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嘉里建設有限公司*

KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

website: www.kerryprops.com

(Stock Code: 683)

**CONNECTED TRANSACTION
INTRA-GROUP LOAN AMONG NON-WHOLLY OWNED
SUBSIDIARIES**

CASH ADVANCE AGREEMENT

On 5 December 2022, KSRE and LBDQ (both being non-wholly owned subsidiaries of the Company) entered into the Cash Advance Agreement, pursuant to which KSRE agreed to provide the intra-group Loan in the principal amount up to RMB630,000,000 (approximately HK\$693,000,000) to LBDQ for a term of two years.

LISTING RULES IMPLICATIONS

KSRE (the lender) is held indirectly as to 60%, 25% and 15% by the Company, SA and Allgreen respectively, and LBDQ (the borrower) is held indirectly as to 60%, 30% and 10% by the Company, KHL and Allgreen respectively. KHL is the controlling shareholder of the Company and a substantial shareholder of SA, and Allgreen is an associate of KHL. Accordingly, KHL, SA and Allgreen are connected persons of the Company, and in turn KSRE and LBDQ are connected subsidiaries of the Company. Therefore, the entering into of the Cash Advance Agreement to grant the Loan constitutes a connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios in respect of the Loan exceed 0.1% but are less than 5%, the entering into of the Cash Advance Agreement is subject to announcement and reporting requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

* For identification purpose only

INTRODUCTION

On 5 December 2022, KSRE and LBDQ (both being non-wholly owned subsidiaries of the Company) entered into the Cash Advance Agreement, pursuant to which KSRE agreed to provide intra-group Loan in the principal amount up to RMB630,000,000 (approximately HK\$693,000,000) to LBDQ for a term of two years.

CASH ADVANCE AGREEMENT

The principal terms of the Cash Advance Agreement are summarised as follows:

Date of agreement:	5 December 2022
Lender:	Kerry (Shenyang) Real Estate Development Co., Ltd.*
Borrower:	Lucky Billion Development (Qinhuangdao) Co., Ltd.*
Principal amount:	Up to RMB630,000,000 (approximately HK\$693,000,000)
Interest rate:	The annual interest rate applicable to an advance under the Loan will be at a rate of 3.3% per annum. Interest will be calculated from the drawdown date on the basis of a year of 360 days.
Guarantee:	No guarantee will be provided by LBDQ or the Company.
Purpose of the Loan:	The Loan will be used by LBDQ for the payment of construction and development costs of its project in Qinhuangdao, the Mainland and as general working capital.
Term:	For two (2) years from the date of the Cash Advance Agreement.
Repayment terms:	The outstanding principal amount of the Loan together with the accrued interests shall be repaid in one lump sum at the end of the term. The Loan is repayable on lender's demand as and when demanded.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE CASH ADVANCE AGREEMENT

The source of the funds for the Loan is surplus cash from KSRE, and the Board considers that mobilising funds among its subsidiaries is a better utilisation of it, as the Loan meets the current funding needs of LBDQ and provides interest income to KSRE.

The terms of the Cash Advance Agreement were determined between the parties after arm's length negotiations and taking into account of prevailing market interest rates. The interest rate under the Cash Advance Agreement was determined with reference to the interest rates offered by financial institutions.

The Directors (including the independent non-executive Directors) are of the view that the entering into of the Cash Advance Agreement is in the ordinary and usual course of business of the Group and that the terms of the Cash Advance Agreement, including the principal amount of the Loan and the annual interest rate, are on normal commercial terms, being fair and reasonable and in the interests of the Shareholders and the Company as a whole.

The provision of the Loan under the Cash Advance Agreement will be funded by the internal resources of KSRE.

IMPLICATIONS UNDER THE LISTING RULES

KSRE (the lender) is held indirectly as to 60%, 25% and 15% by the Company, SA and Allgreen respectively, and LBDQ (the borrower) is held indirectly as to 60%, 30% and 10% by the Company, KHL and Allgreen respectively. KHL is the controlling shareholder of the Company and a substantial shareholder of SA, and Allgreen is an associate of KHL. Accordingly, KHL, SA and Allgreen are connected persons of the Company, and in turn KSRE and LBDQ are connected subsidiaries of the Company. Therefore, the entering into of the Cash Advance Agreement to grant the Loan constitutes a connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios in respect of the Loan exceed 0.1% but are less than 5%, the entering into of the Cash Advance Agreement is subject to announcement and reporting requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Kuok Khoon Hua, the Chairman and Chief Executive Officer of the Company, and Mr. Bryan Pallop Gaw, the executive Director, both have declared that each of them together with their respective associates are directly or indirectly interested in 5% or more of the issued shares of KHL, and Mr. Kuok Khoon Hua has also declared that he together with his associates hold more than 5% interest in SA, therefore each of Mr. Kuok Khoon Hua and Mr. Bryan Pallop Gaw has abstained from voting on the relevant resolutions of the Board approving the Cash Advance Agreement.

INFORMATION OF THE GROUP AND THE PARTIES

The principal activity of the Company is investment holding and the principal activities of the Company's subsidiaries, associates and joint ventures comprise property development, investment and management in Hong Kong, the Mainland and the Asia Pacific region; hotel ownership in Hong Kong, and hotel ownership and operations in the Mainland; and integrated logistics and international freight forwarding.

KSRE is indirectly owned by the Company, SA and Allgreen as to 60%, 25% and 15% respectively. The principal activities of KSRE are property investment, trading and development in the PRC.

LBDQ is indirectly owned by the Company, KHL and Allgreen as to 60%, 30% and 10% respectively. The principal activity of LBDQ is property trading and development in the PRC.

KHL is incorporated in Hong Kong and is the controlling shareholder of the Company. The principal activity of KHL is investment holding.

DEFINITIONS

“Allgreen”	Allgreen Properties Limited, a company incorporated in Singapore with limited liability;
“associate(s)”, “connected person(s)”, “connected subsidiary(ies)”, “connected transaction”, “controlling shareholder(s)”, “percentage ratios”, “subsidiary(ies)” and “substantial shareholder”	each has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Cash Advance Agreement”	the cash advance agreement dated 5 December 2022 entered into between KSRE (as lender) and LBDQ (as borrower) in respect of the provision of the Loan;
“Company”	Kerry Properties Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“KHL”	Kerry Holdings Limited, a company incorporated in Hong Kong with limited liability, which at the date of this announcement, is the controlling shareholder of the Company;
“KSRE”	Kerry (Shenyang) Real Estate Development Co., Ltd.* 嘉里(瀋陽)房地產開發有限公司, a company incorporated in the PRC and indirectly owned by the Company, SA and Allgreen as to 60%, 25% and 15% respectively;
“LBDQ”	Lucky Billion Development (Qinhuangdao) Co., Ltd.* 運億置業(秦皇島)有限公司, a company incorporated in the PRC and indirectly owned by the Company, KHL and Allgreen as to 60%, 30% and 10% respectively;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

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“Loan”	the loan in the principal amount up to RMB630,000,000 (approximately HK\$693,000,000) for a term of two years granted by KSRE to LBDQ pursuant to the Cash Advance Agreement;
“Mainland” or “PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“SA”	Shangri-La Asia Limited, incorporated in Bermuda as an exempted company with limited liability, the shares of which are primarily listed on the Main Board of the Stock Exchange with secondary listing on the Singapore Exchange Securities Trading Limited;
“Shares(s)”	ordinary share(s) of the Company;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

Amounts denominated in RMB in this announcement have been converted into HK\$ at the rate of RMB1=HK\$1.1 for illustration purposes.

By Order of the Board
Kerry Properties Limited
Cheung Ka Ki
Company Secretary

Hong Kong, 5 December 2022

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

Executive Directors: *Mr. Kuok Khoon Hua, Mr. Au Hing Lun, Dennis and Mr. Bryan Pallop Gaw*

Independent Non-executive Directors: *Ms. Wong Yu Pok, Marina, JP, Mr. Hui Chun Yue, David, Mr. Cheung Leong and Mr. Chum Kwan Lock, Grant*