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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) 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**

OFFERS BECOME AND ARE DECLARED UNCONDITIONAL IN ALL RESPECTS

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

THE OFFERS HAVE BECOME UNCONDITIONAL IN ALL RESPECTS

The Offeror and the Company are pleased to announce that as at the date of this joint announcement, all the Conditions have been fulfilled and the Partial Offer has become and is hereby declared unconditional in all respects. Pursuant to Rule 13.4 of the Takeovers Code, the Option Offer has become and is hereby declared unconditional in all respects.

LEVEL OF ACCEPTANCES OF THE OFFERS AND LEVEL OF APPROVAL OF THE PARTIAL OFFER

As at 4:00 p.m. on the date of this joint announcement, the Offeror has received:

- (i) valid acceptances of the Partial Offer in respect of 1,026,397,095 Shares, representing approximately 56.8% of the Shares in issue as at the date of this joint announcement and approximately 56.8% of the total number of Shares in issue as at the date of this joint announcement on a Fully-Diluted Basis;
- (ii) approval of the Partial Offer by Qualifying Shareholders holding 336,924,131 Shares, representing approximately 53.5% of the total number of Shares held by Qualifying Shareholders as at the date of this joint announcement and approximately 18.6% of the total number of Shares in issue as at the date of this joint announcement on a Fully-Diluted Basis; and
- (iii) no valid acceptance of the Option Offer.

FINAL CLOSING DATE

The Partial Offer will remain open for acceptance until Thursday, 16 September 2021 (being the Final Closing Date) in accordance with the Takeovers Code, but cannot be further extended. Therefore, the latest time and date for the acceptance of the Offers will be 4:00 p.m. on the Final Closing Date and acceptances of the Offers received after 4:00 p.m. on the Final Closing Date will be rejected.

An announcement of the level of acceptances of the Offers as at 4:00 p.m. on the trading day immediately prior to the Final Closing Date will be made on Wednesday, 15 September 2021.

A further announcement on the results of the Offers will be made before 7:00 p.m. on the Final Closing Date in accordance with Rule 19.1 and Note 7 to Rule 19 of the Takeovers Code.

BASIS OF THE PRO RATA ENTITLEMENT

Partial Offer

The total number of Offer Shares to be taken up by the Offeror pursuant to the Partial Offer is 931,209,117 Shares. As valid acceptances were received for 1,026,397,095 Shares, which is more than 931,209,117 Shares, the total number of Shares to be taken up by the Offeror from each Accepting Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula:

$$\frac{A}{B} \times C$$

A = 931,209,117 Shares, being the total number of Offer Shares for which the Partial Offer is made

B = the total number of Offer Shares tendered by all Shareholders under the Partial Offer

C = the number of Offer Shares tendered by the relevant individual Shareholder under the Partial Offer

As a total of more than 931,209,117 Shares was tendered for acceptance by the Shareholders, if a Shareholder tenders his/her/its Shares for acceptance under the Partial Offer, not all of such Shares will be taken up. Fractions of Shares will not be taken up under the Partial Offer and, accordingly, the number of Shares that the Offeror will take up from each Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Offeror.

Option Offer

The total number of Share Options to be taken up by the Offeror and cancelled is such number of Share Options representing 51.8% of the outstanding Share Options as at the Final Closing Date. If valid acceptances are received for such number of Share Options or fewer, all Share Options validly accepted will be taken up and cancelled. If valid acceptances are received for more than such number of Share Options, the total number of Share Options to be taken up by the Offeror from each Optionholder and cancelled will be determined in accordance with the following formula:

$$\frac{X}{Y} \times Z$$

X = the total number of Share Options for which the Option Offer is made

Y = the total number of Share Options tendered by all the Optionholders under the Option Offer

Z = the number of Share Options tendered by the relevant individual Optionholder under the Option Offer

If a total of more than such number of Share Options representing 51.8% of the outstanding Share Options as at the Final Closing Date is tendered for acceptance by the Optionholders and if an Optionholder tenders his/her/its Share Options for acceptance under the Option Offer, not all of such Share Options will be taken up and cancelled. Fractions of Share Options will not be taken up under the Option Offer and, accordingly, the number of Share Options that the Offeror will take up from each Optionholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Offeror.

INTERESTS OF THE OFFEROR AND PARTIES ACTING AND PRESUMED TO BE ACTING IN CONCERT WITH IT IN THE SHARES

Immediately before the commencement of the Offer Period, other than the Controlling Shareholders, Executive Directors, Controlling Shareholders Close Associates and the Executive Directors Close Associates (which held an aggregate of 1,172,971,504 Shares immediately before the commencement of the Offer Period, representing approximately 65.3% of the total number of Shares in issue as at the date of the Joint Announcement), neither the Offeror, its director nor parties acting, or presumed to be acting, in concert with it owned, controlled or had direction over any Shares, convertible securities, warrants or options in respect of Shares or any other voting rights or rights over the Shares or any outstanding derivatives in respect of securities in the Company.

Immediately after the completion of the Partial Offer and immediately upon completion of the Placing Agreements, assuming that (i) there will be no change to the issued share capital of the Company between the date of this joint announcement and up to the Final Closing Date; and (ii) all Shareholders validly elect to accept the Partial Offer in respect of all of their Shares (except for (1) the Relevant Controlling Shareholders who have tendered 575,545,164 Shares pursuant to the Controlling Shareholders Irrevocable Undertakings, and who may or may not tender more Shares for acceptances than as required under the Controlling Shareholders Irrevocable Undertakings; (2) the Executive Directors who have tendered 18,957,330 Shares pursuant to the Executive Directors Irrevocable Undertakings and who may or may not tender more Shares for acceptances than as required under the Executive Directors Irrevocable Undertakings; (3) the Controlling Shareholders Close Associates, the Relevant Directors (other than the Executive Directors) and Executive Directors Close Associates who will tender their Shares in the same proportion as regards their respective own shareholdings as the Controlling Shareholders; and (4) all unvested Share awards for the Relevant Directors are vested and tendered in the same proportion as regards their respective own shareholdings as the Controlling Shareholders) and all Share Options are exercised:

- (a) the Offeror will acquire and become the owner of 931,209,117 Shares, representing approximately 51.5% of the total number of Shares in issue as at the date of this joint announcement and approximately 51.5% of the total number of Shares in issue as at the date of this joint announcement on a Fully-Diluted Basis; and

(b) the Offeror together with parties acting, and presumed to be acting, in concert with it will be interested in an aggregate of 1,533,145,114 Shares, representing approximately 84.9% of the total number of Shares in issue as at the date of this joint announcement and approximately 84.8% of the total number of Shares in issue as at the date of this joint announcement on a Fully-Diluted Basis.

None of the Offeror or parties acting, or presumed to be acting, in concert with it borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company, save for any borrowed Shares which have been either on-lent or sold, during the Offer Period and up to the date of this joint announcement.

Save as disclosed in this joint announcement, 3,920,000 Share Options exercised by the Executive Directors, the grant of 130,465 unvested Share awards and the vesting of 464,661 Share awards to the Executive Directors, no Share and right over Shares has been acquired or agreed to be acquired during the Offer Period by the Offeror or any persons acting, and presumed to be acting, in concert with it.

WARNING: Pursuant to the Takeovers Code, the Composite Document has been jointly issued by the Offeror and the Company with the inclusion of the views of the Board and the Code Independent Board Committee on the Offers, and the letter of advice from the Independent Financial Adviser to the Code Independent Board Committee in respect of the Offers. Shareholders are advised to read the Composite Document carefully when considering the approval and/or acceptance of the Offers.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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, 2 September 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.