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**Flourish Harmony Holdings Company
Limited**

(Incorporated in the Cayman Islands with limited liability, an indirectly wholly-owned subsidiary of S.F. Holding Co., Ltd.)



Kerry Logistics
Network Limited
嘉里物流聯網有限公司

(Incorporated in the British Virgin Islands and continued into Bermuda as an exempted company with limited liability)
website: www.kln.com

Stock Code: 636

JOINT ANNOUNCEMENT

- (1) PRE-CONDITIONAL VOLUNTARY PARTIAL CASH OFFER AND PARTIAL
OPTION OFFER BY J.P. MORGAN ON BEHALF OF THE OFFEROR TO
ACQUIRE 931,209,117 SHARES IN THE SHARE CAPITAL OF THE COMPANY
AND TO CANCEL 51.8% OUTSTANDING SHARE OPTIONS**
- (2) SHAREHOLDERS' AGREEMENT, BRAND LICENCE AGREEMENTS,
WAREHOUSES SALE AGREEMENT, WAREHOUSES MANAGEMENT
AGREEMENTS, FRAMEWORK SERVICES AGREEMENT AND
TAIWAN BUSINESS SALE AGREEMENT
AND**
- (3) POSSIBLE SPECIAL DIVIDEND BY THE COMPANY**

INFORMATION FOR SHAREHOLDERS

Reference is made to the composite offer document dated 12 August 2021 jointly issued by the Offeror and the Company (the “**Composite Document**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

Letter to Shareholders

The Offeror intends to send a letter to the Shareholders based on the information published in the Composite Document, the content of which are set out as follows:

“Dear Shareholders,

As disclosed in the Composite Document, the Offer Price is HK\$18.80 in cash for each Offer Share and the Option Offer Price is HK\$8.60 in cash for cancellation of each Share Option. In addition to the Offer Price, conditional on completion of the Warehouses Sale (which is conditional upon, amongst other conditions, the Partial Offer becoming or being declared unconditional in all respects), the Company will declare the Special Dividend of HK\$7.28 per Share. **Therefore, the Offer Price plus Special Dividend received by a Shareholder for every Share in respect of which that Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer would be HK\$26.08, comprising the Offer Price of HK\$18.80 per Share taken up by the Offeror and the Special Dividend of HK\$7.28 per Share. For the avoidance of doubt, whether or not a Shareholder tenders any Share for the acceptance of the Partial Offer, conditional on completion of the Warehouses Sale (which is conditional upon, amongst other conditions, the Partial Offer becoming or being declared unconditional in all respects), every Shareholder as at the Record Date will receive the Special Dividend. If the Partial Offer lapses, or if, after the Partial Offer becomes or is declared unconditional in all respects, the Warehouses Sale Agreement does not complete because the Company, the Controlling Shareholders or their respective subsidiaries breach their respective closing obligations in the Warehouses Sale Agreement, the Special Dividend will not be paid. The Company, the Controlling Shareholders and their respective subsidiaries have no intention of breaching their respective closing obligations in the Warehouses Sale Agreement.**

The latest time for receipt of approvals of the Partial Offer and acceptances under the Offers will be 4:00 p.m. on Thursday, 2 September 2021, being the First Closing Date, unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. Where the Offers have become or been declared unconditional in all respects, the Offers will remain open for acceptance for not less than 14 days thereafter in accordance with the Takeovers Code, but cannot be further extended. If the Partial Offer becomes or is declared unconditional in all respects by no later than the date falling 7 days following the Despatch Date, the latest time and date for the acceptance of the Offers will be 4:00 p.m. on Thursday, 2 September 2021, being the Final Closing Date.

The Offer Price plus Special Dividend of HK\$26.08 for every Share in respect of which a Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer (being the Offer Price plus the Special Dividend which every Shareholder as at the Record Date will receive whether or not he/she/it tenders any Share for the acceptance of the Partial Offer, provided that the Warehouses Sale has been completed and the Partial Offer has become unconditional in all respects) represents:

- (i) a premium of approximately 9.12% over the closing price of HK\$23.90 per Share as quoted on the Stock Exchange on the date of this letter;
- (ii) a premium of approximately 12.17% over the closing price of HK\$23.25 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (iii) a premium of approximately 11.22% over the closing price of HK\$23.45 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a premium of approximately 39.69% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 49.53% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 56.22% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (vii) a premium of approximately 55.51% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 60 consecutive trading days up to and including the Last Trading Day;
- (viii) a premium of approximately 60.47% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 90 consecutive trading days up to and including the Last Trading Day;
- (ix) a premium of approximately 68.72% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 120 consecutive trading days up to and including the Last Trading Day;
- (x) a premium of approximately 77.72% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 150 consecutive trading days up to and including the Last Trading Day;

- (xi) a premium of approximately 86.85% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 180 consecutive trading days up to and including the Last Trading Day; and
- (xii) a premium of approximately 71.35% over the audited consolidated net asset value per Share attributable to Shareholders of approximately HK\$15.22 as at 31 December 2020, calculated based on the audited consolidated net asset value attributable to Shareholders of approximately HK\$27,482,899,000 as at 31 December 2020 and 1,805,716,742 Shares as at the Latest Practicable Date.

Your attention is drawn to the letter from the Independent Financial Adviser in the Composite Document, which contains its advice to the Code Independent Board Committee and the Independent Shareholders in relation to the Offers and the Special Deal Agreements. Your attention is also drawn to the letter from the Code Independent Board Committee containing its recommendation and advice to the Shareholders and Optionholders in respect of the Offers.

At the same time, you are strongly advised that the decision to realise or to hold your investment is subject to individual circumstances and investment objectives. You are also reminded to monitor the closing prices of the Shares. If in doubt, you should consult your own professional advisers. You are advised to read the Composite Document carefully before taking any action in respect of the Offers.

Enquiry Hotline and Email:

Each and every Shareholder is important to us. If you have any queries regarding the administrative and procedural matters in relation to the Offers, please reach out via the following ways:

Email: investorinfo@everbloom.com.cn

Phone: (852) 6769 8028 / 6738 2393 / 3468 8874 / 3468 8641
(86) 155 0758 1725 / (86) 198 0107 9390

Working hours: Monday to Friday, 09:30-18:00 (GMT+8)''

Media

In addition, in order to remind the Shareholders the administrative and procedural matters of accepting and/or approving the Partial Offer, the Company and the Offeror will publish imagery and text reminders on certain media online platforms and search engines which contain a hyperlink to a microsite with the following major content:

“Kerry Logistics Network Limited Shareholders:

How you can tender your sharesⁱ

12 August to 2 September, 2021ⁱⁱ

If you hold shares through your licensed securities dealer, broker or custodian bank, the following is not applicable. Please directly contact your licensed securities dealer, broker or custodian bank who would further authorize HKSCC Nominees Limited for action at your behest.

The Form of Approval and Acceptance together with the original share certificate(s) need to reach the Share Registrar, Tricor Investor Services Limited, by no later than **4:00 p.m. HKT on 2 September 2021**

1. Download and print the **Form of Approval and Acceptance** (<https://www.kln.com/en/voluntary-partial-cash-offer-partial-option-offer/>) (Skip this step if you have received the hard copy)
2. Complete and sign the **Form of Approval and Acceptance**. (Sample completed form)
 - a. **Box A:** Put a tick “✓” to indicate your approval and specify the number of shares in respect of such approval. Complete all other details
 - b. **Box B:** Complete all details to tender your shares
3. Mail or submit in person the completed and signed Form of Approval and Acceptance and the original share certificate(s) to Tricor Investor Services Limited at **Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong** in an envelope marked “Kerry Logistics Network Limited – Partial Offer”
4. Payment cheques will be posted to you by ordinary post within **7 Business Days following the Final Closing Dateⁱⁱⁱ**

Notes:

- i. *Terms defined in this document shall have the same meanings as referred to in the composite offer document jointly published by Kerry Logistics Network Limited and Flourish Harmony Holdings Company Limited dated 12 August 2021 (the “**Composite Document**” (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0811/2021081101136.pdf>)). Read the Composite Document carefully before taking any action in respect of the Offers.*
- ii. *Where the Offers have not become or been declared unconditional as to acceptances by no later than the date falling 21 days following the Despatch Date, the Offeror may extend the closing date of the Offers in accordance with the Takeovers Code.*
- iii. *Remittances in respect of the Offer Shares accepted and taken up by the Offeror under the Partial Offer (after deducting seller’s ad valorem stamp duty) will be posted to the relevant Accepting Shareholders by ordinary post at their own risk as soon as possible, but in any event within 7 Business Days following the Final Closing Date. Please refer to the Composite Document for further details in relation to the settlement of the Partial Offer and the Option Offer.*

If you have any queries regarding the administrative and procedural matters in relation to the Offers, please reach out via the following ways:

Email: [Click Here](#)
Phone: (852) 6769 8028
(852) 6738 2393
(852) 3468 8874
(852) 3468 8641
(86) 155 0758 1725
(86) 198 0107 9390
Working hours: Mondays to Fridays, 09:30-18:00 (GMT+8) ”

For the avoidance of doubt, the imagery and text reminder, designated phone lines or email account cannot and will not (i) provide any information not available in the public domain nor any advice on the merits or risks of the Offers or (ii) give any financial or legal advice. If you are in doubt as to any aspect of the Composite Document or action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

By Order of the Sole Director of
Flourish Harmony Holdings Company Limited
NG Wai Ting
Director

By Order of the Board of
Kerry Logistics Network Limited
LEE Pui Nee
Company Secretary

Hong Kong, 12 August 2021

As at the date of this joint announcement, the Directors are as follows:

Executive Directors:

Mr KUOK Khoon Hua, Mr MA Wing Kai William, Mr CHEUNG Ping Chuen Vicky and Mr NG Kin Hang

Non-executive Director:

Ms TONG Shao Ming

Independent Non-executive Directors:

Ms KHOO Shulamite N K, Ms WONG Yu Pok Marina, Mr YEO Philip Liat Kok and Mr ZHANG Yi Kevin

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than information relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Ms Ng Wai Ting.

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Group) and confirms, having made all reasonable inquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror Parent are as follows:

Chairman:

Mr Wang Wei

Vice Chairman:

Mr Lin Zheyang

Directors:

Mr Zhang Yichen, Mr Liu Chengwei, Mr Deng Weidong, Mr Chen Fei, Mr Luo Shili, Ms Wu Weiting, Mr Jin Li, Mr Ye Diqi, Mr Zhou Yongjian and Mr Zhou Zhonghui

The directors of the Offeror Parent jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.