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CN Logistics International Holdings Limited

嘉泓物流國際控股有限公司

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2130)

BUSINESS UPDATE

This announcement is made by the Company (together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 (the “**Relevant Period**”) and other information currently available, the Group expects to record a net profit attributable to equity shareholders not less than HK\$13 million for the Relevant Period as compared to the net profit attributable to equity shareholders of approximately HK\$51.2 million for the corresponding period in 2022. Despite facing headwinds in view of the uncertainty in the global economy, the Group is still profitable and its profitability remain robust, among its competitors in the logistics market.

The expected decrease in revenue and net profit attributable to equity shareholders of the Company for Relevant Period was mainly attributable to the following reasons:

- (a) the decline of sales in the PRC and Hong Kong, which, in turn, was attributable to the adverse effects of post COVID-19 to logistics industry in the PRC and Hong Kong market, being the drop in freight rate and slow market recovery;

- (b) the decrease in freight rates charged to customer and sales volume due to decrease of demand for air freight and sea freight services from the key customers in CN Logistics S.R.L; and
- (c) the uncertainty in macroeconomic environment.

Despite the foregoing, the Group has maintained strong working capital and normal business operations over the past months. Since April 2023, the Group's sales volume recorded a significant growth. The Board believes that there will be an improvement in the Group's operations and financial performance in latter half of 2023 due to the fact that the fourth quarter in a year is normally the peak season of global logistics market. In addition, the Group has been proactively strengthening its global presence by venturing into new regional markets and capitalizing on market opportunities, ultimately accelerating the Group's overall growth and development. We foresee great development opportunities, attributable to (i) the expansion of the Group's presence in the Southeast Asian region, and (ii) the expected growth in the China eCommerce sector in the second half of the year which would enhance the eCommerce airfreight export business in the region. These great development opportunities will in turn bring significant profit to the Group.

The information contained in this announcement is solely based on the preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the Relevant Period, which have not yet been audited or reviewed by the Company's independent auditors or its audit committee and may be subject to amendments and adjustments. Shareholders and potential investors are advised to refer to the details in the interim results of the Company for the Relevant Period which are expected to be published by the end of August 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
CN Logistics International Holdings Limited
Ngan Tim Wing
Executive Director and Chief Executive Officer

Hong Kong, 18 August 2023

As at the date of this announcement, the Board comprises Mr. Lau Shek Yau John, Mr. Ngan Tim Wing, Ms. Chen Nga Man, Ms. Augusta Morandin and Mr. Fabio Di Nello as the executive Directors; and Mr. Lam Hing Lun Alain, Mr. Chan Chun Hung Vincent, Mr. Chun Chi Man and Mr. Roussel Christophe Albert Jean as the independent non-executive Directors.