of the view that 2023 will be a crucial period for China's import and export trade during the post-pandemic era, and we need to seize the opportunities and strive to achieve business growth at a level surpassing market expectation.

Financial Results

The Group recorded revenue of about HK\$6,706.5 million during the FY2022 (FY2021: about HK\$7,556.4 million), representing a decrease of about 11.2% from FY2021. Gross profit amounted to about HK\$543.3 million during the FY2022 (FY2021: about HK\$792.8 million), representing a decrease of about 31.5% from FY2021. Gross profit margin during the FY2022 was about 8.1% (FY2021: about 10.5%). Net profit was about HK\$139.8 million during the FY2022 (FY2021: about HK\$278.2 million), representing a decrease of about 49.8% from FY2021 while the net profit attributable to equity shareholders of the Company decreased by about 50.0% from FY2021 to about HK\$136.7 million during the FY2022 (FY2021: about HK\$273.4 million). The decrease in profit attributable to equity shareholders of the Company was mainly attributable to (a) the decrease in demand for ocean freight services from customers in the ocean freight segment and international express and parcel services; and (b) the decrease in freight rates charged to customer due to increase in supply of air and sea cargo space in the second half of 2022.

Segmental Analysis

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

Air Freight

The air freight forwarding business continued to constitute the largest business segment of the Group, representing about 54.9% of the Group's total revenue during the FY2022 (FY2021: about 44.5%). It principally involves arranging shipment upon receipt of booking instructions from customers, obtaining cargo space from airlines, preparing the relevant documentation, and upon delivery to the destination, arranging customs clearance and cargo handling. The Group is well recognised in the logistics industry, having received numerous accolades from international organisations and major airlines since 2000, including "Top Agent Award" from Cathay Pacific Cargo each year since 2006. Consequently, the Group has become the preferred business partner of renowned companies from around the world, hailing from the garment, footwear and electronic industries, delivery of small parcels for e-commerce business and among others.

During the FY2022, the air freight forwarding business recorded revenue of about HK\$3,681.3 million (FY2021: about HK\$3,361.8 million), representing an increase of about 9.5% as compared to FY2021. Gross profit of the segment decreased from about HK\$354.6 million during the FY2021 to about HK\$156.9 million during the FY2022, representing a decrease of about 55.8% as compared to FY2021, which was primarily attributable to the decrease in air freight rate charged to customer due to increase in supply of air cargo space in the second half of 2022. In respect of air import and export tonnage, the Group noted a total decrease of tonnage of about 27.4% for the FY2022 when compared to the FY2021.

Ocean Freight

Contributing about 25.9% of the Group's total revenue during the FY2022 (FY2021: about 26.5%), the ocean freight forwarding business principally involves organising shipments, arranging customs clearance and haulage services. The established relationships with trade partners and shipping lines, together with the in-house tailored freight operations system, have enabled the Group to capture the ocean freight market growth. During the FY2022, revenue of ocean freight segment decreased by about 13.4% to about HK\$1,735.6 million (FY2021: about HK\$2,004.2 million). Gross profit decreased to about HK\$247.4 million during the FY2022 (FY2021: about HK\$264.3 million), representing a decrease of about 6.4% as compared to FY2021. During the FY2022, the Group noted a decrease of tonnage of about 18% in respect of ocean freight shipping volume handled by the Group. The decrease in the revenue and profit contributed by the ocean freight segment is due to the drop in demand for ocean freight services and decrease in ocean freight rate charged to customer due to increase in supply of sea cargo space in the second half of 2022.

Ancillary and Contract Logistics Services

Accounting for about 1.0% of the Group's total revenue during the FY2022 (FY2021: about 0.9%), the ancillary and contract logistics services segment includes warehousing, distribution and customs clearance. Warehousing includes pick and pack, labelling, quality inspection, sorting, pick-up and delivery services for export shipments from the shipper's location to the outgoing port and delivery of import shipments from arrival at the incoming port to the consignee's location. It is supported by the Group's information technology platform, which allows customers to conveniently trace inventory levels, incoming and outgoing shipments and other information online. Revenue generated from this segment was about HK\$67.2 million during the FY2022 (FY2021: about HK\$67.2 million), remaining constant as compared to FY2021.

International Express and Parcel Services

International express and parcel services which mainly consist of cross-border small parcels business is one of the Company's emerging businesses in recent years and also one of the Company's important strategic segments to respond to the booming of the global cross-border e-commerce. It represents about 16.5% of the total revenue of the Group for the FY2022 (FY2021: about 25.8%). The Company pays continuous attention to the cross-border e-commerce market and consumer needs, and provides high-quality cross-border parcel logistic services for e-commerce platforms, merchants, and consumers.

The Group responded actively to changes in markets and competitive landscapes and proactively developed the international express and parcel services market during the FY2022. Due to the slowing global economic growth and weaker demand in upstream markets, revenue from international express and parcel services decreased from HK\$1,949.1 million in FY2021 to HK\$1,106.2 million in FY2022, representing a decrease of 43.2%. During the FY2022, the Group has completed the delivery of about 112.4 million units in international express and parcel business (FY2021: about 136.1 million).

During the FY2022, the gross profit of international express and parcel services decreased to about HK\$107.1 million (FY2021: about HK\$110.9 million), representing a drop of about 3.4%, which was primarily attributable to the impacts of micro economic factors and weaker demand in upstream markets.

Others

The other businesses include combined shipments, trucking, e-commerce business and hand-carry services, the latter of which involves time sensitive shipments that allow the Group to charge higher fees and consequently benefit from higher profits. During the FY2022, the other businesses recorded revenue of about HK\$116.2 million (FY2021: about HK\$174.2 million), representing a decrease of about 33.3% as compared to FY2021, and gross profit of about HK\$13.1 million (FY2021: about HK\$36.7 million), representing a decrease of about 64.3% as compared to FY2021.

Liquidity and Financial Resources

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

The Group's working capital as at 31 December 2022 was about HK\$1,092.4 million, representing an increase of about 6.6% from about HK\$1,024.9 million as at 31 December 2021. The current ratio of the Group increased from about 1.97 times as at 31 December 2021 to about 2.11 times as at 31 December 2022. As at 31 December 2022, the Group's bank balances and cash amounted to about HK\$998.4 million, representing a significant increase of about 75.8% from about HK\$567.8 million as at 31 December 2021. For the FY2022, the Group had operating cash inflow of about HK\$698.6 million (FY2021: about HK\$152.5 million). As at 31 December 2022, the Group's outstanding bank borrowings amounted to nil (as at 31 December 2021: about HK\$5.4 million). The gearing ratio of the Group, calculated as total bank borrowings divided by total equity, was about 0% as at 31 December 2022 (as at 31 December 2021: 0.5%). As at 31 December 2022 and 2021, the Group maintained a net cash position. The Group will continue to secure financing as and when the need arises.

Foreign Exchange Risk

In light of the nature of the Group's business, the Group is exposed to various foreign currency risks including RMB, USD, RM, SGD, THB, INR, EUR, GBP, CAD, JPY, VND, IDR, HUF, AED and TWD among which, RMB, EUR and USD are mostly used in the Group's business apart from HK\$. Nevertheless, the Group's operations are predominately subject to the fluctuations of RMB since HK\$ is pegged to USD. The Group used certain forward exchange contracts to hedge against part of its exposure to currency risk during the FY2022 and the FY2021. The Group continued to exercise a strict control policy and did not engage in any speculative trading in debt securities or financial derivatives during the FY2022.

Significant Investments

During the FY2022, the Group did not hold any material investments.

Capital Expenditure Commitments

As at 31 December 2022 and 2021, the Group did not have any capital expenditure commitments.

Charge on Assets

As at 31 December 2022, the Group had pledged the following assets to secure certain banking facilities representing guarantees on payment to certain airline suppliers of the Group for the Group's cargo space purchase and bank borrowings granted to the Group:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial asset at fair value through profit or loss	708	869
Debt investment at amortised cost	–	7,069
Pledged bank deposits	38,943	10,768
	39,651	18,706

EVENTS AFTER THE REPORTING PERIOD

There were no events causing material impact on the Group from 31 December 2022, being the end of the reporting period to the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 16 June 2022, Jumbo Channel Limited (“**Jumbo Channel**”), an indirect wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Uniserve Holdings Limited (“**Uniserve**”) and OTX Logistics B.V. (“**OTX Logistics Holland**”), pursuant to which Uniserve has agreed to acquire 50% of the entire issued shares in OTX Logistics Holland from Jumbo Channel, at the consideration of EUR5,409,469 (equivalent to approximately HK\$44,325,189), subject to and in accordance with the terms and conditions of the sale and purchase agreement. Upon completion, the Group’s interest in OTX Logistics Holland is 50% and OTX Logistics Holland ceased to be an indirect wholly owned subsidiary of the Company, and its financial statements ceased to be consolidated into the Company’s financial statements.

Saved as disclosed, there was no other material acquisition or disposal of subsidiaries, associates or joint ventures of the Company during the FY2022.

PROSPECTS

Looking forward to 2023, the growth pace of global economy, as predicted in the World Economic Situation and Prospects 2023, will continuously slow down to 1.9%, and the global economic activities will further constrained by the headwinds of rising inflation, policy tightening and financial pressure. The World Bank forecasts that the growth of developed economies will slow down from 2.5% in 2022 to 0.5% in 2023. The growth of emerging markets and developing economies will also be affected by other factors, such as the decline in external demands, inflation and currency depreciation. The Group will face up to the impact of the current global macro environment while remaining cautiously optimistic towards the market development prospects next year, mainly based on the following prospects, which specifically include:

Global economic growth is sluggish and the European and the United States markets are still struggling with high inflation

As the global traditional consumer markets, the European and the United States markets are still subject to the impacts of high inflation, monetary tightening and interest rate hikes, their sluggish economic growth will further drag on the global economic development. According to the World Bank’s economic prospects in 2023 for all regions, the economic growth of the United States would be only 0.5%, while the economic growth of Euro zone would be almost stagnant due to the impact of geopolitical conflicts in 2023. As a result, the consumer demand and production and manufacturing in Europe and the United States would be further suppressed. The Group believes that, with Europe and United States as the key traditional markets of international logistics, their sluggish economic growth will lead to the contraction of their import and export trade and affect the external demands of emerging countries at the same time, thus, the booming international logistics market observed in 2020 would be cooling down and returning to the pre-pandemic level.

China is reviving its economy while – RCEP is driving the growth of regional economy

Despite the slowdown in the growth of the European and the United States markets, China's economy will gradually recover from the Covid-19 pandemic in 2023. According to the forecasts in the report of the United Nations, under the optimized pandemic prevention policy and favourable economic measures imposed by the Chinese government, China's domestic consumption demand will be gradually unleashed in the future which helps the country's economy to achieve a rapid growth of 4.8% in 2023. Regardless of the severe shock by the Covid-19 pandemic in 2022, China, as the world's largest trading country in goods, has showed its strong resilience in export and import trade, with a total value of import and export in goods increasing by 7.7% on a year-on-year basis. The import and export volume in Association of Southeast Asian Nations (the "ASEAN"), the EU and the United States maintained an upward trend respectively, and the import and export volume in ASEAN, in particular, achieved a significant increase of 15%. This indicated that the emerging markets have great development potential despite the slump in demand of the traditional European and American markets. At the same time, against the difficulties the world economy has been facing, the RCEP has injected strong growth momentum into emerging markets. The momentum of China's economic recovery will also drive the rapid economic growth of all RCEP members. According to the General Administration of Customs of China, China's import and export volume to other RCEP members account for 30.8% of its total foreign trade volume, among which, the growth of import and export volume to Indonesia, Singapore, Myanmar, Cambodia and Laos exceeded 20%. Based on the latest report by Asian Development Bank, it was expected that economic growth of Southeast Asia would increase from 5.1% to 5.5% in 2022, which reflected the expectation of RCEP's positive contribution to the economies of ASEAN countries. The Group remained optimistic despite the weak global economic growth, mainly given the economic foundation of the Chinese market and the development potentials of China and other emerging economies.

The international air freight market will gradually cool down from the pandemic

According to the forecast of the International Air Transport Association (IATA) for 2023, the revenue of the freight market is expected to reach US\$149.4 billion. Although it is lower than that in 2022, it still represents an increase of US\$48.6 billion as compared with that in 2019. Due to the uncertainties in the macroeconomy and upstream demand, the freight volume is expected to drop to 57.7 million tons from the peak of 65.6 million tons in 2021. With the growth of cargo compartment capacity and the synchronous recovery of passenger transport market, it is expected that the return will decrease significantly. The booming international air freight market observed during the Covid-19 pandemic will gradually cool down, and the growth of freight volume will gradually stabilize, while the overall freight volume will be far higher than that before the Covid-19 pandemic. The Group believes that international trade activities has maintained highly active from the prospect of international air freight. The overall freight volume growth indicates that the share of air freight in the key route transport of international logistics has increased, and the market size still maintains a relatively optimistic growth trend.

Cross-border e-commerce is still a blue ocean market for the emerging markets

According to the Global Ecommerce Forecast released by eMarketer, Southeast Asia and Latin America are the fastest growing regions for retail e-commerce in 2022, leading the world with growth rates of 20.6% and 20.4%, respectively. The e-Conomy SEA 2022 jointly issued by Temasek and other institutions also stated that, as Southeast Asia sees a Gross Domestic Product (“GDP”) growth and is less affected by inflation as compared to other regions, it is expected that the digital economy will continue to grow at a compound annual growth rate of 17% by 2025. Although the traditional international logistics industry is still affected by the weaker upstream industries and traditional production and manufacturing, the Group is optimistic that cross-border e-commerce will maintain a higher growth rate than that of the overall economy for a longer period of time. With the progressing of industrialization, cross-border e-commerce needs more compliant, high-quality and sustainable international logistics services, which the Group believes will be the core driving force for the Company’s growth in the future.

In summary, the Group believes that the global economic growth will probably slow down in 2023 as a whole. However, there are still regional and industrial highlights amid the subdued macro economy, namely the strong recovery of the Chinese market and the continuous growth of cross-border e-commerce. Therefore, the Group is cautiously optimistic about the performance development in the coming year, and will adhere to the internationalization strategy and actively brace for market transformation and further utilize its resources in the Chinese market and its in-depth experience in cross-border e-commerce to forge ahead and maintain growth regardless of the adverse situation. As such, the Group will focus on the following key directions in the coming year.

Leveraging Chinese market recovery and focusing on the growth potential of the RCEP market

Both the World Economic Situation and Prospects 2023 released by the United Nations and the World Economic Outlook Report released by the International Monetary Fund forecast a strong recovery of the Chinese market in 2023, with economic growth significantly outpacing that of the developed economies and the global average. The Group believes that with the gradual lifting of Covid-19 pandemic controls and with the support of strong fiscal and monetary policies of its government, China’s economy will recover from the impacts in 2022 and China’s huge manufacturing sector and domestic consumption will be further stimulated. Therefore, the strong recovery of China’s economy in 2023 will stimulate rapid growth in imports and exports, which will also have a positive impact on the international logistics industry. In conclusion, the Group will further increase its investments in sales, operating and product capabilities in the Chinese market during the year, keeping in line with the Group’s internationalization strategy and to serve Chinese enterprises that are going global. Meanwhile, the Group will also strengthen its internal control, optimize its air freight procurement, enhance cooperation with airlines and deepen its alliance with YTO Cargo Airlines Co., Ltd. (“YTO Cargo”) to enhance the Group’s advantageous position in the cargo freight market and further provide high-quality international logistics and supply chain services for existing and potential customers.

The Group also believes that the recovery of the Chinese market and China's linkage effect with RCEP will further boost economic growth in the region and international logistics demand within the region and between the region and other countries around the world. The Group has a wide cooperation network and self-operated service capabilities in Southeast Asia, which provide international freight, international express, international supply chain and other additional services in major RCEP countries. In 2023, the Group will mainly strengthen the construction of warehouse and trunk lines in the above regions and cross-border land transportation networks in the Mainland Southeast Asia, promote the market expansion of the Group's whole-process express and supply chain solutions on the basis of its original international freight logistics business, engage with the Group's e-commerce strategic partners, strengthen the development of cross-border e-commerce international express business in the above regions, focus on RCEP market demand from multiple market segments, seize regional growth opportunities, and achieve rapid business expansion.

Strengthening infrastructure construction and improving the depth and breadth of service networks

Since the service network is a critical infrastructure for international logistics companies, continued investment in the network is a basic strategic consensus for the Group. Europe and the United States have been the Group's core markets with established presence for many years. The Group is pleased to strengthen the in-depth construction of its service network in Europe, the United States and other markets with our strategic partners and agents through our own advantages, business complementarity and resource exchange. Meanwhile, the Group also recognises that in terms of the emerging markets, the breadth of its service network is another strategic foundation that the Group needs to continue building and investing in. The Group has a strong local service capability in the emerging markets such as Southeast Asia and the Middle East. The Group will build up its capabilities in local express, warehousing, key routes transport and supply chain to expand the Company's network coverage in the above markets. In combination with our network building efforts in such two directions, the Group plans to actively participate in international exhibitions, make use of international organisations to further increase our brand exposure, open up cooperation, use our own resources together with our partners to enhance the breadth and depth of the Group's international services and strengthen our key infrastructure in 2023.

Continued to promote the development of cross-border e-commerce and investment in international express business

Global cross-border e-commerce is still rapidly developing, especially in the emerging markets where the growth is still significantly outperforming the overall economy. The Group believes that there remains significant market potential and various opportunities after many years of development. For mature markets such as Europe, the United States, Japan and Korea, cross-border e-commerce has become a regular trade pattern. Despite the slow growth, cross-border e-commerce in these markets is featured with huge volume which enables them to evolve from low-quality market to refined and regulated market. In such markets, the Group will leverage its leading airline and trunk logistics resources, as well as its refined operations built on many years of experience, to shape its unique competitive advantages. In the year 2023, the Group will leverage on its strategic partnership with YTO Cargo and its excellent experience in Japan-Korea dedicated routes to actively expand into other traditional markets such as Europe and the United States, thereby fully unleashing the Company's advantages in international trunk logistics and expanding its share

in the above target markets. Currently, emerging markets such as Southeast Asia and the Middle East are still growing at a fast pace. The Group has subsidiaries in these markets and they have been operating for many years. The Group's local logistics capabilities, operational network and local service capabilities are all advantages that could help us stand out from the competition. In the coming year, the Group will, together with its overseas subsidiaries, take advantage of the political and business resources of the parent company in the domestic market, focus on tapping into the cross-border e-commerce market in the above countries, actively promote the construction of local networks and logistics infrastructure, and open cooperations with partners to explore the Group's cross-border e-commerce business in emerging countries and gradually build it into a pillar business unit of the Company.

Keeping pace with demand of export from domestic manufacturing sector and enhancing international supply chain business

With new energy vehicles, photovoltaics, consumer electronics and other Chinese manufacturing fields being ranked among the world's leading industries and advanced industries, it is undoubted that the Chinese enterprises in high-end manufacturing would participate in the international competition and build their presence in the consumer market around the globe. According to statistics, overseas business contributed 23% of the operating revenue of China's high-end manufacturing industry, and the proportion of overseas business revenue continues to rise rapidly, with a growth rate being significantly higher than that of the country's GDP and the growth in export value. As such, the Group believes that the growing trend of China's high-end manufacturing going abroad would drive increasing demand for international supply chains. The Group has formed a stable customer base in the consumer electronics industry. In 2023, we intend to leverage on our existing customer resources to gradually expand our international supply chain solutions to other manufacturing industries, while scaling up our industry extension to China's overseas manufacturing chain as the core. Meanwhile, the Group will increase its investment in the infrastructure for the international supply chain business and make efforts in overseas warehousing and regional cross-border trunking networks, gradually enhance the standard of the Group's international supply chain business, build up its core competitiveness in the market, and form new growth poles for the its business development.

Further upgrading digitalisation and gradually deploying technology platforms

In late 2022, the Group changed its company name to highlight the inclusion of "Technology", signifying a new level of attention and investment in technology and digitisation. The Group believes that continuous investment in technology and digitisation is critical to quickly adapt to market development and meet the diversified and high-quality needs of the customers. With the implementation of the core management system upgrade and iterative computing, all websites in Mainland China have been upgraded by batches last year, which enhanced operational efficiency and customer satisfaction, and received acclaim and recognition from our customers and staff. In the coming year, the Group will continue to upgrade its core digital systems to meet the Group's business needs in terms of cost reduction, efficiency and quality improvement, and to drive continuous improvement in marketing, customer acquisition as well as customer experience. For this purpose, the Group plans to gradually deploy digital systems to its overseas subsidiaries in 2023, with a view to enhancing the Group's performance in its global business areas.

Looking ahead, the Group is of the view that the international logistics and supply chain industry needs continuous investment in technology and innovative research and development to connect all the participants and partners throughout the chain, so as to provide the customers with better, more convenient and efficient smart logistics services. The Group also notes that the international logistics industry is evolving to rely on network and digitised propositions, which boosts business capabilities and creates significant business potential. We hope to drive the development of the Company towards a logistics technology enterprise through the building of digitisation technology capabilities and cloud platform capabilities, thereby providing new value to our customers, contributing new resources to partners, and demonstrating new prospects for our shareholders.

Focusing on customer experience and continuously optimizing the quality of operational services

The Group has been adhering to the service concept of “focusing on customer experience”. In addition to strengthening its infrastructure construction, the Group has continued to optimise the quality of its operational services with standardised, institutionalised and digitalised approaches. The Group believes that the three major business segments, namely, air and ocean freight, international express and parcel, and logistics, require a large service team and such businesses need to run through various parts including warehousing, international key route transport, customs services and on-the-ground delivery. The Group believes that through the construction of digital intelligence, the use of technology and information technology to improve service efficiency and customer experience is a key measure for the Group to maintain its core competitive advantage. Therefore, in 2023, the Group will focus on customer experience and the quality of pre-sales, in-sales and after-sales services. In addition to the deployment of the global information service system, we will also promote the building-up of a professional team of talents and a professional marketing and operating system, further enhance the existing operating efficiency, gain market and customer recognition, and improve both performance and reputation.

The Group expects to implement the aforesaid plans with its internal resources and/or through external financing.

HUMAN RESOURCES

As at 31 December 2022, the Group employed about 867 employees (as at 31 December 2021: about 962 employees). During the FY2022, employee costs, including Directors’ remuneration, was about HK\$302,478,000 (2021: about HK\$316,862,000). Remuneration packages are generally structured to market terms, individual qualifications and experience. The Company has also adopted a share option scheme and a share award plan for the purpose of providing incentives and rewards to eligible participants, including the employees of the Group, who contribute to the success of the Group’s operations. Training activities have also been conducted to improve the performance of sales and marketing activities and customer services.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the FY2022.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK3.3 cents (2021: HK6.5 cents) per ordinary share of the Company (the “**Share(s)**”), absorbing a total amount of about HK\$13,866,000 (2021: HK\$27,312,000), in respect of the FY2022, which is subject to the approval of the shareholders of the Company (“**Shareholders**”) at the AGM to be held on Friday, 9 June 2023. The proposed final dividend is expected to be paid on Friday, 7 July 2023 to all Shareholders whose names to be appeared on the register of members of the Company on Wednesday, 21 June 2023.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 6 June 2023 to Friday, 9 June 2023 (both days inclusive) for the purpose of determining the right to attend and vote at the forthcoming AGM. In order to be qualified for attending and voting at the forthcoming AGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Monday, 5 June 2023.

Conditional on the passing of the resolution approving the declaration of the proposed final dividend at the forthcoming AGM, the register of members of the Company will also be closed from Monday, 19 June 2023 to Wednesday, 21 June 2023 (both days inclusive) for the purpose of determining the entitlement to the proposed final dividend in respect of the FY2022. In order to be qualified for the proposed final dividend (subject to the approval of the Shareholders at the forthcoming AGM), unregistered holders of Shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at the address stated above for registration not later than 4:30 p.m. (Hong Kong time) on Friday, 16 June 2023.

SCOPE OF WORK OF KPMG

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the FY2022 as set out in this announcement have been agreed by the Company’s auditor, KPMG, to the amounts set out in the Group’s audited consolidated financial statements for the FY2022. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG on this announcement.

CORPORATE GOVERNANCE

The Board has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Part 2 to Appendix 14 to the Listing Rules. The Board has reviewed the Company’s corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the CG Code throughout the FY2022.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. After specific enquiry made by the Company, all of the Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct of the Company governing the Directors' securities transactions during the FY2022.

AUDIT COMMITTEE

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

The audit committee of the Company has discussed with the management of the Group and reviewed the audited consolidated financial results of the Group for the FY2022, including, among other things, the accounting principles and practices adopted by the Group, and discussed the financial reporting system and the risk management and internal control systems of the Company.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the websites of the Stock Exchange and the Company. The annual report for the FY2022 will be despatched to the Shareholders and will be published on the websites of the Stock Exchange and the Company in due course in accordance with the Listing Rules.

APPRECIATION

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

By order of the Board of
YTO International Express and Supply Chain Technology Limited
圓通國際快遞供應鏈科技有限公司
Yu Huijiao
Chairman

Hong Kong, 31 March 2023

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