



【For Immediate Release】

29 September 2020

## CN Logistics International Holdings Limited 嘉泓物流國際控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

*(Stock code: 2130)*

### Propose to List on the Main Board of the Stock Exchange of Hong Kong

**Offer Price sets between HK\$2.45 and HK\$2.85 per share**  
**Raise up to approximately HK\$153.0 million**

[Hong Kong - 29 September 2020] **CN Logistics International Holdings Limited** (“**CN Logistics**” or the “**Company**”, together with its subsidiaries, the “**Group**”, stock code:2130), a well-established international logistics solutions provider, announces its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**SEHK**”) today. The Company primarily focuses on providing customer-centric logistics solutions to its long-standing customers which consist of reputable brands in the high-end fashion products and fine wine sectors, including high-end fashion retailers including The Lane Crawford Joyce Group, brand owners such as the Kering Group, as well as wine wholesalers and retailers including L’Imperatrice. According to the CIC Report, the Company ranked first in the distribution and logistics market for high-end fashion products in both the People’s Republic of China (the “**PRC**”) and Hong Kong with a market share of approximately 8.1% and 21.8%, respectively, for the year ended 31 December 2019.

CN Logistics plans to offer an aggregate of 53,700,000 shares (subject to the over-allotment option) (the “**Offer Shares**”), of which 5,370,000 shares are for Hong Kong public offering (subject to reallocation), and the remaining 48,330,000 shares are for international placing (subject to reallocation and the over-allotment option), at an offer price between HK\$2.45 to HK\$2.85 per shares (the “**Offer Price**”). The public offering will commence at 9:00am on 30 September 2020 (Wednesday) and close at 12:00 noon on 7 October 2020 (Wednesday). The trading of its shares on the Main Board of the SEHK is expected to commence on 15 October 2020 (Thursday). The share will be traded under the stock code 2130 in board lots of 1,000 shares.

CMBC International Capital Limited is the sole sponsor; CMBC Securities Company Limited and Yuan Tong Global Securities Limited are the joint global coordinators, the joint bookrunners and the



joint lead managers; CCB International Capital Limited, CEB International Capital Corporation Limited, Southwest Securities (HK) Brokerage Limited, SPDB International Capital Limited, Zhongtai International Securities Limited and Elstone Securities Limited are the other joint bookrunners and other joint lead managers; Grand View Securities Limited, China Sky Securities Limited, Royston Securities Limited, Aristo Securities Limited, K.K.M. Securities Limited, Lego Securities Limited and GLAM Capital Limited are the other joint lead managers

Established in 1991, CN Logistics is a well-established international logistics solutions provider, with core business in providing air freight forwarding services and distribution and logistics services in relation to fashion products and fine wine, primarily focusing on high-end fashion (including luxury and affordable luxury) products. Headquartered in Hong Kong, the Group principally engages in three business segments, namely, air freight forwarding services, distribution and logistics services and ocean freight forwarding services, which accounted for 61.8%, 21.1% and 17.1%, respectively, of the total revenue for the year ended 31 December 2019 and 58.1%, 20.4% and 21.5%, respectively, of the total revenue for the three months ended 31 March 2020. As at 20 September 2020, being the latest practicable date prior to the release of this release (the “**Latest Practicable Date**”), the Group provided its own services and operated local offices in 13 cities across eight countries and territories, namely the PRC, Hong Kong, Taiwan, Italy, Japan, Korea, France and Switzerland. During the three years ended 31 December 2019 and the three months ended 31 March 2020 (the “**Track Record Period**”), the Group’s worldwide reach covered over 100 countries, through its operation hubs in the aforementioned eight countries and territories and its international network of freight forwarder business partners.

The Group’s customer base mainly includes direct customers and freight forwarder customers. Direct customers cover high-end fashion retailers, including The Lane Crawford Joyce Group, brand owners such as Kering Group, as well as wine wholesalers and retailers including L’Imperatrice. For each of the three years ended 31 December 2019 and the three months ended 31 March 2020, the Company’s five largest customers accounted for approximately 32.3%, 32.5%, 34.7% and 32.4% of its total revenue, respectively, with the largest customer accounted for approximately 11.8%, 10.3%, 10.4% and 13.0% of its total revenue, respectively.

For each of the three years ended 31 December 2019 and the three months ended 31 March 2020, the Group’s revenue was HK\$1,523.9 million, HK\$1,538.7 million, HK\$1,483.8 million and HK\$362.2 million, respectively; its total net profit for the same periods amounted to HK\$47.9 million, HK\$41.1 million, HK\$44.6 million and HK\$385,000, respectively; and its adjusted net profit for the same



periods amounted to HK\$47.9 million, HK\$41.1 million, HK\$53.0 million and HK\$10.7 million, respectively. Despite the global outbreak of COVID-19, the Group's business remained relatively stable and recorded an increment of HK\$8.9 million or 2.5% in revenue, from HK\$353.3 million for the three months ended 31 March 2019, to HK\$362.2 million for the three months ended 31 March 2020.

With over 25 years of proven track records, the Company believes that it has the following competitive strengths to maintain its position in the market and bolster its prospects:

- Focuses on providing customer-centric logistics solutions to the Group's long-standing customers which consist of reputable brands in the high-end fashion and wine sectors
- Has strong and comprehensive B2B distribution and logistics capability allowing the Group to offer customised, cost-effective, and efficient services and build a broad customer base
- Possesses proprietary IT systems that provide efficient operational management serving the supply chain needs of the Group's customers
- Provides quality and reliable services and has a solid reputation in the logistics industry in Hong Kong and the PRC
- Has diversified global network of freight forwarder business partners which allows the Group to provide a wide portfolio of cargo routes to customers on goods transportation
- Has a stable business relationship with airline carriers
- Has an experienced management team with proven track record and focuses on human capital

The Group intends to use the net proceeds of the Global Offering, after deducting related underwriting fees and commissions and estimated expenses payable in connection with the Global Offering and assuming an Offer Price of HK\$2.65 per Offer Share (being the mid-point of the Offer Price range stated in the prospectus of the Company), of approximately HK\$94.4 million, for the following purposes:

- 72.3%, or HK\$68.2 million is expected to be used to fund the enhancement and expansion of the Group's distribution and logistics business and local presence;
- 17.9%, or HK\$16.9 million is expected to be used to fund the expansion of the Group's B2C services; and
- 9.8%, or HK\$9.3 million is expected to be used for general replenishment of working capital and other general corporate purpose.

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### **About CN Logistics International Holdings Limited**

Established in 1991, CN Logistics is a well-established international logistics solutions provider with core business of providing air freight forwarding services and distribution and logistics services in relation to fashion products and fine wine, primarily focusing on high-end fashion (including luxury and affordable luxury) products. According to the CIC Report, the Company ranked **first** in the distribution and logistics market for high-end fashion products in both the PRC and Hong Kong in 2019.



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### Global Offering Details:

Number of Offer Shares under the Global Offering	:	53,700,000 Shares (subject to the Over-allotment Option)
Number of Hong Kong Public Offer Shares	:	5,370,000 Shares (subject to reallocation)
Number of International Placing Shares	:	48,330,000 Shares (subject to reallocation and the Over-Allotment Option)
Offer Price	:	HK\$2.45 - HK\$ 2.85 per Offer Share
Board Lot	:	1,000 Shares
Maximum Price per Board Lot	:	HK\$2,878.72 ( inclusive of brokerage, Stock Exchange trading fee and SFC transaction levy )
Public Offer Begins	:	09:00 a.m., 30 September 2020 (Wednesday)
Public Offer Ends	:	12:00 noon, 7 October 2020 (Wednesday)
Expected Price Determination Date	:	8 October 2020 (Thursday)
Expected Listing Date	:	15 October 2020 (Thursday)
Stock Code	:	2130.HK

### Use of Proceeds:

Assuming (1) an Offer Price of HK\$2.65 per Share, being the mid-point of the indicative Offer Price range HK\$2.45 to HK\$2.85 per Share, and (2) that the Over-Allotment Option is not exercised, the net proceeds from the Global Offering are estimated to be approximately HK\$94.4 million after deducting underwriting commission, incentive fees [(if any)] and other expenses payable by the Group in connection with the Listing.

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The Group intends to apply such net proceeds as follows (base on mid and other price):

Intended Application	Net Proceeds (HK\$ million)	Percentage of the Net Proceeds (%)
Enhancement and expansion of distribution and logistics business and local presence.	68.2	72.3
Expansion of B2C services.	16.9	17.9
General replenishment of working capital and other general corporate purpose	9.3	9.8

**Track Record:**

The Group's financial summary for the financial year ended 31 December 2017, 2018, 2019 and three months ended 31 March 2019 and 2020 is as follows:

	Year ended 31 December			Three months ended 31 March	
	2017	2018	2019	2019 (Unaudited)	2020
Revenue (HK\$'000)	1,523,903	1,538,695	1,483,849	353,298	362,221
Gross Profit (HK\$'000)	261,204	298,354	306,788	75,037	72,455
Profit for the Year/Period (HK\$'000)	47,862	41,126	44,550	9,105	385
Net Profit Margin (%)	3.1	2.7	3.0	2.6	0.1

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