

Conditional Placing Agreement

This Agreement is made on 9 August 2021 **between:**

- (1) **Kerry Properties Limited**, a company incorporated in Bermuda with limited liability whose registered office is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and whose principal address in Hong Kong is at 25/F., Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong ("**KPL**");
- (2) **Darmex Holdings Limited**, a company incorporated in the British Virgin Islands with limited liability whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and whose principal address in Hong Kong is at 31/F., Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong ("**KHL**" and, together with KPL, the "**Sellers**" and each a "**Seller**"); and
- (3) **Boyu Capital Opportunities Master Fund**, a company incorporated in the Cayman Islands whose registered office is at c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands ("**Purchaser**").

Whereas:

- (A) As set out in the Joint Announcement, J.P. Morgan Securities (Asia Pacific) Limited, on behalf of the Offeror and subject to the satisfaction or waiver (where applicable) of the Pre-Conditions, will make a voluntary conditional partial cash offer to the shareholders of KLN to acquire 931,209,117 KLN Shares at the offer price of HK\$18.80 per KLN Share, and to the holders of the Share Options to cancel 51.8% of the outstanding Share Options as at the Final Closing Date.
- (B) The Pre-Conditions include, among others, the KLN Controlling Shareholders having entered into placing agreements ("**Placing Agreements**") with one or more Eligible Purchasers to sell KLN Shares if and to the extent the number of KLN Shares held by the public immediately following the Final Closing Date comprise less than 15.0% of the then total issued KLN Shares (other than due to the holdings of KLN Shares by any persons nominated by the Offeror as directors of KLN or of any close associates of the Offeror or any such nominee director of KLN).
- (C) Each Seller is a KLN Controlling Shareholder, and the Purchaser is an Eligible Purchaser.
- (D) The Sellers have agreed to sell, and the Purchaser has agreed to purchase, the Placing Shares on the terms and conditions of this Agreement.

It is agreed as follows:

1 Interpretation

1.1 In this Agreement, unless the context otherwise requires:

"**affiliate**" in relation to a particular individual or entity, unless the context otherwise requires, means any individual or entity which directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the individual or entity specified. For the purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise;

“**CCASS**” means the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited;

“**close associates**” has the meaning given to it in the Listing Rules;

“**Closing Announcement**” means the announcement to be published jointly by the Offeror and KLN on the Final Closing Date setting out, amongst other things, the results of the Partial Offer and the Option Offer, the shareholding structure of KLN immediately following completion of the Partial Offer and the Option Offer, and the public float of KLN immediately after the completion of the Partial Offer;

“**Completion**” means completion of the sale and purchase of the Placing Shares on and subject to the terms and conditions of this Agreement;

“**connected person**” has the meaning given to it in the Listing Rules;

“**Eligible Purchaser**” means a person which is not a connected person of KLN nor a person falling under Rule 8.24(1) or (2) of the Listing Rules, and does not, from the date of the relevant Placing Agreement (being, in the case of the Purchaser, this Agreement) to and including the Final Closing Date, hold any KLN Shares;

“**Encumbrances**” means any claim, charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, usufruct, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;

“**Final Closing Date**” has the meaning given to it in the Joint Announcement;

“**Joint Announcement**” means the announcement jointly published by the Offeror, KLN and KPL on 10 February 2021;

“**KLN**” means Kerry Logistics Network Limited, incorporated in the British Virgin Islands and continued into Bermuda to become an exempted company with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 636);

“**KLN Controlling Shareholders**” means the controlling shareholders of KLN as at the date of the Joint Announcement, being Kerry Holdings Limited, Kerry Group Limited and their respective subsidiaries which hold KLN Shares, including but not limited to each of the Sellers;

“**KLN Shares**” means the ordinary shares of par value of HK\$0.50 each in the share capital of KLN;

“**Listing Rules**” means The Rules Governing the Listing of Securities on the Stock Exchange;

“**Long Stop Date**” means 30 November 2021 or such other date as the parties may agree in writing;

“**Offeror**” means Flourish Harmony Holdings Company Limited, a company incorporated in the Cayman Islands, which is an indirect wholly-owned subsidiary of S.F. Holding Co., Ltd.;

“**Option Offer**” means the appropriate partial offer to be made by the Offeror to the holders of the Share Options to cancel such number of outstanding Share Options representing 51.8% of the outstanding Share Options as at the Final Closing Date pursuant to Rule 13 of the Takeovers Code;

“Partial Offer” means the pre-conditional voluntary partial cash offer to be made by J.P. Morgan Securities (Asia Pacific) Limited on behalf of the Offeror to the shareholders of KLN to acquire 931,209,117 KLN Shares on the terms and conditions set out in the Joint Announcement;

“Placing Agreements” has the meaning given to it in Recital (B)

“Placing Price” has the meaning given to it in Clause 3.1;

“Placing Shares” has the meaning given to it in Clause 2.1;

“Pre-Conditions” means the pre-conditions to the making of the Partial Offer and the Option Offer as set out under the section headed *“Pre-Conditions to the Partial Offer and the Option Offer”* of the Joint Announcement;

“PRC” means the People’s Republic of China, and for the purposes of this Agreement only, except where the context requires otherwise, references to China or the PRC exclude the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan;

“public” has the meaning given to it in the Listing Rules;

“Relevant Proportion” means:

- (i) in respect of KPL, a percentage equal to 718,340,998 (being the number of KLN Shares held by KPL on the date of this Agreement) divided by 1,134,270,634 (being the number of KLN Shares held by the KLN Controlling Shareholders on the date of this Agreement); and
- (ii) in respect of KHL, a percentage equal to 415,929,636 (being the number of KLN Shares held by Kerry Group Limited, Kerry Holdings Limited and their respective subsidiaries (other than KPL) on the date of this Agreement) divided by 1,134,270,634 (being the number of KLN Shares held by the KLN Controlling Shareholders on the date of this Agreement);

“Share Options” means outstanding options over KLN Shares granted pursuant to the pre-IPO share option scheme adopted by KLN on 25 November 2013, where one Share Option represents the right to subscribe for one KLN Share with an exercise price of HK\$10.2 for each KLN Share;

“Shortfall Shares” means such number of KLN Shares as is equal to:

- (i) 15.0% of the then total issued KLN Shares
less
- (ii) the number of KLN Shares held by the public
less
- (iii) the number of KLN Shares held by (a) any person nominated by the Offeror as KLN directors, (b) any close associate of any such nominee KLN director (if any), or (c) any subsidiary or close associates of the Offeror,

in each case, as stated in the Closing Announcement to be the shareholding structure of KLN immediately after the Final Closing Date;

“Special Dividend” has the meaning given to it in the Joint Announcement;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Surviving Clauses” means Clauses 1 (Interpretation), 8 (Notices) to 10 (Other Provisions) inclusive;

“Takeovers Code” means the Hong Kong Code on Takeovers and Mergers;

“Trading Day” means a day (other than a Saturday, Sunday or public holiday) on which (i) the Stock Exchange is opened for trading and settlement business at all times between 10:00 a.m. and 4:00 p.m., and (ii) commercial banks in Hong Kong are opened for general banking business, in each case without any interruption or suspension; and

“Transactions” means the transactions contemplated by this Agreement.

- 1.2** Notwithstanding anything to the contrary, the liability of the Sellers under this Agreement is several, and not joint or joint and several.

2 Sale and Purchase of the Placing Shares

- 2.1** Subject to the terms and conditions of this Agreement, each Seller agrees to sell its Relevant Proportion of, and the Purchaser agrees to purchase all of, the Placing Shares.

The **“Placing Shares”** shall be 6,690,000 KLN Shares, being 5.4% of 124,760,000 KLN Shares (being the aggregate number of KLN Shares in respect of which the KLN Controlling Shareholders will enter into Placing Agreements), provided that if the number of Shortfall Shares is less than 124,760,000 KLN Shares, the number of Placing Shares to be purchased by the Purchaser pursuant to this Agreement shall be reduced proportionally such that the number of Placing Shares shall represent 5.4% of the Shortfall Shares (rounded down to the nearest whole board lot of Shares).

For illustrative purposes only:

- 2.1.1** if the Shortfall Shares is the maximum 124,760,000 KLN Shares (being the aggregate number of KLN Shares in respect of which the KLN Controlling Shareholders will enter into Placing Agreements), the Placing Shares shall be 6,690,000 KLN Shares (representing 0.37% of the total issued KLN Shares as at the date of the Joint Announcement on a fully-diluted basis); and
- 2.1.2** if the Shortfall Shares is 93,570,000 KLN Shares (representing 75% of the aggregate number of KLN Shares in respect of which the KLN Controlling Shareholders will enter into Placing Agreements), the Placing Shares shall be 5,017,500 KLN Shares (representing 0.28% of the total issued KLN Shares as at the date of the Joint Announcement on a fully-diluted basis); and
- 2.1.3** if the Shortfall Shares is 62,380,000 KLN Shares (representing 50% of the aggregate number of KLN Shares in respect of which the KLN Controlling Shareholders will enter into Placing Agreements), the Placing Shares shall be 3,345,000 KLN Shares (representing 0.18% of the total issued KLN Shares as at the date of the Joint Announcement on a fully-diluted basis).

In the event of any dispute between the Sellers and the Purchaser as to the final number of Placing Shares to be purchased by the Purchaser pursuant to this Agreement, the number as specified in the Completion Notice (as defined in Clause 4.3) shall be accepted by the Sellers and the Purchaser as the final number of Placing Shares.

- 2.2** The Placing Shares shall be sold free from all Encumbrances and together with all beneficial ownership of, and rights and advantages attached or accruing to, them as at Completion (including the right to receive all dividends or distributions declared on or after Completion but, for the avoidance of doubt, excluding the Special Dividend).
- 2.3** The Purchaser may elect by notice in writing to the Sellers no later than three (3) Trading Days prior to the Completion Date (as defined under Clause 5.1 below) to nominate a wholly-owned subsidiary of the Purchaser (the “**Nominee**”) to purchase the Placing Shares, provided always that such election shall not release the Purchaser from any of its obligations set out in this Agreement and the Purchaser shall be liable if the Nominee fails to purchase the Placing Shares following such election by the Purchaser.
- 2.4** The Purchaser shall be entitled to exercise all rights attaching to or accruing to the Placing Shares as at and with effect from Completion.

3 Consideration

- 3.1** The consideration for the sale and purchase of the Placing Shares pursuant to this Agreement shall be HK\$16.92 per Placing Share (the “**Placing Price**”).
- 3.2** The Sellers and the Purchaser shall each be responsible for paying all brokerage, Hong Kong stamp duty, transaction levies of the Securities and Futures Commission of Hong Kong and trading fees of the Stock Exchange which it may be liable for in connection with the sale and purchase of the Placing Shares, and the Placing Price is exclusive of all such brokerage, duties, levies and fees.

4 Condition precedent

- 4.1** Completion is conditional upon:
- 4.1.1** the Sellers’ warranties made pursuant to this Agreement being true and accurate as of the date of this Agreement and as at Completion as if they had been repeated at Completion;
 - 4.1.2** the Partial Offer becoming or is declared unconditional in all respects; and
 - 4.1.3** the number of Placing Shares as determined pursuant to Clause 2.1 having an aggregate Placing Price of not less than HK\$100,000.
- 4.2** If the conditions set out in Clause 4.1 are not satisfied or Completion has not taken place on or prior to the Long Stop Date, then this Agreement shall terminate automatically with immediate effect.
- 4.3** If the conditions set out in Clause 4.1 are satisfied, on the Final Closing Date (but following publication of the Closing Announcement), the Sellers shall give a written notice to the Purchaser in the form set out in Schedule 1 (the “**Completion Notice**”).

5 Settlement

- 5.1** Completion shall take place on the date which is the sixth Trading Day after the date of the Completion Notice (as defined in Clause 4.3) or 14 September 2021, whichever is later (the “**Completion Date**”). Settlement of the Placing Shares will be made on the Completion Date on a delivery-against-payment basis through the CCASS participant (the “**Participant**”) stock accounts of the Purchaser (or, if a written notice is given pursuant to Clause 2.3, the

Nominee) and the Sellers respectively. On the Completion Date, the Sellers shall procure their respective designated Participant to give an irrevocable delivery instruction to effect a book-entry settlement of the Placing Shares on Completion in accordance with this Agreement and the General Rules and the Operational Procedures of CCASS by the debit of the stock account of the respective Seller's designated Participant and the credit of the stock account of the Purchaser's (or, if a written notice is given pursuant to Clause 2.3, the Nominee's) designated Participant.

The stock account of the Participant designated by the Purchaser shall be the following:

CCASS Participant Name: MS Hong Kong
MSSEHKH1
A/C Morgan Stanley & Co Intl Plc
A/C 811 006 167 888 -CCASS B01274

If the Purchaser elects to nominate the Nominee to purchase the Placing Shares pursuant to Clause 2.3, the Purchaser shall provide the CCASS participant stock account details of the Nominee in the notice given pursuant to Clause 2.3.

6 Seller warranties

Each Seller warrants to the Purchaser that the statements in this Clause 6 as applicable to itself are true and accurate as of the date of this Agreement, and that they will be true and accurate as at Completion as if they had been repeated at Completion:

6.1 *(Due incorporation)* The Seller is duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is not insolvent or unable to pay its debts as they fall due, and it has the legal right and capacity and full power and authority under its constitutional documents to enter into and to perform its obligations under this Agreement. There has been no petition filed, order made or effective resolution passed for the liquidation or winding up of the Seller.

6.2 *(Authorisation and authority)*

6.2.1 This Agreement has been duly authorised, executed and delivered by the Seller and constitutes a valid and legally binding agreement of the Seller, enforceable against the Seller pursuant to its terms.

6.2.2 All consents, orders, approvals, and other authorisations, whether governmental, corporate or other, necessary for the execution, delivery and performance by the Seller of this Agreement and the Transactions have been obtained or made and are in full force and effect.

6.2.3 The provisions of this Agreement and the compliance by the Seller with all of the provisions of this Agreement will not conflict with, result in a breach or violation of, or constitute a default under: (A) any provision of the articles of association or any other constitutional document of the Seller; (B) any agreement or instrument to which the Seller is a party or by which it or any of its properties or assets is bound; or (C) any statute, rule or regulation applicable to, or any order of any court or governmental agency with jurisdiction over, the Seller, its assets or its properties, including but not limited to the Listing Rules and the Takeovers Code.

6.3 *(The Placing Shares)*

6.3.1 The Seller is the sole beneficial owner of its Relevant Proportion of the Placing Shares, and is entitled to sell and transfer the full beneficial ownership of the Placing Shares to the Purchaser free and clear of any Encumbrances.

6.3.2 Its Relevant Proportion of the Placing Shares are validly issued and fully paid up and rank *pari passu* in all respects with all the other KLN Shares.

6.4 *(Compliance with securities laws)* The Seller is not in possession of inside information (as defined in section 245 of the Securities and Futures Ordinance (Cap. 571) (“SFO”)) in relation to KLN. The Seller is not and will not be at any time engage in insider dealing for the purpose of the SFO in connection with the Transactions.

7 Purchaser warranties

The Purchaser warrants to the Sellers that the statements in this Clause 7 are true and accurate as of the date of this Agreement, and that they will be true and accurate as at Completion as if they had been repeated at Completion:

7.1 *(Due incorporation)* The Purchaser is duly incorporated and validly existing under the laws of the jurisdiction of its incorporation and it has the legal right and capacity and full power and authority under its constitutional documents to enter into and perform this Agreement.

7.2 *(Authorisation and authority)*

7.2.1 This Agreement has been duly authorised, executed and delivered by the Purchaser and constitutes a valid and legally binding agreement of the Purchaser, enforceable against the Purchaser pursuant to its terms.

7.2.2 All consents, orders, approvals, and other authorisations, whether governmental, corporate or other, necessary for the execution, delivery and performance by the Purchaser of this Agreement and the Transactions have been obtained or made and are in full force and effect.

7.2.3 The compliance by the Purchaser with all of the provisions of this Agreement will not conflict with, result in a breach or violation of, or constitute a default under: (A) any provision of the articles of association or any other constitutional document of the Purchaser; (B) any agreement or instrument to which the Purchaser is a party or by which it or any of its properties or assets is bound; or (C) any statute, rule or regulation applicable to, or any order of any court or governmental agency with jurisdiction over, the Purchaser, its assets or its properties.

7.3 *(The Public)*

7.3.1 To the best of the Purchaser’s knowledge, information and belief having made all reasonable enquiry, the Purchaser is not a core connected person of KLN, nor a person falling under Rule 8.24(1) or (2) of the Listing Rules in connection with KLN.

7.3.2 The Purchaser does not as at the date of this Agreement, and will not from the date of this Agreement until the Final Closing Date, hold any KLN Shares.

7.3.3 To the best of the Purchaser’s knowledge, information and belief having made all reasonable enquiry, the Purchaser is a third party independent of KPL and is not a connected person (as defined in the Listing Rules) of KPL.

7.4 *(Compliance with securities laws)*

7.4.1 The Purchaser is not in possession of inside information (as defined in section 245 of the Securities and Futures Ordinance (Cap. 571)) in relation to KLN.

7.4.2 In making its decision to purchase the Placing Shares, the Purchaser has made its own investment decision regarding the KLN Shares based on information it may have or which is publicly available with respect to KLN and the KLN Shares.

8 Notices

8.1 Any notice or other communication in connection with this Agreement (each a “**Notice**”) shall be in writing, in English, and delivered by hand, email, registered post or courier using an internationally recognised courier company (provided that (i) any Notice shall be deemed to have been served, if served by hand, when delivered; and if sent by email, 30 minutes after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered, and (ii) any Notice received on a Sunday or a public holiday in the place of receipt shall be deemed to be received on the next day that is not a Sunday or a public holiday in the place of receipt).

8.2 A Notice to the Seller shall be sent to such party at the following address, or such other person or address as the Seller may notify to the Purchaser from time to time:

Darmex Holdings Limited
31/F Kerry Centre
683 King's Road
Quarry Bay, Hong Kong
Email: legalnotices@kuokgroup.com
Attention: The Directors

Kerry Properties Limited
25/F Kerry Centre
683 King's Road
Quarry Bay, Hong Kong
Email: serene.nah@kerryprops.com
Attention: Chief Financial Officer

8.3 A Notice to the Purchaser shall be sent to such party at the following address, or such other person or address as the Purchaser may notify to the Sellers from time to time:

Suite 1501, Two Pacific Place
88 Queensway
Hong Kong
Email: operations@boyucap.com
Attention: Ruofan Fang

9 Termination

9.1 This Agreement shall terminate:

9.1.1 if mutually agreed by the parties in writing prior to Completion; or

9.1.2 automatically pursuant to Clause 4.2 (Long Stop Date).

9.2 Upon any termination of this Agreement on the grounds set forth in Clause 9.1, each party's rights and obligations under this Agreement shall cease immediately on termination except that:

- 9.2.1** each party shall continue to comply with the Surviving Clauses and each provision of this Agreement necessary for such party to enforce the Surviving Clauses; and
- 9.2.2** termination of this Agreement shall not affect a party's right to claim for a breach of another party's obligations in relation to this Agreement if that breach occurred before termination and each party must continue to comply with each provision of this Agreement necessary for a party to enforce such a right.

10 Other provisions

- 10.1** KPL shall make a public announcement regarding the execution of the Placing Agreements substantially in the form set out in Schedule 2 in accordance with laws, rules and regulations applicable to it as soon as practicable after execution of the Placing Agreements. KPL agrees that, to the extent permissible by applicable laws, rules and regulations, the Purchaser shall be given a reasonable period of time to review and make reasonable requests to amend any information concerning the Purchaser in such public announcement. Unless otherwise required by applicable laws, rules and regulations (including the Listing Rules and the Takeovers Code), (i) all other press releases, public announcements or other disclosures to any third party concerning this Agreement or the Transactions made by parties to this Agreement (including their respective subsidiaries, directors, officers, employees or agents) shall be substantially consistent with such public announcement (except that the name of the Purchaser or its affiliates shall not be disclosed unless otherwise agreed by the Purchaser), and shall be issued only at such time and in such form as shall be mutually agreed upon by the parties; and (ii) parties to this Agreement shall use reasonable efforts to procure that no other public announcements or other disclosures to any third party concerning this Agreement or the Transactions shall be made by their respective associates (in respect of the Sellers, shall include but not limited to, KLN) and affiliates, without the prior written consent of the other parties to this Agreement (such consent not to be unreasonably withheld).
- 10.2** Unless otherwise permitted in this Agreement, without the written consent of the Purchaser, the Sellers shall not, and shall cause their respective subsidiaries, directors, officers, employees or agents not to, use the name or brand of the Purchaser or its affiliates, claim itself as a partner of the Purchaser or its affiliates, or make any similar representations in connection with this Agreement.
- 10.3** Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties, provided that the Purchaser may assign all or any of its benefits or rights under this Agreement to its wholly-owned subsidiaries.
- 10.4** No person shall have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any term of this Agreement.
- 10.5** This Agreement (and any dispute, controversy or claim of whatever nature arising out of or in any way relating to this Agreement or its formation) shall be governed by and construed in accordance with the laws of Hong Kong. Each of the parties agrees that the courts of Hong Kong are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and each of the parties irrevocably submits to the jurisdiction of such courts.
- 10.6** The Purchaser irrevocably appoints Boyu Capital Investment Management Co., Limited at Suite 1501, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong to receive on its behalf

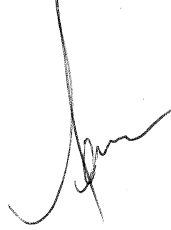
service of any action, suit or other proceedings in connection with this Agreement. If any person appointed as process agent ceases to act for any reason, the Purchaser shall notify the Sellers, shall promptly appoint another entity incorporated in Hong Kong to act as its process agent and shall notify the Sellers as soon as reasonably practicable of the name and address of such replacement process agent. This will not affect the Sellers' rights to serve process in any other manner.

- 10.7** Time shall be of the essence of this Agreement.
- 10.8** In the event any provision of this Agreement is found to be or becomes invalid or unenforceable, no other provision of this Agreement shall thereby be affected and this Agreement shall remain valid and enforceable in respect of all remaining provisions, and any invalid or unenforceable provision will be deemed to be replaced by a provision which as nearly as possible accomplishes the commercial purpose of the original.
- 10.9** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings (whether written or oral) between the Sellers and the Purchaser with respect to the subject matter of this Agreement. The Purchaser agrees and acknowledges that, in entering into this Agreement, it is not relying on any representation, warranty or undertaking not expressly incorporated in this Agreement.
- 10.10** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.
- 10.11** No variation or waiver to this Agreement shall be effective unless it is in writing and signed by or on behalf of the Sellers and the Purchaser.

In witness of which this Agreement has been duly executed.

SIGNED by **SERENE SIEW NOI NAH**
on behalf of **KERRY PROPERTIES**
LIMITED:

}



Witnessed by:



SOON YUK TAI
Company Secretary

SIGNED by **KWOK PING LEONG**
on behalf of **DARMEX HOLDINGS**
LIMITED:

}



SIGNED by Vincent FOK
on behalf of **BOYU CAPITAL**
OPPORTUNITIES MASTER FUND:

A handwritten signature in black ink, appearing to read 'V. FOK', is written to the right of a closing curly bracket '}'.

Schedule 1 Completion Notice

By email

To: [Purchaser]
[email address]

[To be dated the Final Closing Date]

Dear Sirs

Conditional Placing Agreement

Reference is made to the Conditional Placing Agreement dated [date] between Kerry Properties Limited, Darmex Holdings Limited and [Purchaser] (the “**Conditional Placing Agreement**”). Capitalised terms used in this notice have the meanings given to them in the Conditional Placing Agreement.

This Completion Notice is given pursuant to Clause 4.3 of the Conditional Placing Agreement.

1. The Sellers hereby confirm to the Purchaser that the conditions set out in Clause 4.1 of the Conditional Placing Agreement have been satisfied.
2. The Sellers further confirm the following information to the Purchaser:

Completion Date	[date]
Number of the Purchaser's Placing Shares	[●] KLN Shares
Number of KPL's Relevant Proportion of the Placing Shares	[●] KLN Shares
Number of KHL's Relevant Proportion of the Placing Shares	[●] KLN Shares
Percentage of total issued KLN Shares as at the date of this Completion Notice (on a fully-diluted basis) as represented by the Purchaser's Placing Shares	[●]%
Total Placing Price	HK\$[●]
Total Placing Price attributable to KPL's Relevant Proportion of the Placing Shares	HK\$[●]
Total Placing Price attributable to KHL's Relevant Proportion of the Placing Shares	HK\$[●]

Yours faithfully

.....
For and on behalf of Kerry Properties Limited

.....
For and on behalf of Darmex Holdings Limited

Schedule 2
Public Announcement

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



嘉里建設有限公司*

KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

website:www.kerryprops.com

(Stock Code: 683)

UPDATE ANNOUNCEMENT

ENTERING INTO OF PLACING AGREEMENTS IN CONNECTION WITH THE PROPOSED PLACING MANDATE

This announcement is made by Kerry Properties Limited (the “**Company**”) to provide shareholders of the Company (the “**Shareholders**”) an update on the Placing Agreements entered into in connection with the Proposed Placing Mandate.

Reference is made to the circular dated 5 May 2021 (the “**Circular**”) made by the Company in relation to, amongst others, the Disposal pursuant to the Placing Agreements and the Proposed Placing Mandate. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

THE PLACING AGREEMENTS

On 9 August 2021 (after trading hours), the Company entered into six Placing Agreements in relation to the Proposed Placing of a maximum of 79,011,323 KLN Shares (representing approximately 4.37% of the total issued KLN Shares as at the date of the Joint Announcement on a Fully-Diluted Basis) pursuant to the Proposed Placing Mandate.

Sale Price

The sale price following negotiation on arm’s length terms between the Company and the placees (each a “**Placee**” and together the “**Placees**”) is HK\$16.92 per KLN Share, which is within the price range under the Proposed Placing Mandate as approved by the Independent Shareholders at the Special General Meeting held on 27 May 2021. This sale price represents a discount of 10% to HK\$18.80 per KLN Share, being the Offer Price payable by the Offeror to the shareholders of KLN accepting the Partial Offer.

* *For identification purpose only*

Placees and maximum number of KLN Shares to be sold to each Placee

Based on the sale price of HK\$16.92 per KLN Share and pursuant to the respective Placing Agreements, the maximum number of KLN Shares to be placed by the Company to each Placee are set out below:

Placees ⁽¹⁾	Maximum number of KLN Shares to be sold to each Placee ⁽²⁾	Proportion of all KLN Shares to be placed to Placees	Approximate percentage of the total issued KLN Shares ⁽³⁾	Maximum proceeds payable by the Placee to the Company (HK\$)
(a) PSD Investco Inc. (“PSD”)	54,337,700	68.8%	3.01%	919,393,884
(b) ESR Cayman Limited (“ESR”)	13,299,437	16.8%	0.74%	225,026,474
(c) Boyu Capital Opportunities Master Fund (“Boyu”)	4,236,821	5.4%	0.23%	71,687,011
(d) Oscar and Partners Capital (Cayman) SPC-OP Golden Property Value Chain Fund SP (“O&P”)	4,236,821	5.4%	0.23%	71,687,011
(e) SCEP Master Fund (“SCEP”)	1,450,272	1.8%	0.08%	24,538,602
(f) SCC GPI Limited (“SCC”)	1,450,272	1.8%	0.08%	24,538,602
Total	79,011,323	100%	4.37%	1,336,871,585

Notes:

- (1) To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, each of the Placees and its ultimate beneficial owner (i) is a third party independent of the Company and is not a connected person of the Company; (ii) in respect of KLN, is not a core connected person or a person falling under Rule 8.24(1) or (2) of the Listing Rules; and (iii) as at the date of the relevant Placing Agreements does not, and until the Final Closing Date will not, hold any KLN Shares.
- (2) The actual number of KLN Shares to be placed by the Company to each Placee under the respective Placing Agreements shall be determined on the Final Closing Date by the actual number of shortfall shares (as defined under the Placing Agreements) (the “Shortfall Shares”) of KLN (i.e. such number of KLN Shares which is equal to (i) 15.0% of the then total issued KLN Shares *less* (ii) the number of KLN Shares held by the public *less* (iii) the number of KLN Shares held by (a) any person nominated by the Offeror as KLN directors, (b) any close associate of any such nominee KLN director (if any), or (c) any subsidiary or close associates of the Offeror, in each case, as stated in the closing announcement to be published jointly by the Offeror and KLN on the Final Closing Date to be the shareholding structure of KLN immediately after completion of the Partial Offer and the Option Offer). If the number of Shortfall Shares is less than the maximum number of KLN Shares required to be placed, the number of KLN Shares to be placed to each Placee under the respective Placing Agreements will be reduced proportionally. If the number of Shortfall Shares is reduced to such a level that the proceeds payable by a Placee under that Placing Agreement is less than HK\$100,000, no KLN Share will be placed to that Placee under its Placing Agreement. The number of KLN Shares to be allocated among the Placees shall be determined by reference to their respective proportions as shown in the table above (as adjusted for rounding).
- (3) The percentage of the total issued KLN Shares is calculated on the basis of the total issued KLN Shares as at the date of the Joint Announcement on a Fully-Diluted Basis, being 1,808,173,042 KLN Shares.

Other terms of the Placing Agreements

Material terms of the Placing Agreements, including the conditions precedent, are as set out in the section headed “C. Placing Agreement(s)” on pages 23 to 27 of the Circular, subject to the following changes:

1. The Circular stated that completion under the Placing Agreements shall take place on the *second* trading day after the Final Closing Date provided that the conditions precedent are satisfied. Completion under the Placing Agreements shall instead take place solely through CCASS on a delivery against payment basis on the *sixth* trading day after the Final Closing Date or 14 September 2021, whichever is later.
2. Save as disclosed in paragraph 3 below, in addition to the conditions precedent as set out in the section headed “C. Placing Agreement(s) – Conditions Precedent” in the Circular, completion under each Placing Agreement is also conditional upon the number of KLN Shares to be placed under the respective Placing Agreement having an aggregate placing price of not less than HK\$100,000.
3. The condition precedent (c) as set out in the section headed “C. Placing Agreement(s) – Conditions Precedent” in the Circular with respect to there being less than 15.0% of the then total issued KLN Shares held by the public immediately after completion of the Partial Offer and the Option Offer, is replaced by the definition of “Shortfall Shares” under the Placing Agreements. To illustrate, if there are no Shortfall Shares (i.e. the number of KLN Shares held by public is equal to or more than 15.0%), no KLN Share will in effect be placed to the Placees under the respective Placing Agreements.

The Company does not consider such changes set out above to be material in any respect.

INFORMATION ABOUT THE PLACEES

(a) PSD

PSD is incorporated in the Cayman Islands and is principally engaged in investment holding activities. PSD is an indirect wholly-owned subsidiary of a PRC State-owned medium to long-term development and investment fund.

(b) ESR

ESR is incorporated in the Cayman Islands and is listed on the Stock Exchange. ESR is the largest Asia-Pacific logistics real estate group by gross floor area and by value of the assets owned directly and by the funds and investment vehicles it manages and its platform spans across the Asia Pacific regions, including the People’s Republic of China, Japan, South Korea, Singapore, Australia and India.

(c) Boyu

Boyu is incorporated in the Cayman Islands and is an investment fund managed by Boyu Capital Investment Management Co., Limited, a company incorporated in Hong Kong and wholly-owned by Boyu Capital Investment Management Limited, a company incorporated in the Cayman Islands.

(d) O&P

O&P is incorporated in the Cayman Islands and is principally engaged in investment. O&P is managed by Oscar and Partners Capital Limited, whose ultimate beneficial owners are Choi Kam Keung and Sze Yeung Kuen.

(e) SCEP

SCEP is an exempted company incorporated with limited liability under the laws of the Cayman Islands, which is managed by Sequoia China Equity Partners (Hong Kong) Limited as investment manager, which is in turn wholly-owned by Sequoia China Equity Partners Limited. SCEP is an investment fund whose primary purpose is to make China-related equity investments. Sequoia China Equity Partners (Hong Kong) Limited was incorporated under the laws of Hong Kong in 2020.

(f) SCC

SCC is incorporated in the Cayman Islands and is principally engaged in investment holdings. The ultimate beneficial owner of SCC is Mr. Neil Nanpeng Shen.

Completion of the Partial Offer is subject to Pre-Conditions and Conditions being satisfied (or waived) and therefore the Partial Offer may or may not become unconditional and may or may not be completed. The issuance of this announcement and the entering into of the Placing Agreements do not in any way imply that the Partial Offer will become unconditional. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their professional advisers.

By Order of the Board
Kerry Properties Limited
Soon Yuk Tai
Company Secretary

Hong Kong, 9 August 2021

As at the date of this announcement, the Directors of the Company are:

Executive Directors: *Messrs. Wong Siu Kong, Kuok Khoon Hua, Bryan Pallop Gaw and Wong Chi Kong, Louis*

Independent Non-executive Directors: *Ms. Wong Yu Pok, Marina, JP, Mr. Chang Tso Tung, Stephen and Mr. Hui Chun Yue, David*