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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**

FULFILLMENT OF PRE-CONDITION

Reference is made to the announcement jointly published by the Offeror, the Company and Kerry Properties on 10 February 2021 (the “**Joint Announcement**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

As stated in the Joint Announcement, the making of the Partial Offer and the Option Offer is subject to the satisfaction or waiver (where applicable) of the Pre-Conditions by the Long Stop Date (i.e. 9 August 2021, being the date falling six months after the date of the Joint Announcement, or such other date as the Offeror and the Controlling Shareholders may agree in writing). Since the Joint Announcement, steps have been taken in relation to the fulfillment of the Pre-Conditions.

Reference is made to Pre-Condition (ii), i.e. the Stock Exchange granting a waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules to permit a lower minimum public float of 15.0% in the Shares (the “**Waiver**”). The Offeror and the Company are pleased to announce that the conditions to the Waiver have been satisfied. In connection with one of these conditions:

- (i) Each of the Offeror and the Offeror Parent has undertaken to the Stock Exchange not to acquire additional Shares or interests in Shares which, so far as it is aware, will directly and immediately result in the Company’s public float falling below 15.0% (other than pursuant to a transaction implemented in accordance with the Takeovers Code). Each of the Offeror’s and the Offeror Parent’s undertaking is effective from completion of the Partial Offer and shall terminate if and when the Offeror ceases to hold 30.0% or more of the Shares and, for the avoidance of doubt, the undertaking shall not be treated as having been breached as a result of actions not taken by each of the Offeror and the Offeror Parent, including share buybacks carried on by the Company.

- (ii) The Controlling Shareholders have undertaken to the Stock Exchange not to acquire additional Shares or interests in Shares which, so far as they are aware, will directly and immediately result in the Company’s public float falling below 15.0% (other than pursuant to a transaction implemented in compliance with the Takeovers Code). The Controlling Shareholders’ undertakings shall take effect from the Final Closing Date after the Partial Offer becomes or is declared unconditional in all respects, and shall terminate:
 - (a) (with respect to the Controlling Shareholders giving the undertaking (other than Kerry Properties)) if and when the Controlling Shareholders (together with Kerry Properties, for so long as Kerry Properties is a subsidiary of Kerry Group Limited) collectively hold less than 10.0% of the issued Shares from time to time; and

 - (b) (with respect to Kerry Properties) if and when Kerry Properties ceases to be a subsidiary of Kerry Group Limited and Kerry Properties holds less than 10.0% of the issued Shares from time to time, or if Kerry Properties is a subsidiary of Kerry Group Limited and the Controlling Shareholders collectively hold less than 10.0% of the issued Shares from time to time.

For the avoidance of doubt, the undertakings shall not be treated as having been breached as a result of actions not taken by the Controlling Shareholders, including share buybacks carried on by the Company.

As the other condition related to disclosure by way of announcement has been satisfied by the Joint Announcement, accordingly, Pre-Condition (ii) has been satisfied.

As at the date of this joint announcement, save as disclosed in the monthly update announcement jointly published by the Company and the Offeror on 8 March 2021, the announcement published by the Company on 25 March 2021, the announcements jointly published by the Company and the Offeror on 30 March 2021 and 9 April 2021, the monthly update announcement jointly published by the Company and the Offeror on 9 May 2021, the announcement published by the Company on 26 May 2021, the announcement jointly published by the Company and the Offeror on 27 May 2021 and this joint announcement, there are no further updates on the fulfillment of the Pre-Conditions. The Offeror and the Controlling Shareholders will continue to work towards satisfaction of the remaining Pre-Conditions (i), (iii) to (v), (viii), (x) to (xi) and (xiv) to (xvi). Further announcement(s) in relation to the latest status of the Partial Offer and the Option Offer will be made in due course and in accordance with the requirements of the Takeovers Code.

WARNING: As the making of the Partial Offer and the Option Offer is subject to the satisfaction or waiver (where applicable) of the Pre-Conditions, the Partial Offer and the Option Offer are a possibility only and may or may not be made. Accordingly, Shareholders and prospective investors 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.

Completion of the Partial Offer and the Option Offer is subject to the Conditions being fulfilled. Accordingly, the issue of this joint announcement does not in any way imply that the Partial Offer and the Option Offer will be completed. The transactions contemplated by the Special Deal Agreements may or may not proceed. Shareholders and prospective investors 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 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, 7 June 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.