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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)

### **DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF THE ENTIRE ISSUED SHARES IN ALLPORT CRUISE INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE TO A CONNECTED PERSON**

**Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholders**



#### **THE ACQUISITION**

On 31 December 2021 (after trading hours), CN HK (an indirect wholly owned subsidiary of the Company) entered into the Share Purchase Agreement with the Vendor pursuant to which CN HK has conditionally agreed to acquire from the Vendor, the Sale Shares at the aggregate consideration of HK\$185,840,000 (subject to adjustment). The consideration for the acquisition of the Sale Shares will be settled by the allotment and issue of the Consideration Shares, provided that the Company shall only issue such number of Shares as Consideration Shares to the extent that the issue of the Consideration Shares will not render the Company not being able to satisfy the minimum public float requirement stipulated under Rule 8.08 of the Listing Rules immediately upon the allotment and issue of the Consideration Shares, and the balance of the Consideration shall be satisfied by CN HK partly by cash and partly by the issue of two promissory notes on the Settlement Date in the manner as set out in the section headed “The Acquisition – The Share Purchase Agreement – Consideration for the Acquisition”.

Completion is subject to various conditions as set out under the section headed “The Acquisition – The Share Purchase Agreement – Conditions” in this announcement, including but not limited to the grant of the Specific Mandate for the issue of the Consideration Shares by the Independent Shareholders.

Upon Completion, Allport Cruise will become an indirect wholly owned subsidiary of the Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **Discloseable Transaction**

As the highest of the applicable percentage ratios in respect of the transactions contemplated under the Share Purchase Agreement is more than 5% but below 25%, the transactions contemplated under the Share Purchase Agreement will constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules, and will be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **Connected Transaction**

As at the date of this announcement, the Vendor is a controlling shareholder of the Company, and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Share Purchase Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the requirements of reporting, announcement and approval by the Independent Shareholders under Chapter 14A of the Listing Rules.

The Vendor, its associates and any Shareholder who has material interest in the Share Purchase Agreement and the transactions contemplated thereunder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Share Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares to the Vendor pursuant to the Acquisition).

## **GENERAL**

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Share Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares to the Vendor pursuant to the Acquisition). The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the Share Purchase Agreement and the transactions contemplated thereunder.

The EGM will be held to consider, and if thought fit, passing the ordinary resolutions to approve, among other matters, the Share Purchase Agreement and all the transactions contemplated thereunder.

A circular containing, among other matters, further information on (i) the Share Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares pursuant to the Acquisition) and the proposed grant of the Specific Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Share Purchase Agreement and all the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the Share Purchase Agreement and all the transactions contemplated thereunder; and (iv) a notice of the EGM, will be despatched to the Shareholders in accordance with the Listing Rules, and is expected to be despatched on or before 21 January 2022.

**Completion is subject to satisfaction of certain conditions precedent. As the Completion may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.**

## THE ACQUISITION

On 31 December 2021 (after trading hours), CN HK (an indirect wholly owned subsidiary of the Company) entered into the Share Purchase Agreement with the Vendor pursuant to which CN HK has conditionally agreed to acquire from the Vendor, the Sale Shares at the aggregate consideration of HK\$185,840,000 (subject to adjustment as further described below).

## THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are summarised below.

- Parties:**
- (i) CN HK, as the purchaser; and
  - (ii) The Vendor, as the vendor.

The Vendor is a controlling shareholder of the Company, and therefore a connected person of the Company under Chapter 14A of the Listing Rules.

**Assets to be acquired:** The entire issued share capital in Allport Cruise held by the Vendor.

**Consideration for the Acquisition:**

HK\$185,840,000, subject to the adjustment as set out under “The Acquisition – The Share Purchase Agreement – Adjustment to the Consideration” in this announcement.

Subject to Completion taking place, the consideration shall be payable by CN HK to the Vendor by procuring the Company to allot and issue, credited as fully paid, the Consideration Shares to the Vendor at the issue price of HK\$9.2 per Share on the Settlement Date, provided that the Company shall only issue such number of Shares as Consideration Shares to the extent that the issue of the Consideration Shares will not render the Company not being able to satisfy the minimum public float requirement stipulated under Rule 8.08 of the Listing Rules immediately upon the allotment and issue of the Consideration Shares, and the balance of the Consideration shall be satisfied by CN HK (“**Deferred Consideration**”) in the following manner:

- (a) One-third of the Deferred Consideration shall be payable by CN HK in cash on the Settlement Date;
- (b) One-third of the Deferred Consideration shall be settled by CN HK issuing and delivering to the Vendor on the Settlement Date an unsecured, non-interest bearing promissory note for the equivalent amount, which shall be due and redeemable by CN HK on or before the first Business Day after the first anniversary of the Settlement Date; and
- (c) One-third of the Deferred Consideration shall be settled by CN HK issuing and delivering to the Vendor on the Settlement Date an unsecured, non-interest bearing promissory note for the equivalent amount, which shall be due and redeemable by CN HK on or before the first Business Day after the second anniversary of the Settlement Date.

The consideration for the Acquisition was determined after arm's length negotiations between CN HK and the Vendor, with reference to, among other factors:

- (i) the historical consolidated financial performance of Allport Cruise Group of recent financial years as set out under the section headed "Information of Allport Cruise – Financial Information of Allport Cruise Group" below and the growth in the financial performance of Allport Cruise Group for the ten months ended 31 October 2021 as compared to the corresponding period in 2020;
- (ii) the expected continuous increase in ocean freight rate and recovery of the cruise industry in 2022;
- (iii) the incorporation of Allport Cruise Services Inc. (a member of the Allport Cruise Group) ("**Allport US**") which started its operation in January 2021. Since then, the Allport Cruise Group no longer provides its freight forwarding services through agents and directly deals with the cruise operators. Historically, the Allport Cruise Group carried out freight forwarding services through agents which were subject to profit sharing. The change in business model allows the Allport Cruise Group to increase its gross profit margin through eliminating the cost of such profit share and provide greater flexibility in setting its service fees as it directly deals with the cruise operators;
- (iv) the business development and future prospects of Allport Cruise Group taking into account the drydock contracts concluded with several cruise operators;
- (v) the reasons for, and benefits of, the Acquisition to the Group as set out under the section headed "Reasons for, and benefits of, the Acquisition" below; and
- (vi) the preliminary valuation of Allport Cruise based on the market approach as at 31 October 2021 prepared by an independent valuer, indicating the valuation of the Sale Shares at approximately HK\$186,000,000.

**Adjustment to the Consideration:**

**Upward Adjustment:** If the consolidated profit after tax of Allport Cruise Group for the year ending 31 December 2022 as shown in the 2022 Audited Accounts equals to or exceeds US\$2,300,000, the Consideration shall be adjusted upward as follows:

$$AA = \text{HK\$}185,840,000 \times ((\text{APAT}/\text{US\$}2,000,000) - 115\%)$$

Where:

AA means the additional amount of Consideration payable by CN HK, subject to a maximum amount of HK\$92,920,000

APAT means the actual consolidated profit after tax of Allport Cruise Group for the year ending 31 December 2022 as shown in the 2022 Audited Accounts

**Downward Adjustment:** If the consolidated profit after tax of Allport Cruise Group for the year ending 31 December 2022 as shown in the 2022 Audited Accounts falls below US\$2,000,000, the Consideration shall be reduced as follows:

$$AR = \text{HK\$}185,840,000 \times ((\text{APAT}/\text{US\$}2,000,000) - 100\%)$$

Where:

AR means the amount of Consideration to be reduced, subject to a maximum amount of HK\$185,840,000

As confirmed by the Vendor, based on the drydock contracts concluded as at the date of this announcement, the consolidated profit after tax of Allport Cruise Group for the year ending 31 December 2022 of US\$2 million or above would be achievable unless its operations are adversely affected by the COVID-19 pandemic which may be worsening and obstruct the cruise industry and/or a delay in schedule on the implementation of any drydock contracts.

**Consideration Shares:**

Assuming no adjustment is made to the Consideration, 20,200,000 Consideration Shares will be issuable by the Company, and will represent (i) approximately 7.3% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.8% of the enlarged issued share capital of the Company immediately following the allotment and issue of the Consideration Shares.

Assuming the upward adjustment is triggered, a maximum of 30,300,000 Consideration Shares (“**Maximum Additional Consideration Shares**”) will be issuable by the Company, and will represent (i) approximately 11.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.9% of the enlarged issued share capital of the Company immediately following the allotment and issue of the Maximum Additional Consideration Shares.

The issue price of HK\$9.2 per Consideration Share represents:

- (i) a discount of approximately 8.9% to the closing price of HK\$10.1 per Share as quoted on the Stock Exchange on 31 December 2021, being the date of the Share Purchase Agreement; and
- (ii) a discount of approximately 7.4% to the average closing price of approximately HK\$9.94 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

The issue price of the Consideration Share was determined after arm’s length negotiations between CN HK and the Vendor with reference to, among others, the average closing price of the Shares of HK\$8.93 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day.

**Ranking of the Consideration Shares:** The Consideration Shares shall rank *pari passu* with each other and with all other Shares in issue on the date of allotment and issue of the Consideration Shares.

**Disposal and lock-up restriction:** The Vendor and Mr. Lau (as the covenantor) jointly and severally undertakes and warrants to CN HK that, without the prior written consent of CN HK, the Vendor shall not, and Mr. Lau shall procure the Vendor shall not, sell, assign, transfer, pledge, hypothecate, or dispose of in any way, or otherwise create any encumbrances in respect of, all or any part of or any direct or indirect interest in all of the Consideration Shares held by the Vendor to any person for the period commencing from the date of issue of such Consideration Shares (“**Issue Date**”) up to and including the date which is 36 months after the Issue Date.

**Conditions:**

Completion of the Share Purchase Agreement is conditional upon the following conditions being fulfilled by the Longstop Date:

- (a) none of the warranties of the Vendor having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect;
- (b) CN HK having completed and is satisfied with the results of its due diligence review on the assets, liabilities, financial, tax and business of the Allport Cruise Group and the Sale Shares;
- (c) the granting of the approval for the listing of, and permission to deal in, the Consideration Shares by the Listing Committee of the Stock Exchange (whether subject to conditions or not); and
- (d) the approval by the Independent Shareholders and the transactions contemplated in the Share Purchase Agreement and all other consents and acts required under the Listing Rules or any other applicable law or regulations being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules being obtained from the Stock Exchange.

CN HK may at its sole and absolute discretion and at any time waive in writing conditions (a) and (b). None of the parties may waive conditions (c) and (d). In the event that any of the above conditions are not satisfied (or, as the case may be, waived by CN HK) on or before 5:00 p.m. on the Longstop Date (or such later date as CN HK and the Vendor may agree), the Share Purchase Agreement shall cease and determine and none of the parties shall have any obligations and liabilities under the Share Purchase Agreement save for any antecedent breaches of the terms thereof.

**Completion**

Subject to the fulfillment of conditions (c) and (d) and the fulfillment or waiver (as the case may be) of conditions (a) and (b) as set out above, Completion shall take place on the 5th Business Day thereafter or such other date as the parties may agree.

**MANDATE FOR THE ISSUE OF THE CONSIDERATION SHARES**

The Consideration Shares will be allotted and issued under the Specific Mandate to be sought at the EGM.



## APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Consideration Shares.

## EFFECTS ON SHAREHOLDING

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

	As at the date of this announcement		Immediately upon issue of the Consideration Shares, on the assumption that no adjustment is made to the Consideration		Immediately upon issue of the Consideration Shares, on the assumption that Maximum Additional Consideration Shares will be issuable	
	Number of Shares	%	Number of Shares (Note 1)	%	Number of Shares (Note 2)	%
<b>Connected persons</b>						
Cargo Services (Logistics) Limited (“CS Logistics”) (Note 3)	158,480,222	57.4	158,480,222	53.5	158,480,222	51.7
The Vendor (Note 3)	–	–	20,200,000	6.8	30,300,000	9.9
Mr. Ngan Tim Wing (“Mr. Ngan”) (Note 4)	21,241,203	7.7	21,241,203	7.2	21,241,203	7.0
Ms. Chen Nga Man (“Ms. Chen”) (Note 4)	1,256,099	0.5	1,256,099	0.4	1,256,099	0.4
Mr. Fabio Di Nello (“Mr. Di Nello”) (Note 4)	10,000,000	3.6	10,000,000	3.4	10,000,000	3.3
Ms. Augusta Morandin (“Ms. Morandin”) (Note 4)	10,000,000	3.6	10,000,000	3.4	10,000,000	3.3
Sub-total:	200,977,524	72.8	221,177,524	74.7	231,277,524	75.6
<b>Public</b>						
Public Shareholders	75,122,476	27.2	75,122,476	25.3	75,122,476	24.4
<b>Total:</b>	<b>276,100,000</b>	<b>100.0</b>	<b>296,300,000</b>	<b>100.0</b>	<b>306,400,000</b>	<b>100.0</b>

*Notes:*

1. Without taking into account any Shares which may be allotted pursuant to the upward adjustments as set out under the paragraph headed “The Acquisition – The Share Purchase Agreement – Adjustment to the Consideration” in this announcement.
2. Pursuant to the terms of the Share Purchase Agreement, the Company shall only issue such number of Shares as Consideration Shares to the extent that the issue of the Consideration Shares will not render the Company not being able to satisfy the minimum public float requirement stipulated under Rule 8.08 of the Listing Rules immediately upon the allotment and issue of the Consideration Shares, and the balance of the Consideration shall be satisfied by CN HK partly by cash and partly by the issue of two promissory notes on the Settlement Date in the manner as set out in the section headed “The Acquisition – The Share Purchase Agreement – Consideration for the Acquisition.

For illustration purpose only, on the assumptions that (a) there is no change in the shareholding structure of the Company from the date of this announcement to Settlement Date; and (b) the upward adjustment is triggered and the maximum amount of additional Consideration (i.e. HK\$92,920,000) is payable by CN HK, CN HK shall settle such additional Consideration on the Settlement Date in the following manners: (i) as to HK\$38,538,800 by issue of 4,189,000 additional Consideration Shares; (ii) as to HK\$18,127,067 in cash; (iii) as to HK\$18,127,067 by way of issue of an unsecured, non-interest bearing promissory note for the equivalent amount, which shall be due and redeemable by CN HK on or before the first Business Day after the first anniversary of the Settlement Date; and (iv) as to HK\$18,127,066 by way of issue of unsecured, non-interest bearing promissory note for the equivalent amount, which shall be due and redeemable by CN HK on or before the first Business Day after the second anniversary of the Settlement Date.

3. CS Logistics is owned as to 75.0% by the Vendor, which is in turn wholly owned by CS Logistics Holdings Ltd. (“**CS Holdings**”). CS Holdings is wholly owned by Cargo Services Group Limited, which is in turn wholly owned by Hundred Honest Limited. Hundred Honest Limited is owned as to 80.0% by Mr. Lau. Mr. Lau is the chairman of the Board and a non-executive Director.
4. Each of Mr. Ngan, Ms. Chen, Mr. Di Nello and Ms. Morandin is an executive Director. Mr. Ngan is also the chief executive officer of the Group.

## **REASONS FOR, AND BENEFITS OF, THE ACQUISITION**

The Allport Cruise Group is principally engaged in the provision of air and ocean freight forwarding services to global cruise operators from cruise industry. Such services include provision of shipments of supplies for drydock on a project basis and cruise replenishment (the “**Cruise Business**”). The business of Allport Cruise Group spans multiple cities in the PRC, Europe, Australia, USA and Asia.

The Directors expect that the Acquisition enables the Group to expand its global presence and customer base, to strengthen its network in Europe and Asia, and to build up its reputation in the USA, all of which is expected to further enhance the business growth of the Group. The Acquisition will also provide the Group with an opportunity to expand into ocean freight forwarding services for the Cruise Business, create a synergy with the Group’s air freight forwarding services for the Cruise Business, and open up a new stream of revenue generating operation for the Group. Furthermore, the Acquisition will further strengthen the financial performance of the Group as, upon Completion, Allport Cruise will become an indirect wholly owned subsidiary of the Company and its consolidated financial results will be fully consolidated into the Group’s financial statements.

The Directors (other than the independent non-executive Directors who will form their view after considering the advice from the Independent Financial Adviser) consider that the terms of the Share Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## INFORMATION OF ALLPORT CRUISE

Allport Cruise is a company incorporated in the British Virgin Islands with limited liability. The principal activity of Allport Cruise is investment holding and, through its subsidiaries, engages in the Cruise Business. Upon Completion, Allport Cruise will become an indirect wholly owned subsidiary of the Company.

### Financial information of Allport Cruise Group

The following is the unaudited consolidated financial information of Allport Cruise Group for the two years ended 31 December 2019 and 2020 and the ten months ended 31 October 2020 and 2021:

	For the year ended 31 December				For the ten months ended 31 October			
	2019		2020		2020		2021	
	(US\$)	(equivalent to HK\$)	(US\$)	(equivalent to HK\$)	(US\$)	(equivalent to HK\$)	(US\$)	(equivalent to HK\$)
Revenue	6,551,000	51,097,800	13,987,500	109,102,500	12,516,000	97,624,800	17,791,600	138,774,480
Profit before taxation	537,300	4,190,940	696,200	5,430,360	599,000	4,672,200	1,758,000	13,712,400
Profit after taxation	537,300	4,190,940	539,400	4,207,320	458,000	3,572,400	1,433,000	11,177,400

Based on the unaudited consolidated financial statements of Allport Cruise Group for the year ended 31 December 2020, the net asset value of Allport Cruise Group was approximately US\$1,639,000 (equivalent to HK\$12,784,200) as at 31 December 2020. Based on the unaudited consolidated financial statements of Allport Cruise Group for the ten months ended 31 October 2021, the net asset value of Allport Cruise Group was approximately US\$3,072,000 (equivalent to HK\$23,961,600) as at 31 October 2021. The substantial increase in profit after taxation during the ten months ended 31 October 2021 as compared to the corresponding period in 2020 was mainly attributable to (i) the incorporation of Allport US which started its operations in January 2021. Since then, the Allport Cruise Group no longer provides its freight forwarding services through agents and directly deals with the cruise operators resulting in the increase in gross profit margin as profit sharing with agents was eliminated, (ii) the increase in ocean freight rate charged by Allport Cruise Group, and (iii) the increase in the number of cruise operators placing orders with Allport US.

The original investment cost for the entire issued share capital in Allport Cruise paid by the Vendor was US\$50,000 (equivalent to HK\$390,000).

## **INFORMATION OF THE COMPANY, CN HK AND THE VENDOR**

The principal activity of the Company is investment holding, and through its subsidiaries, principally engages in the provision of 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.

CN HK is a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company. It is principally engaged in investment holding.

The Vendor is an exempted company limited by shares incorporated in the Cayman Islands. The principal activity of the Vendor is investment holding, and through its subsidiaries, principally engages in the provision of air and/or ocean freight forwarding services.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **Discloseable Transaction**

As the highest of the applicable percentage ratios in respect of the transactions contemplated under the Share Purchase Agreement is more than 5% but below 25%, the transactions contemplated under the Share Purchase Agreement will constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules, and will be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **Connected Transaction**

As at the date of this announcement, the Vendor is a controlling shareholder of the Company, and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Share Purchase Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the requirements of reporting, announcement and approval by the Independent Shareholders under Chapter 14A of the Listing Rules. As at the date of this announcement, the Vendor is ultimately owned as to 99.98% by Mr. Lau (the chairman of the Board and a non-executive Director) and 0.02% by Ms. Cynthia Lau (the daughter of Mr. Lau).

As Mr. Lau is materially interested in the transactions contemplated under the Share Purchase Agreement by virtue of his indirect interest in the Vendor, he has abstained from voting on the respective resolutions passed at the Board meeting for approving the Share Purchase Agreement and the transactions contemplated thereunder. Save for Mr. Lau, none of the other Directors is or is deemed to have a material interest in the transactions contemplated under the Share Purchase Agreement.

The Vendor, its associates and any Shareholder who has material interest in the Share Purchase Agreement and the transactions contemplated thereunder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Share Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares to the Vendor pursuant to the Acquisition).

## **GENERAL**

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Share Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares to the Vendor pursuant to the Acquisition).

In this connection, the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the Share Purchase Agreement and the transactions contemplated thereunder. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee. The Independent Board Committee will formally provide their views in the circular to be sent to the Independent Shareholders after considering the advice of the Independent Financial Adviser.

The EGM will be held to consider, and if thought fit, passing the ordinary resolutions to approve, among other matters, the Share Purchase Agreement and all the transactions contemplated thereunder.

A circular containing, among other matters, further information on (i) the Share Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares pursuant to the Acquisition) and the proposed grant of the Specific Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Share Purchase Agreement and all the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the Share Purchase Agreement and all the transactions contemplated thereunder; and (iv) a notice of the EGM, will be despatched to the Shareholders in accordance with the Listing Rules, and is expected to be despatched on or before 21 January 2022.

**Completion is subject to satisfaction of certain conditions precedent. As the Completion may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

In this announcement, unless the context otherwise required, the following terms and expressions have the following meanings when used herein.

“2022 Audited Accounts”	the audited consolidated financial statements of the Allport Cruise Group for the year ending 31 December 2022 as audited by the accountants’ firm to be appointed by Allport Cruise for the audit of the 2022 Audited Accounts pursuant to the terms of the Share Purchase Agreement
“Acquisition”	the acquisition by CN HK from the Vendor the Sale Shares as contemplated under and pursuant to the terms of the Share Purchase Agreement
“Allport Cruise”	Allport Cruise Logistics Inc., a company incorporated in the British Virgin Islands with limited liability and wholly owned by the Vendor
“Allport Cruise Group”	Allport Cruise and its subsidiaries
“associates”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday and any other public holidays and any day on which a tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by a super typhoons or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which commercial banks generally are open for business in Hong Kong
“CN HK”	CN Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
“Company”	CN Logistics International Holdings Limited (嘉泓物流國際控股有限公司), an exempted company incorporated under the laws of Cayman Islands whose issued shares are listed on the main board of the Stock Exchange
“Completion”	the completion of the Share Purchase Agreement in accordance with its terms and conditions

“Consideration Shares”	the aggregate number of new Shares to be allotted and issued by the Company, credited as fully paid, which shall be the quotient of (a) the consideration for the Acquisition (as adjusted in accordance with the terms of the Share Purchase Agreement), as divided by (b) the issue price of HK\$9.2 per Share (round down to the nearest whole board lot of 1,000 Shares), subject however to the maximum number of Shares that may be issuable by the Company in accordance with the terms of the Share Purchase Agreement, for the purpose of settling the consideration for the Acquisition
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and (if though fit) approving the Share Purchase Agreement and all transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors (namely, Mr. Lam Hing Lun Alain, Mr. Chan Chun Hung Vincent and Mr. Chun Chi Man) established to advise the Independent Shareholders on the Share Purchase Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Shenwan Hongyuan Capital (H.K.) Limited, a wholly owned subsidiary of Shenwan Hongyuan (H.K.) Limited (stock code: 218.hk) and a non-wholly owned subsidiary of Shenwan Hongyuan Group Co., Ltd. (stock codes: 000166.sz and 6806.hk), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Share Purchase Agreement and the transactions contemplated thereunder, which is a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO

“Independent Shareholders”	Shareholders, other than the Vendor and its associates and any Shareholder who has material interest in the Share Purchase Agreement and the transactions contemplated thereunder
“Last Trading Day”	30 December 2021, being the last trading day immediately prior to the signing of the Share Purchase Agreement
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	30 April 2022, or such later date as CN HK and the Vendor may agree
“Maximum Additional Consideration Shares”	as defined in the paragraph headed “The Acquisition – The Share Purchase Agreement – Consideration Shares” in this announcement
“Mr. Lau”	Mr. Lau Shek Yau John, chairman of the Board and a non-executive Director
“PRC”	The People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Sale Shares”	the entire issued share capital in Allport Cruise
“Settlement Date”	the 15th Business Day, if such day falls on a day which is not a Business Day the next Business Day, from the date of issue of the 2022 Audited Accounts
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of US\$0.001 each in the share capital of the Company
“Share Purchase Agreement”	the conditional share purchase agreement dated 31 December 2021 entered into by CN HK, the Vendor and Mr. Lau in respect of the acquisition of the Sale Shares
“Shareholder(s)”	holder(s) of the Shares



“Specific Mandate”	a specific mandate to allot, issue or otherwise deal in additional Shares to be sought from the Independent Shareholders to satisfy the allotment and issue of the Consideration Shares to the Vendor on the Settlement Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“USA”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“Vendor”	Cargo Services Seafreight Limited, an exempted company limited by shares incorporated in the Cayman Islands, being one of the controlling shareholders of the Company
“%”	per cent.

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

Hong Kong, 31 December 2021

*For the purpose of this announcement, the following exchange rates has been adopted:*

*US\$1: HK\$7.800*

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