

# TARGET

## Intelligence Report

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### KERRY LOGISTICS NETWORK LTD: IT AIN'T NECESSARILY SO

*'The Things That You're Liable  
To Read In The Bible,  
It Ain't Necessary So.'*

On scanning the '**CHAIRMAN'S STATEMENT**,' the subheading, being '**SAILING INTO THE STORM**,' the following are the six paragraphs that Mr Wang Wei (王衛) putatively penned by this 52 year-old, Non-Executive Director of Kerry Logistics Network Ltd (嘉里物流聯網有限公司) (Code: 636, Main Board, The Stock Exchange of Hongkong Ltd:

*'2022 was a roller-coaster ride through the ups and downs of unprecedented economic, political, COVID-control and supply chain developments. It was also a year of integration and development for KLN (Kerry Logistics Network Ltd) and S.F. Holding (S.F. Holding Company Ltd)\*, which has brought about enhanced capabilities across KLN's integrated logistics, international freight forwarding and express services, specifically strengthening our service offerings in Asia. While navigating through the noise in an unpredictable market, we remained focused on accelerating KLN's strategic development, reinventing its business models and pursuing new markets.*

*'3PLs (Third-Party Logistics) have played a crucial role during the pandemic in keeping cargoes flowing in a complex, uncertain and fast-changing environment that is seeing more countries taking part in the global supply chain. It has allowed KLN Group to seize new growth opportunities by delivering new and different logistics solutions to meet customers' various business and operational needs in a volatile market.*

*'A new corporate tagline "**THE ONE · IN ASIA**" has been introduced which embodies KLN's unique market position and unrivalled network in Asia. The tagline encapsulates KLN's position as a truly global Asian brand that offers customers the most diversified global solutions across the region. It is the strength we will continue to make full use of to capture opportunities and keep ahead in the competitive international marketplace.*

*‘Sustainability is now embedded into every fibre of KLN, reflected in each business decision we make and every development strategy we formulate, as we remain fully committed to our pledge of achieving net zero emissions by 2050. A new Sustainability Committee was formed in 2022 Q4 to lead the oversight of KLN’s environmental and social footprint through a board-level involvement. I am confident that our ongoing sustainability efforts will set an example befitting a leader of the global logistics industry.*

*‘I have been deeply impressed by the KLN team’s unwavering dedication, superb execution capabilities and great sense of accountability, which are the foundation on which we build our success. I would like to express my appreciation and gratitude to our team members.*

*‘Global freight overcapacity, short-term spending patterns evolving from product purchase to service consumption, weakened consumer power caused by high inflation and geopolitical tensions are the forces converging into a perfect storm in 2023. It is shaping up to be the most challenging year in more than a decade for the logistics industry. At KLN, we will bravely sail into the storm and keep playing an active role in reshaping the post-pandemic global supply chain. We will also continue to strengthen our competitive advantages through building a resilient, agile and sustainable value chain and delivering greater value to our stakeholders.’*

\* SF Holding Company Ltd (順豐控股股份有限公司) is a joint stock company, incorporated in The People’s Republic of China (PRC) with limited liability, the shares of which are listed on The Shenzhen Stock Exchange (Stock Code: 002352.SZ). SF Holding Company Ltd is a subsidiary of Shenzhen Mingde Holding Development Company Ltd (深圳明德控股發展有限公司), one of the Controlling Shareholders of the Company (KLN).

Two pages on from the above-mentioned Chairman’s Statement, one was informed that the Net Profit Attributable to Shareholders of the Company had been recorded as being \$HK3,579,000,000.00, a 55-percent decrease compared with the 2021 Financial Year when the Net Profit Attributable To Shareholders was recorded as being \$HK7,939,000,000.00.

At Page 105 of the 2022 Annual Report of KLN, under the heading, ‘**GENERAL INFORMATION**,’ the following was imparted to shareholders and prospective investors as follows:

*‘Kerry Logistics Network Limited was incorporated in the British Virgin Islands in 1991 and migrated to Bermuda to become an exempted company with limited liability in 2000. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.*

*'The Company is an investment holding company and its subsidiaries are principally engaged in the provision of logistics, freight forwarding and e-commerce & express services. The Company's shares are listed on The Stock Exchange of Hong Kong Limited.*

*'Shenzhen Mingde Holding Development Co., Ltd., a private company, incorporated in the PRC, is the ultimate holding company.'*

The listing date of KLN on the Premier Equity Market of The Stock Exchange of Hongkong Ltd was December 19, 2013, according to the database of TOLFIN (泰達資訊), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider.

As at today's date, it is indicated that the Company has a workforce, numbering not less than 43,900 employees.

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