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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 INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

During the Reporting Period:

- the Group's revenue amounted to about HK\$1,414.4 million, representing a decrease of about 52.5% as compared to that of the corresponding period of 2024 (1H2024: about HK\$2,975.1 million);
- the Group recorded a loss attributable to equity shareholders of the Company of about HK\$60.4 million (1H2024: loss attributable to equity shareholders of the Company of HK\$42.1 million);
- segment results of air freight business recorded a loss of about HK\$53.1 million (1H2024: gain of about HK\$1.0 million);
- segment results of ocean freight business recorded a decrease of about 61.8% as compared to that of the corresponding period of 2024, to about HK\$9.3 million (1H2024: about HK\$24.2 million); and
- segment results of international express and parcel services business recorded a loss of about HK\$8.6 million (1H2024: gain of about HK\$9.9 million).

The board (the “**Board**”) of directors (the “**Directors**”) of YTO International Express and Supply Chain Technology Limited (the “**Company**”) announces the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”). The relevant financial figures for the six months ended 30 June 2024 (the “**1H2024**”) or other dates/periods are also set out in this announcement for comparative purposes.

The interim results of the Group for the Reporting Period is unaudited, but have been reviewed by the Company's auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the interim results have been reviewed by the Company's audit committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		(Unaudited)	
		Six months ended 30 June	
		2025	2024
	NOTES	HK\$'000	HK\$'000
Revenue	2	1,414,356	2,975,102
Cost of sales		(1,325,636)	(2,801,015)
Gross profit		88,720	174,087
Other income		6,858	9,743
Administrative expenses		(177,426)	(186,321)
Net impairment loss recognised under expected credit loss model	7	(311)	(1,405)
Impairment loss on investment in joint ventures		–	(22,810)
Other gains or losses		12,802	1,150
Share of results of associates		(252)	220
Share of results of joint ventures		–	(13,365)
Finance costs		(1,198)	(1,324)
Loss before taxation		(70,807)	(40,025)
Income tax expense	3	10,054	(2,855)
Loss for the period	4	(60,753)	(42,880)
Loss for the period attributable to:			
Equity shareholders of the Company		(60,436)	(42,145)
Non-controlling interests		(317)	(735)
		(60,753)	(42,880)
		<i>HK cents</i>	<i>HK cents</i>
Losses per share			
Basic	5	(14.46)	(10.08)
Diluted	5	(14.46)	(10.08)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 June 2025

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Loss for the period	<u>(60,753)</u>	<u>(42,880)</u>
Other comprehensive income for the period		
(after tax and reclassification adjustments)		
<i>Items that will not be reclassified to profit or loss:</i>		
Deficit on revaluation of leasehold land and buildings	(285)	(1,318)
Deferred tax arising on revaluation of leasehold land and buildings	446	372
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Share of other comprehensive income of associates	(27)	187
Share of other comprehensive income of joint ventures	–	(981)
Exchange difference arising from foreign operations	<u>4,635</u>	<u>(12,597)</u>
Other comprehensive income for the period	<u>4,769</u>	<u>(14,337)</u>
Total comprehensive income for the period	<u><u>(55,984)</u></u>	<u><u>(57,217)</u></u>
Attributable to:		
Equity shareholders of the company	(55,785)	(56,078)
Non-controlling interests	<u>(199)</u>	<u>(1,139)</u>
Total comprehensive income for the period	<u><u>(55,984)</u></u>	<u><u>(57,217)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		(Unaudited) 30 June 2025 <i>NOTES</i> <i>HK\$'000</i>	(Audited) 31 December 2024 <i>HK\$'000</i>
Non-current assets			
Investment property		4,419	4,417
Property, plant and equipment		31,266	27,751
Right-of-use assets		71,513	34,673
Goodwill		477	451
Intangible assets		20,540	14,449
Interests in associates		1,855	2,134
Deferred tax assets		29,459	20,900
		<u>159,529</u>	<u>104,775</u>
Current assets			
Trade receivables	7	488,658	734,159
Other receivables, deposits and prepayments		78,105	90,860
Contract assets		–	1,904
Amounts due from associates		11,225	11,035
Amounts due from fellow subsidiaries		30,130	124,311
Prepaid tax		14,984	11,899
Pledged bank deposits		8,151	14,683
A fixed bank deposit with maturity more than 3 months		1,731	–
Bank balances and cash		824,326	672,246
		<u>1,457,310</u>	<u>1,661,097</u>

		(Unaudited) 30 June 2025 <i>NOTES</i> <i>HK\$'000</i>	(Audited) 31 December 2024 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	8	303,767	388,734
Contract liabilities		11,295	13,836
Amounts due to associates		3,364	–
Amounts due to an immediate holding company		112	79
Amounts due to fellow subsidiaries		42,523	84,295
Tax liabilities		927	6,025
Lease liabilities		<u>33,019</u>	<u>18,662</u>
		<u>395,007</u>	<u>511,631</u>
Net current assets		<u>1,062,303</u>	<u>1,149,466</u>
Total assets less current liabilities		<u>1,221,832</u>	<u>1,254,241</u>
Non-current liabilities			
Other payables		8,088	7,358
Lease liabilities		41,615	18,635
Deferred tax liabilities		<u>1,775</u>	<u>2,212</u>
		<u>51,478</u>	<u>28,205</u>
Net assets		<u><u>1,170,354</u></u>	<u><u>1,226,036</u></u>
Capital and reserves			
Share capital		42,019	42,019
Reserves		<u>1,119,343</u>	<u>1,179,091</u>
Total equity attributable to equity shareholders of the Company		<u>1,161,362</u>	<u>1,221,110</u>
Non-controlling interests		<u>8,992</u>	<u>4,926</u>
Total equity		<u><u>1,170,354</u></u>	<u><u>1,226,036</u></u>

NOTES

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim results set out in this preliminary announcement do not constitute the Group's interim financial report for the six months ended 30 June 2025 but are extracted from the interim financial report.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and with Hong Kong Accounting Standard 34, Interim Financial Reporting issued by the HKICPA. It should be read in conjunction with the annual financial statements for the year ended 31 December 2024.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“**HKFRS Accounting Standards**”), the accounting policies and methods of computation used in the interim financial report for the six months ended 30 June 2025 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

Changes in accounting policies

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included in the interim financial report to be sent to the shareholders. In addition, the interim financial report has been reviewed by the Company's audit committee.

2. REVENUE AND SEGMENT INFORMATION

Segment revenue and results

	(Unaudited) Segment revenue		(Unaudited) Segment results	
	Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
				(restate)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating and reportable segments				
Air freight	849,569	1,827,055	(53,089)	1,009
Ocean freight	268,630	379,757	9,250	24,197
International express and parcel	220,302	682,027	(8,593)	9,855
Logistics	38,475	41,433	1,675	388
Others	37,380	44,830	3,136	2,769
Total	<u>1,414,356</u>	<u>2,975,102</u>	(47,621)	38,218
Other income			6,858	9,743
Other gains or losses			12,802	1,150
Unallocated corporate expenses			(41,396)	(51,857)
Share of results of associates			(252)	220
Share of results of joint ventures			–	(13,365)
Finance costs			(1,198)	(1,324)
Impairment loss on investment in joint ventures			–	(22,810)
Loss before taxation			<u>(70,807)</u>	<u>(40,025)</u>

3. INCOME TAX EXPENSE

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current tax		
– Hong Kong Profits Tax	451	3,287
– Enterprise Income Tax in the People's Republic of China (the “PRC”)	1,092	2,409
– Other jurisdictions	202	1,086
	<u>1,745</u>	<u>6,782</u>
(Over)/under-provision in respect of prior years		
– Hong Kong Profits Tax	–	–
– Enterprise Income Tax in the PRC	(2,743)	(33)
– Other jurisdictions	206	(145)
	<u>(2,537)</u>	<u>(178)</u>
Withholding tax on dividend received	<u>–</u>	<u>–</u>
	(792)	6,604
Deferred taxation	<u>(9,262)</u>	<u>(3,749)</u>
	<u><u>(10,054)</u></u>	<u><u>2,855</u></u>

4. LOSS FOR THE PERIOD

(Unaudited)	
Six months ended 30 June	
2025	2024
HK\$'000	HK\$'000

Loss before taxation is arrived at after charging (crediting):

Depreciation of property, plant and equipment	2,505	3,291
Depreciation of right-of-use assets	14,184	13,424
Amortisation of intangible assets	825	874
Net exchange gain	(11,341)	(1,274)

5. LOSSES PER SHARE

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

(Unaudited)	
Six months ended 30 June	
2025	2024
HK\$'000	HK\$'000

Losses

Losses for the purposes of basic and diluted earnings per share (losses for the period attributable to equity shareholders of the Company)

(60,436)	(42,145)
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(Unaudited)	
Six months ended 30 June	
2025	2024
'000	'000

Number of shares

Weighted average number of ordinary shares for the purpose of basic and diluted losses per share

417,990	417,990
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The weighted average number of ordinary shares for the purpose of basic losses per share has been adjusted for the shares purchased under share award plan.

Diluted losses per share equaled basic losses per share for the six months ended 30 June 2025 because the dilutive potential ordinary shares outstanding were anti-dilutive.

6. DIVIDEND

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Nil dividend for the year ended 31 December 2024 (31 December 2023: HK2.3 cents per share)	—	9,664

The Board does not recommend the payment of interim dividend in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

7. TRADE RECEIVABLES

The Group allows an average credit period of 30-60 days to its trade customers.

The following is an ageing analysis of trade receivables net of allowance for credit losses, based on invoice date, at each of the Reporting Period:

	(Unaudited)	(Audited)
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
0–30 days	352,738	459,792
31–60 days	53,360	108,406
61–90 days	47,160	60,179
91–180 days	22,490	38,201
181–365 days	4,896	64,349
Over 365 days	8,014	3,232
	488,658	734,159

8. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables, presented based on the invoice date at the end of the Reporting Period:

	(Unaudited) 30 June 2025 <i>HK\$'000</i>	(Audited) 31 December 2024 <i>HK\$'000</i>
Within 60 days	131,734	212,010
61–180 days	54,461	41,419
181–365 days	3,777	605
Over 365 days	<u>11,561</u>	<u>11,850</u>
	<u>201,533</u>	<u>265,884</u>

9. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Reporting Period, the Company persisted in thoroughly executing its international development strategy. Adhering to the development trend of “going global with the Belt and Road Initiative, going global with cross-border e-commerce, and going global with Chinese people and Chinese enterprises (跟著「一帶一路」走出去、跟著跨境電商走出去、跟著華人華企走出去)”, it has steadily built a global logistics network of “China Connects the World and the World Connects the World (中國聯世界、世界聯世界)”, and has gradually expanded its international network coverage and market presence through means such as self-construction and self-operation (自建自營) and strategic cooperations, thereby rapidly improving the Company’s global network coverage. As of the end of the Reporting Period, the Company’s international business service network covered more than 150 countries and regions in six continents.

Leveraging resources such as air capacity and airline networks, the Company focused on specialising in premium routes connecting the People’s Republic of China (“**China**”) and other countries such as Japan, Australia and the Republic of Kazakhstan (“**Kazakhstan**”), and further expanded full-chain express and courier services for routes to Kazakhstan and other Central Asian countries. It also continued to establish business presence in the Middle East, East Europe, Africa, and other regions. With a focus on key markets and customers, the Company has been exploring the construction and expansion plans for express and courier networks in emerging markets, thereby establishing its distribution capabilities in local areas. In addition, the Company continuously optimised its international product system to expand its overseas customer base, and extended the international logistics service chain, gradually covering one-stop services such as cargo collection and dispatch, mainline transportation, customs clearance and transshipment, and last-mile delivery. By doing so, the Company has been steadily enhancing its comprehensive international service capabilities.

FINANCIAL RESULTS

The Group’s revenue during the Reporting Period was mainly contributed by the air freight, ocean freight and international express and parcel services segments. During the Reporting Period, the Group recorded revenue of about HK\$1,414.4 million (1H2024: about HK\$2,975.1 million), representing a period-on-period decrease of about 52.5%. Gross profit amounted to about HK\$88.7 million (1H2024: about HK\$174.1 million), representing a period-on-period decrease of about 49.0%. Gross profit margin was about 6.3% (1H2024: about 5.9%), while the Group recorded a net loss attributable to equity shareholders of the Company of about HK\$60.4 million (1H2024: net loss attributable to equity shareholders of the Company of HK\$42.1 million), representing a period-on-period increase in loss of about 43.4%.

Such increase in loss attributable to equity shareholders of the Company was mainly attributable to (i) a decline in the overall revenue and gross profit in the freight market due to the impacts of the uncertainties such as fluctuations in tariff policy in the United States in the first half of the year; (ii) the Group strategically scaled down certain businesses with low gross profit margins and long payback periods so as to concentrate its resources on the development of the core business, resulting in a decline in the overall revenue and gross profit; and (iii) in order to deepen the international development strategy, build the global express hub facilities and operation network, realise the concept of “China Connects the World and the World Connects the World (中國聯世界，世界聯世界)”, create a safe, smooth, convenient, efficient, sustainable, independent and controllable logistics supply chain system, and promote the application of cutting-edge technologies such as artificial intelligence to comprehensively enhance core competitiveness, during the Reporting Period, the Group continued to enhance its efforts in the introduction and training of international talents, built logistics hubs for key regions, countries and key markets, enhanced its control over core logistics infrastructure and resources, and comprehensively promoted the transformation and upgrades from digitisation to intelligentisation, thereby strengthening technology-driven innovation and continuously increasing its investment in technological research and development.

On the other hand, during the 1H2024, the Group incurred one-off impairment loss on investment in joint ventures of around HK\$22.8 million. No such one-off impairment loss was recorded during the Reporting Period.

SEGMENTAL ANALYSIS

The Group’s core businesses are air and ocean freight forwarding services, complemented by 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 be the largest business segment of the Group, representing about 60.1% of the Group’s total revenue during the Reporting Period (1H2024: about 61.4%). Services offered by the Group mainly include arranging shipments upon receipt of booking instructions from customers, obtaining cargo spaces 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, and have 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 one of the preferred business partners 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 Reporting Period, the air freight forwarding business recorded a revenue of about HK\$849.6 million (1H2024: about HK\$1,827.1 million), representing a decrease of about 53.5% as compared to the corresponding period of 2024. Gross profit of the segment decreased from about HK\$74.5 million in the corresponding period of 2024 to about HK\$21.1 million during the Reporting Period, representing a period-on-period decrease of about 71.7%. The decrease in revenue was due to decrease in sales volume, while the decrease in gross profit was due to the lower profit margin as a result of more price-sensitive market requirements for air freight and chartering services in the Reporting Period.

Ocean Freight

Contributed about 19.0% of the Group's total revenue during the Reporting Period (1H2024: about 12.8%), the ocean freight forwarding business of the Group principally includes organising of 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 Reporting Period, revenue of ocean freight segment decreased by about 29.3% period-on-period to about HK\$268.6 million (1H2024: about HK\$379.8 million). Gross profit decreased to about HK\$53.4 million (1H2024: about HK\$69.6 million) due to the decrease in demand for container spaces.

International Express and Parcel Services

International express and parcel services, which mainly consist of cross-border small parcels, is one of the Group's emerging businesses in recent years and also one of the important strategic sectors for the Group to respond to the booming global cross-border e-commerce market. It accounted for about 15.6% of the Group's total revenue for the Reporting Period (1H2024: about 22.9%). The Group continued to pay attention to the cross-border e-commerce market and consumer needs and is committed to provide high-quality cross-border parcel logistics services for e-commerce platforms, merchants, and consumers.

During the Reporting Period, the Group actively developed new products and new paths of chain to further expand into the international express and parcel service market.

Revenue from international express and parcel service decreased by 67.7% from about HK\$682.0 million for corresponding period in 2024 to about HK\$220.3 million. During the Reporting Period, the Group has completed the delivery of about 11.1 million units of parcel under the international express and parcel services (1H2024: about 34.8 million units). During the Reporting Period, the gross profit of international express and parcel services decreased to about HK\$2.5 million (1H2024: about HK\$19.6 million), representing a decrease of about 87.3%, which was mainly due to the Group's long-term sustainable development strategy of focusing on products of international express and parcel services with long-term competitiveness and proactively reducing some of the products in international express and parcel services with short-term value.

Logistics Services

Accounting for about 2.7% (1H2024: about 1.4%) of the Group's total revenue during the Reporting Period, the Group's services offered under the logistics services segment include warehousing, distribution and customs clearance. Warehousing includes picking and packing, labelling, quality inspection, sorting, picking-up and delivery services for export shipments from the shipper's location to the outgoing port and delivery of import shipments from arrival at the incoming port to the consignee's location. It is supported by the Group's information technology platform, which allows customers to conveniently trace inventory levels, incoming and outgoing shipments and other information online. During the Reporting Period, the Group sought to further adjust its warehouse operation and enhance its transshipment capacities to cope with the market conditions. This segment achieved revenue of about HK\$38.5 million (1H2024: about HK\$41.4 million) and gross profit of about HK\$6.2 million (1H2024: about HK\$4.6 million) during the Reporting Period.

Others

Other businesses of the Group include combined shipments, trucking, general sales agency, e-commerce business, custom clearance services and hand-carry services, the latter of which involve time sensitive shipments that allow the Group to charge higher fees and consequently benefit from higher profits. During the Reporting Period, the other business segments recorded a revenue of about HK\$37.4 million (1H2024: about HK\$44.8 million) and gross profit of about HK\$5.5 million (1H2024: about HK\$5.8 million). The gross profit margin of other businesses increased from 13.0% in 1H2024 to 14.8% during the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has centralized financing policies and control over all its operations which enable the Group to have a tight control over its treasury operations and lower average cost of funds. The Group's working capital as at 30 June 2025 was about HK\$1,062.3 million, representing a decrease of about 7.6% from about HK\$1,149.5 million as at 31 December 2024. The current ratio of the Group increased from about 3.25 times as at 31 December 2024 to about 3.69 times as at 30 June 2025.

As at 30 June 2025, the Group's bank balances and cash amounted to about HK\$824.3 million, representing an increase of about 22.6% from about HK\$672.2 million as at 31 December 2024. The Group held its cash and cash equivalent mainly in USD, RMB and HKD as at 30 June 2025. For the Reporting Period, the Group had operating cash inflow of about HK\$138.6 million (1H2024: operating cash outflow of about HK\$93.5 million). As at 30 June 2025, the Group did not have any outstanding bank borrowings (as at 31 December 2024: nil). The gearing ratio of the Group was nil as at 30 June 2025 (as at 31 December 2024: nil) as the ratio was calculated as total bank borrowings divided by total equity of the Group. As at 30 June 2025, the Group maintained a net cash position.

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, JPY, VND, IDR, KRW, AED and TWD among which, RMB, EUR, USD and TWD are mostly used in our business apart from HKD. Nevertheless, the Group's operations are predominately affected by the fluctuations of RMB since HKD is pegged to USD. The Group did not use any derivative contracts to hedge against its exposure to currency risk during the Reporting Period. 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 Reporting Period.

SIGNIFICANT INVESTMENTS

During the six months ended 30 June 2025, the Group did not hold any material investment.

CAPITAL EXPENDITURE COMMITMENTS

As at 30 June 2025, the Group did not have any capital expenditure commitment.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liability.

CHARGE ON ASSETS

As at 30 June 2025, the Group's short-term bank deposits of about HK\$8.2 million (as at 31 December 2024: about HK\$14.7 million) were pledged to secure certain banking facilities granted to the Group.

EVENTS AFTER THE REPORTING PERIOD

On 19 July 2024, Yuantong (Jiaxing) Supply Chain Co., Limited* (圓通(嘉興)供應鏈有限公司) (as purchaser), an indirect wholly-owned subsidiary of the Company, and YTO Express Co., Ltd* (圓通速遞有限公司) (as vendor), a wholly-owned subsidiary of YTO Express Group Co., Ltd* (圓通速遞股份有限公司) ("**YTO Express**"), entered into a sale and purchase agreement for the acquisition of the entire equity interest in Shanghai Yuantong International Cargo Freight Agent Co., Ltd* (上海圓通國際貨物運輸代理有限公司) ("**YTO Cargo Shanghai**"), an indirect wholly-owned subsidiary of YTO Express, for a consideration of RMB8,810,000 (equivalent to about HK\$9,477,000) (the "**Acquisition**"). For details of the Acquisition, please refer to the Company's announcements dated 19 July 2024 and 20 August 2024.

As YTO Cargo Shanghai principally engaged in, inter alia, the provision of international express and parcel services and holds the International Express Business Operation Permit* (國際快遞業務經營許可) (the “**Permit**”) and, according to the Interim Regulation on Express Delivery and the Measures for the Administration of the Business Permit for Express Business, any change in the ownership of an entity holding the Permit is required to register with The State Post Bureau of the People’s Republic of China. The completion of the Acquisition took place on 21 August 2025 upon registration of such change.

Upon completion of the Acquisition, YTO Cargo Shanghai has become an indirect wholly owned subsidiary of the Company, and its financial results will be consolidated into the consolidated financial statements of the Group.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisition or disposal of subsidiaries, associates or joint ventures of the Company during the Reporting Period.

PROSPECTS

According to the World Economic Outlook released by the International Monetary Fund (IMF) in July 2025, global economic growth is expected to be 3.0% and 3.1% in 2025 and 2026, respectively, representing a significant decline from the average growth of 3.7% in the past two decades (2000 to 2019). The growing uncertainties may have a more severe negative impact on economic activities, as geopolitical tensions may disrupt global supply chains and drive up commodity prices, and increased fiscal deficits or rising risk aversion awareness may push up long-term interest rates and lead to a tightening global financial environment. These factors, coupled with concerns on global fragmentation, may further exacerbate the volatility of financial markets. Nevertheless, the Company remains cautiously optimistic about future development and its business prospects, mainly based on the following factors:

Strong export growth and industrial upgrading in China drive opportunities for freight market development

In the first half of 2025, the total value of China’s imports and exports of trade in goods increased by 2.9% year-on-year to RMB21.79 trillion, demonstrating a strong resilience in foreign trade. Specifically, export value exceeded RMB13 trillion, a record high for the corresponding period, with a year-on-year growth of 7.2%, highlighting the global competitiveness of “Made in China” products. Import value reached RMB8.79 trillion (a year-on-year decrease of 2.7%) due to structural adjustments, reflecting the deepening of industrial upgrades in China.

Equally impressive alongside the record-breaking export value is the 9.2% growth in high-tech product exports maintained for 9 consecutive months, with high-end manufacturing sectors such as high-tech machine tools, ships and marine engineering equipment (with growth exceeding 20%), and instruments and meters (+14.7%) delivering outstanding performance. These high value-added products, with their stringent requirements for timely, safe and professional transportation, will drive the upgrade of international freight forwarding towards specialised and customised services, fostering niche markets like high-end equipment transportation and temperature and humidity-controlled logistics, which in turn will create new profit growth opportunities for freight companies. As China's manufacturing sector moves up into high-end fields of industrial chains, the supporting international freight service market is expected to see structural expansion opportunities.

In view of the above, the Company believes that China's foreign trade and exports are expected to improve in the long run with tremendous potential for growth in the wake of industrial upgrades. Therefore, by consistently adhering to the development concepts of "Going global with Chinese people and Chinese enterprises, Going global with cross-border e-commerce and Going global with the Belt and Road Initiative" (跟著華人華企走出去、跟著跨境電商走出去、跟著一帶一路走出去), we will capitalise on the development trends of the global expansion of products, production capacities and brands of Chinese enterprises, actively expand into emerging markets, continuously optimise our international product system, enrich our overseas customer base, and extend the international logistics service chain, so as to steadily enhance our comprehensive international service capabilities.

Strengthening infrastructure and expanding the service network to enhance comprehensive capabilities

The Company will continue to advance its international development strategy by building a "1+7" global express hub facility and operation network, and establishing logistics hubs in key regions, countries and critical markets to gain stronger control over core logistics infrastructure and resources, thereby creating a secured, smooth, convenient, efficient, sustainable, independent, and controllable logistics supply chain system.

In the second half of 2025, the Company will continue to actively expand its international network coverage and market presence through means such as self-construction and self-operation (自建自營) and strategic cooperations, thereby accelerating the expansion of the Company's global network coverage. Meanwhile, in light of the characteristics of overseas market demands, the Company will promote coordinated development of freight, express delivery, and supply chain businesses according to local conditions, as well as increase resource investment in the above strategic direction, accomplish resource sharing and capability exchange with overseas partners, and achieve in-depth cooperation in international express and small parcel business, air charter, warehousing and logistics, international supply chain and other aspects. The Company will also enhance its infrastructure in key regions and countries around the world in multiple dimensions.

Actively embracing industrial transformation and leveraging technology empowerment to help improve quality and increase efficiency

Accompanied by the rapid development of emerging technologies such as artificial intelligence (AI) and big data, industry players are actively promoting the in-depth integration of such emerging technologies with business operations and management, driving industrial upgrades with technology, and accelerating the cultivation of new quality productivity for the industry. The Company has always placed great emphasis on information technology and digital development. Adhering to the principles of “digitalization, mobility, real-time, and visualization (「數字化、移動化、實時化、可視化」)”, the Company strengthened technology-driven innovation, and facilitated the wide promotion and application of emerging technologies such as big data, cloud computing and artificial intelligence in business operations. By embracing an internet mindset to create advanced information tools, accelerating the iteration and upgrades of our business operation and management tools, and redefining the use of digital management tools, the Company comprehensively promoted the vertical application of artificial intelligence and other cutting-edge technologies, to achieve the transformation and upgrades from digitisation to intelligentisation.

Looking forward, the Company will embrace technology and increase investment in research and development (“R&D”) to promote the transformation and upgrades towards a technology-intensive enterprise, and pursue all-round improvement in corporate management efficiency, customer communication efficiency and value delivery efficiency through the investment in technology R&D. Based on its business foundation and in line with market demand, the Company will make targeted investment in R&D, providing enterprises and consumers with secured, convenient, efficient and intelligent logistics services, thus realizing the transformation of the Company from a traditional international logistics supply chain enterprise into a logistics technology enterprise.

Seizing the opportunities arising from cross-border e-commerce to foster new momentum for business development

The booming of cross-border e-commerce in China is creating tremendous market opportunities for international business of the express industry. In 2024, the industry recorded import and export value of RMB2.63 trillion, representing a year-on-year increase of 10.8%, maintaining an average annual growth rate of 11.7% over the past five years. In the first half of 2025, the industry recorded import and export value of RMB1.32 trillion, with increase in both exports (RMB1.03 trillion, +4.7%) and imports (RMB291.1 billion, +9.3%), highlighting the sustained growth in demand for international express logistics services. In particular, imports grew at a significantly faster rate than exports, reflecting the surge in cross-border logistics demand driven by the upgrading of cross-border consumption, which has presented new opportunities for express companies to develop their value-added services such as overseas warehousing and customs clearance services.

Looking ahead, by relying on its good cooperative relationships with existing e-commerce platforms and through enhancing the depth of cooperation, increasing the loyalty of cooperating parties and expanding the scope of cooperation, the Company will improve its logistics service quality and extend the international logistics service chain to provide more efficient and reliable products and services, while capitalising on the opportunity presented by the prosperity of cross-border e-commerce and further fostering it into a core driving force for the future performance growth of the Company.

Striving to enhance comprehensive service capabilities and increasing customer loyalty through comprehensive services

During the Reporting Period, with a focus on fields such as apparel, automotive, semiconductors and electronic products, the Company actively established standardized customer management processes to create a customer management system across the whole life cycle. It maintained good cooperative relationships with large multinational companies and secured new customers, including Xiaomi. Building on its existing customer base, the Company also acquired clients such as apparel and automotive parts manufacturers to penetrate into the manufacturing sector, with a focus on domestic specialty market players with overseas operations, aiming to provide integrated supply chain services encompassing overseas warehousing and distribution to the expansion of trade channels.

Looking ahead, the Company will continue to enhance its global supply chain service capabilities, gain deeper insight into customer needs, strengthen the construction of its warehousing and distribution service system, and enhance the functionality of its warehousing systems, thereby building supply chain warehousing centers in key national regions to create an agile, efficient, flexible and sustainable global supply chain system. By leveraging its trade business chain, the Company will also explore the potential of YTO's trade ecosystem and develop integrated services and products for overseas trade as well as warehousing and distribution.

Establishing a talent echelon cultivation and promotion system to support performance growth

The Company has also increased its efforts to recruit and train international talents. Benefiting from the organisational design aligned with the Company's strategies, dynamic management of budget planning, coupled with the refinement of the "one country, one policy (一國一策)" strategy tailored to overseas countries, and the combination of targeted and comprehensive training programs, the Company has established a smooth talent development pathway, and built a cohesive, mission-oriented, professional, ambitious, loyal and high-potential talent pool to support global business expansion and provide a strong talent base for future strategic implementation, business growth, and network expansion.

HUMAN RESOURCES

As at 30 June 2025, the Group employed about 1,016 employees (as at 31 December 2024: about 1,119 employees). During the Reporting Period, employee cost, including Directors' remuneration, was about HK\$128,324,000 (1H2024: about HK\$130,798,000). Remuneration packages are generally structured to market terms, individual qualifications and experience. The Company has also adopted 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. During the Reporting Period, training activities have been conducted to improve the performance of sales and marketing activities and customer services.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2025, there were no treasury shares held by the Company.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the Reporting Period (1H2024: nil).

CORPORATE GOVERNANCE

The Board has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”)* set out in Part 2 of Appendix C1 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 Reporting Period.

* *The amendments to the CG Code effective on 1 July 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. For this interim results announcement, the Company shall refer to the then effective CG Code.*

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding 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 C3 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 Directors' securities transactions throughout the Reporting Period.

AUDIT COMMITTEE

The Company has established an audit committee which comprises one non-executive Director, namely, Ms. Wang Lixiu, 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 reviewed and discussed with the management of the Group on the unaudited consolidated financial statements of the Group for the Reporting Period, including the accounting treatment, principles and practices adopted by the Group, and discussed financial related matters, with no disagreement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.ytoglobal.com. The interim report for the Reporting Period will be published on the aforesaid 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
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, 21 August 2025

As at the date of this announcement, the Board comprises two executive directors, namely, Mr. Yang Xinwei and Mr. Zhou Jian; four non-executive directors, namely, Mr. Yu Huijiao, Mr. Pan Shuimiao, Ms. Wang Lixiu and Mr. Su Xiufeng; and three independent non-executive directors, namely, Mr. Li Donghui, Mr. Xu Junmin and Mr. Chung Kwok Mo John.

** For identification purposes only*