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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)

Stock Code 636

CONDITIONAL DECLARATION OF SPECIAL INTERIM DIVIDEND BY WAY OF DISTRIBUTION IN SPECIE OF SHARES OF KERRY EXPRESS (THAILAND) PUBLIC COMPANY LIMITED

Sole Financial Adviser to the Company



CONDITIONAL DECLARATION OF SPECIAL INTERIM DIVIDEND BY WAY OF DISTRIBUTION IN SPECIE OF KEX SHARES

The Board is pleased to announce that on 29 December 2023 (before trading hours), it has resolved to declare a special interim dividend, conditional upon the satisfaction of the Condition, to be effected by way of a distribution in specie of 907,200,000 KEX Shares (representing approximately 52.1% of all issued KEX Shares) indirectly held by the Company to Qualifying Shareholders whose names appear on the Registers of Members on the Record Date, in proportion to their then respective shareholdings in the Company on the following basis (rounded down to the nearest whole number of KEX Shares):

For every one KLN Share held 0.5019 of a KEX Share

KEX is an indirect subsidiary of the Company and KEX Shares are listed on the Thailand Stock Exchange (stock symbol: KEX).

Upon completion of the Distribution, the Company would no longer hold any KEX Shares and KEX would cease to be an indirect subsidiary of the Company.

Thai Code implications

Pursuant to the Thai Code, a mandatory tender offer is required to be extended for all securities of a company listed on the Thailand Stock Exchange and to all securities holders of such listed company, if an acquisition of interest would cause the voting rights held by a shareholder (acting alone or with its related persons, concert parties, or related persons of the concert parties, all as defined under the Thai Code) to reach or cross the prescribed threshold of 25%, 50% or 75%.

Condition to the Distribution

Since the KEX Shares to be distributed under the Distribution are held in the name of Kerry Thailand, the Company and Kerry Thailand will enter into a share purchase agreement with respect to the acquisition of such KEX Shares so as to provide the Company a right to direct the transfer of KEX Shares to KLN Shareholders for implementing the Distribution.

In such case, the Company is considered to have triggered tender offer obligations under the Thai Code (unless waived) on two occasions: (i) on approval of the Distribution by the Board and the publication of this announcement, and (ii) when the Company and Kerry Thailand enter into the SPA in order to effect the Distribution. In the case of (i), the Company is deemed to have obtained rights over KEX DIS Shares and is therefore deemed as having made a public announcement of a business takeover, thereby triggering a voluntary tender offer in relation to KEX under the Thai Code. In the case of (ii), the Company is deemed to have acquired KEX DIS Shares by entering into the SPA despite it not being the recipient or transferee of any such KEX DIS Shares, thereby triggering a mandatory tender offer in relation to KEX under the Thai Code.

The Distribution is therefore subject to the Company obtaining a waiver from Thai SEC in respect of its tender offer obligations arising out of the Distribution as described above, pursuant to the Thai Code. The Condition is expected to be fulfilled, subject to the discretion of Thai SEC, within 30 days from the date on which the Company submits a complete formal waiver application and supporting documents to Thai SEC (expected to take place in January 2024 at the earliest). Further announcement(s) will be made by the Company as and when appropriate.

POSSIBLE KEX OFFER

S.F. Holding is a controlling shareholder of KLN and as at the date of this announcement, indirectly held (through its indirect wholly-owned subsidiary, FHHL) approximately 51.5% of all issued KLN Shares. Assuming there is no change to such shareholding interest on the Record Date and subject to the satisfaction of the Condition, FHHL will be entitled to receive an aggregate of 467,373,855 KEX Shares under the Distribution, representing approximately 26.8% of all issued KEX Shares.

As FHHL intends to transfer all of the KEX DIS Shares to be received by it under the Distribution to the Offeror, the Offeror will be required to make a mandatory tender offer to acquire all issued KEX Shares (other than the Offeror's KEX Shares) in accordance with the requirements of the Thai Code.

As at the date of this announcement, the number of issued KEX Shares was 1,742,577,000 and the Offeror held 1,000 KEX Shares. Taking also into account the number of Offeror's KEX DIS Shares to be received under the Distribution (being 467,373,855 KEX Shares), the total number of KEX Offer Shares is expected to be 1,275,202,145, representing approximately 73.2% of all issued KEX Shares as at the date of this announcement.

Offeror Undertaking and KEX Offer Price

SF Holding HK, FHHL and the Offeror have jointly undertaken to the Company that, subject to the satisfaction of the Condition, (i) each of FHHL and SF Thai SPV will execute, submit and provide all requisite documents for receiving KEX DIS Shares from the Company and/or Kerry Thailand in accordance with the procedures set out in the announcements and circulars to be issued by the Company regarding the Distribution, and (ii) the Offeror will make the KEX Offer to acquire all issued KEX Shares (other than the Offeror's KEX Shares) from KEX Shareholders on terms in compliance with all applicable requirements under the Thai Code and at the KEX Offer Price of:

For every KEX Offer Share..... THB5.50 in cash

Pursuant to the requirements of the Thai Code and Thai SEC, the KEX Offer Price must not be less than the highest price paid for KEX Shares by the Offeror Concert Group during the period of 90 days prior to the date on which the KEX Offer Document is submitted to Thai SEC. As confirmed by the Offeror, during the 90-day period preceding the date of this announcement, the highest price paid for KEX Shares by the Offeror Concert Group was THB4.34 per KEX Share. Accordingly, the KEX Offer Price must be no less than

THB4.34 per KEX Offer Share. Taking account of the recent average closing prices of KEX Shares and other factors, the Offeror has determined the KEX Offer Price to be set at THB5.50 per KEX Offer Share, representing a premium of 26.7% over the Floor Price.

SF Holding HK, FHHL and the Offeror have further undertaken that if the Distribution becomes unconditional, the Offeror will submit to Thai SEC the KEX Offer Document containing details of the KEX Offer within three Business Days from the date on which the Condition is satisfied which will be published on SET's website, and will launch the KEX Offer no later than three Business Days thereafter as required by the Thai Code.

The principal terms of the KEX Offer (if made), as extracted from the Offeror Undertaking, are set out in the section headed "Further details regarding the possible KEX Offer" in this announcement.

OPTIONS AVAILABLE TO QUALIFYING MINORITY SHAREHOLDERS

The KEX Offer, if made, will be launched within six Business Days after the Distribution becomes unconditional and is expected to remain open for acceptance by KEX Shareholders (including Kerry Thailand) in respect of their KEX Shares (excluding the Offeror's KEX Shares) after the Record Date and until shortly before the Distribution Closing Date. As such, Qualifying Shareholders (other than FHHL) who are entitled to receive KEX DIS Shares under the Distribution will be able to elect to have their KEX DIS Shares tendered in the KEX Offer. FHHL will be entitled to Option 1 (Shares) only.

Accordingly, each Qualifying Minority Shareholder will be entitled to elect (at his/her/its absolute discretion) Option 1 (Shares) or Option 2 (Share Sale):

1. Qualifying Minority Shareholders who elect Option 1 (Shares) will hold the KEX DIS Shares to which they are entitled at completion of the Distribution, and will elect not to have their entitled KEX DIS Shares tendered in the KEX Offer; and
2. Qualifying Minority Shareholders who elect Option 2 (Share Sale) will not hold any KEX DIS Shares at completion of the Distribution, and will authorise the Company and/or Kerry Thailand to accept the KEX Offer in exchange for the Net Proceeds to be received after the KEX Offer Period closes.

An Election Form will be despatched with the Circular, which will include further details regarding the Distribution and the options available to Qualifying Minority Shareholders, after the Record Date for completion.

ARRANGEMENTS FOR NON-QUALIFYING SHAREHOLDERS

Owing to practical difficulties arising from the distribution of KEX Shares to Non-qualifying Shareholders, they will not be entitled to receive KEX Shares. Instead, if the Distribution were to proceed, Non-qualifying Shareholders will receive cash-in-lieu payment for KEX Shares which would otherwise have been distributed to them. To fund such cash-in-lieu payment, the Company and/or Kerry Thailand will tender for acceptance under the KEX Offer in respect of the KEX Shares to which the Non-qualifying Shareholders are otherwise entitled under the Distribution. The Net Proceeds will be paid to the Non-qualifying Shareholders in the same manner as that for Qualifying Minority Shareholders who elect Option 2 (Share Sale).

APPOINTMENT OF SOLE FINANCIAL ADVISER

The Company has appointed HSBC as its sole financial adviser in relation to the Distribution.

WARNING: AS THE MAKING OF THE DISTRIBUTION (AND THEREFORE, THE KEX OFFER) IS SUBJECT TO THE SATISFACTION OF THE CONDITION, IT MAY OR MAY NOT PROCEED. KLN SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE COMPANY'S SECURITIES.

THE DISTRIBUTION

The Board is pleased to announce that on 29 December 2023 (before trading hours), it has resolved to declare a special interim dividend, conditional upon the satisfaction of the Condition, to be effected by way of a distribution in specie of 907,200,000 KEX Shares (representing approximately 52.1% of all issued KEX Shares) indirectly held by the Company to Qualifying Shareholders whose names appear on the Registers of Members on the Record Date, in proportion to their then respective shareholdings in the Company on the following basis (rounded down to the nearest whole number of KEX Shares):

For every one KLN Share held 0.5019 of a KEX Share

KEX is an indirect subsidiary of the Company and KEX Shares are listed on the Thailand Stock Exchange (stock symbol: KEX). Upon completion of the Distribution, the Company would no longer hold any KEX Shares and KEX would cease to be an indirect subsidiary of the Company.

For reference only, based on the closing price of THB4.94 (equivalent to approximately HK\$1.12) per KEX Share as traded on the Thailand Stock Exchange on the Last Trading Day, the aggregate market value of the KEX Shares to be distributed under the Distribution is approximately HK\$1,013 million, which is equivalent to approximately HK\$0.56 per KLN Share. The final aggregate market value of the Distribution will be based on the closing price of KEX Shares on the Distribution Closing Date.

KEX Shares to be distributed under the Distribution are fully paid and will be distributed free of encumbrance.

The number of KEX Shares to which a Qualifying Shareholder is entitled under the Distribution will be rounded down to the nearest whole number. Fractions of KEX Shares will not be distributed to Qualifying Shareholders, and will be aggregated and tendered under the KEX Offer by the Company and/or Kerry Thailand for their own benefit.

Thai Code implications

Pursuant to the Thai Code, a mandatory tender offer is required to be extended for all securities of a company listed on the Thailand Stock Exchange and to all securities holders of such listed company, if an acquisition of interest would cause the voting rights held by a shareholder (acting alone or with its related persons, concert parties, or related persons of the concert parties, all as defined under Thai Code) to reach or cross the prescribed threshold of 25%, 50% or 75%.

Condition to the Distribution

Since the KEX Shares to be distributed under the Distribution are held in the name of Kerry Thailand, the Company and Kerry Thailand will enter into a share purchase agreement with respect to the acquisition of such KEX Shares (the “SPA”) so as to provide the Company a right to direct the transfer of KEX Shares to KLN Shareholders for implementing the Distribution.

In such case, the Company is considered to have triggered tender offer obligations under the Thai Code (unless waived) on two occasions: (i) on approval of the Distribution by the Board and the publication of this announcement, and (ii) when the Company and Kerry Thailand enter into the SPA in order to effect the Distribution. In the case of (i), the Company is deemed to have obtained rights over KEX DIS Shares and is therefore deemed as having made a public announcement of a business takeover, thereby triggering a voluntary tender offer in relation to KEX under the Thai Code. In the case of (ii), the Company is deemed to have acquired KEX DIS Shares by entering into the SPA despite it not being the recipient or transferee of any such KEX DIS Shares, thereby triggering a mandatory tender offer in relation to KEX under the Thai Code.

The Distribution is therefore subject to the Company obtaining a waiver from Thai SEC in respect of its tender offer obligations arising out of the Distribution as described above, pursuant to the Thai Code (the “**Condition**”). The Condition is expected to be fulfilled, subject to the discretion of Thai SEC, within 30 days from the date on which the Company submits a complete formal waiver application and supporting documents to Thai SEC (expected to take place in January 2024 at the earliest). Further announcement(s) will be made by the Company as and when appropriate.

POSSIBLE KEX OFFER

S.F. Holding is a controlling shareholder of KLN and as at the date of this announcement, indirectly held (through its indirect wholly-owned subsidiary, FHHL) approximately 51.5% of all issued KLN Shares. Assuming there is no change to such shareholding interest on the Record Date and subject to the satisfaction of the Condition, FHHL will be entitled to receive an aggregate of 467,373,855 KEX Shares under the Distribution, which represents approximately 26.8% of all issued KEX Shares.

As advised by FHHL, it intends to transfer all of the KEX DIS Shares to be received by it under the Distribution to the Offeror. Accordingly, the Offeror will be required to make a mandatory tender offer to acquire all KEX Shares (other than the Offeror’s KEX Shares) in accordance with the requirements of the Thai Code.

Offeror Undertaking and KEX Offer Price

SF Holding HK, FHHL and the Offeror have jointly undertaken to the Company (the “**Offeror Undertaking**”) that, subject to the satisfaction of the Condition, (i) each of FHHL and SF Thai SPV will execute, submit and provide all requisite documents for receiving KEX DIS Shares from the Company and/or Kerry Thailand in accordance with the procedures set out in the announcements and circulars to be issued by the Company regarding the Distribution, and (ii) the Offeror will make the KEX Offer at the KEX Offer Price to acquire all issued KEX Shares (other than the Offeror’s KEX Shares) from KEX Shareholders on terms in compliance with all applicable requirements under the Thai Code.

The KEX Offer Price of THB5.50 per KEX Offer Share represents:

- (i) a premium of approximately 11.3% to the closing price of THB4.94 per KEX Share as quoted on the Thailand Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 16.6% to the average closing price of THB4.72 per KEX Share as quoted on the Thailand Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 21.1% to the average closing price of THB4.54 per KEX Share as quoted on the Thailand Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 28.4% to the average closing price of THB4.28 per KEX Share as quoted on the Thailand Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 5.4% to the average closing price of THB5.81 per KEX Share as quoted on the Thailand Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 34.9% to the average closing price of THB8.44 per KEX Share as quoted on the Thailand Stock Exchange for the 180 consecutive trading days up to and including the Last Trading Day; and

- (vii) a premium of approximately 47.5% over the audited consolidated net asset value of KEX Group of approximately THB3.73 per KEX Share as at 31 December 2022, based on 1,742,577,000 KEX Shares in issue as at the date of this announcement.

SF Holding HK, FHHL and the Offeror have further undertaken that if the Distribution becomes unconditional, the Offeror will submit to Thai SEC the KEX Offer Document containing details of the KEX Offer within three Business Days from the date on which the Condition is satisfied which will be published on SET's website, and will launch the KEX Offer no later than three Business Days thereafter as required by the Thai Code.

Other principal terms of the KEX Offer (if made) as set out in the Offeror Undertaking are summarised in the section headed "Further details regarding the possible KEX Offer" in this announcement.

OPTIONS AVAILABLE TO QUALIFYING MINORITY SHAREHOLDERS

As the KEX Offer (if made) will be launched within six Business Days after the Distribution becomes unconditional and is expected to remain open for acceptance by KEX Shareholders (including Kerry Thailand) in respect of their KEX Shares (excluding the Offeror's KEX Shares) after the Record Date and until shortly before the Distribution Closing Date, Qualifying Shareholders (other than FHHL) who are entitled to receive KEX DIS Shares under the Distribution will be able to elect to have their KEX DIS Shares tendered in the KEX Offer. FHHL is entitled to Option 1 (Shares) only.

Accordingly, each Qualifying Minority Shareholder will be entitled to elect (at his/her/its absolute discretion) Option 1 (Shares) or Option 2 (Share Sale) as follows:

- Option 1 (Shares)** : To authorise the Company and/or the Thai Legal Adviser to complete the transfer of KEX DIS Shares to which the Qualifying Minority Shareholder is entitled, in scripless form, to the Account 600 under such Qualifying Minority Shareholder's name with TSD at completion of the Distribution, and confirm not to have his/her/its entitled KEX DIS Shares tendered in the KEX Offer
- Option 2 (Share Sale)** : To authorise the Company and/or Kerry Thailand to accept the KEX Offer and tender all of the KEX DIS Shares to which the Qualifying Minority Shareholder is entitled under the Distribution in exchange for the Net Proceeds to be received after the KEX Offer Period closes, and confirm not to hold any KEX DIS Shares at completion of the Distribution

An Election Form will be despatched with the Circular, which will include further details regarding the Distribution and the options available to Qualifying Minority Shareholders, after the Record Date for completion and return by Qualifying Minority Shareholders to confirm the option by which they elect to receive the benefit of the Distribution.

It will not be possible for Qualifying Minority Shareholders to elect to have only some but not all of their KEX DIS Shares held in scripless form under Option 1 (Shares) or sold under Option 2 (Share Sale). Qualifying Minority Shareholders are only entitled to elect **ONE OPTION** in respect of their full entitlement to KEX DIS Shares under the Distribution, save that nominee or trustee companies (including HKSCC) will be permitted to make a partial election to the extent required to satisfy the elections made by holders of beneficial interests in KLN Shares of which they are the registered holders or on behalf of whom they hold interests in KLN Shares. In respect of Option 2 (Share Sale) however, none of the Company, Kerry Thailand and the Registrar will be involved in the further allocation and distribution of Net Proceeds to the clients/beneficiaries of the nominee or trustee companies.

Option 1 (Shares)

To receive KEX DIS Shares in scripless form in Account 600, Qualifying Minority Shareholders must provide the following documents, together with the duly completed Election Form and Transfer Form (collectively, the “**Option 1 Documents**”), to the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, on or before the time stated in the Election Form. The documents received will be forwarded by the Thai Legal Adviser to TSD on behalf of each Qualifying Minority Shareholder for transferring his/her/its KEX DIS Shares to the Account 600 under such Qualifying Minority Shareholder’s name:

Individual Qualifying Minority Shareholders

1. a copy of his passport certified true and correct by the Qualifying Minority Shareholder⁽¹⁾
2. a notarised and legalised copy of his passport⁽²⁾

Body corporate Qualifying Minority Shareholders

1. a notarised and legalised copy of its certificate of incorporation⁽²⁾
2. a notarised and legalised affidavit, stating the name(s) of director(s), authorised signatory(ies) and the conditions attached (if any) to the authorisation, and identifying its business headquarters⁽²⁾
3. a notarised and legalised power of attorney/ letter of authorisation as to the authority of signatory(ies) in affirming item (2)⁽²⁾
4. a notarised and legalised copy of the identity document of person(s) signing the Transfer Form as authorised under items (2) or (3) certified true and correct by such holder(s)⁽¹⁾⁽²⁾

Notes:

1. The certification must be on each page of the document and accompanied by the certifier’s signature, full name and date. Suggested wording for the certification is as follows: “I certify this to be a true copy of the original” or “certified true copy”.
2. The document requires notarisation by a notary public in Hong Kong who is registered with the Royal Thai Consulate-General, Hong Kong and the notarisation must be further certified (legalised) by the Royal Thai Consulate-General, Hong Kong. The notarisation and legalisation must be issued not more than one year before the date of submission of the Option 1 Documents to TSD, and documents in languages other than English must be translated into English. Qualifying Minority Shareholders who (in relation to individuals) do not hold any Hong Kong identification document or (in relation to body corporates) are not incorporated in Hong Kong may be subject to additional notarisation and/or legalisation requirements to be imposed by the Royal Thai Consulate-General, Hong Kong as they see fit. Procedures and documentation requirements for notarisation and legalisation will be determined on a case-by-case basis by the Royal Thai Consulate-General, Hong Kong. Qualifying Minority Shareholders are advised to consult their professional advisers in this regard.

Further details of the documentation required and the terms and conditions for taking up Option 1 (Shares) will be set out in the Circular and the Election Form. KLN Shareholders and potential investors should be aware that it takes time to arrange for documents to be notarised and legalised. Those who wish to elect Option 1 (Shares) are advised to consult their professional advisers as soon as possible in order to meet the deadline for submission of the Option 1 Documents.

Provided that all Option 1 Documents have been validly completed and submitted to the Registrar by the stipulated time and the application for the transfer of KEX DIS Shares to Account 600 has been approved by TSD, Qualifying Minority Shareholders who elect Option 1 (Shares) will have their KEX DIS Shares credited to their Account 600 on the Distribution Closing Date. In the event that (i) any of the Option 1 Documents is not received by the Registrar by the submission deadline, or contains inaccurate, incorrect, invalid and/or incomplete information, or is otherwise invalid, or (ii) the application for the transfer of KEX DIS Shares to Account 600 has not been approved by TSD, the Qualifying Minority Shareholder will be deemed to have withdrawn his/her/its election for Option 1 (Shares) and instead, to have elected Option 2 (Share Sale).

Brokerage services for trading KEX DIS Shares

Qualifying Minority Shareholders should be aware that KEX Shares can only be traded on the Thailand Stock Exchange in scripless form via a securities trading account and not an Account 600. Therefore, Qualifying Minority Shareholders who wish to trade KEX DIS Shares in the future will need to make further arrangements with a SET member broker to have the KEX DIS Shares withdrawn from their Account 600 and transferred to a securities trading account opened with the SET member broker, before they are able to trade such KEX DIS Shares on market. The KEX Offer Period is expected to close shortly before the Distribution Closing Date. Hence, Qualifying Minority Shareholders who elect Option 1 (Shares) will not be able to tender their KEX DIS Shares under the KEX Offer after they receive them on the Distribution Closing Date.

To assist Qualifying Minority Shareholders who elect Option 1 (Shares) to trade their KEX DIS Shares on the Thailand Stock Exchange in the future, the Company has appointed MIB Securities as the designated broker, who is able to facilitate the trading of securities listed on the Thailand Stock Exchange through arrangements with a SET member broker.

Qualifying Minority Shareholders who wish to make use of this brokerage facility will need to first provide the requisite documentation to MIB Securities for account opening purpose and to withdraw the KEX DIS Shares from Account 600 (including, without limitation, identification document, specimen signature and address proof), and should contact MIB Securities for details during their office hours from 9:00 a.m. to 5:00 p.m. (Hong Kong time) Monday to Friday except on Hong Kong public holidays, as follows:

MIB Securities (Hong Kong) Limited

Contact person: Mr Anson Lui, Sales Manager, Corporate Sales

Email: anson.lui@mib.com.hk

Telephone: +852 2268 0369

MIB Securities is not a financial adviser to the Company and will not provide advice on the merits of the options available for receiving the Distribution.

Option 2 (Share Sale)

Under this option, Qualifying Minority Shareholders will authorise the Company and/or Kerry Thailand to accept the KEX Offer and tender all of the KEX DIS Shares to which such Qualifying Minority Shareholders are entitled in exchange for the Net Proceeds to be received after the KEX Offer Period closes.

Further details regarding the KEX Offer (if made), including timetable and key terms and conditions of the KEX Offer, will be included in the Circular.

Net Proceeds receivable by each Qualifying Minority Shareholder who has elected Option 2 (Share Sale) will be paid in HK\$ based on the prevailing exchange rate, on or around the 10th Business Day after the Distribution Closing Date. Cheques in respect of the Net Proceeds (rounded down to the nearest HK cent) will be despatched to Qualifying Minority Shareholders by ordinary post at their own risk to their registered address on the Registers of Members, except that Net Proceeds of less than HK\$100 per recipient will not be distributed and will be retained for the Company and/or Kerry Thailand's benefit.

ARRANGEMENTS FOR NON-QUALIFYING SHAREHOLDERS

The Distribution will be made available to Qualifying Shareholders whose names appear on the Registers of Members on the Record Date, but will not be extended to Non-qualifying Shareholders.

Overseas Shareholders

The Company is in the process of engaging foreign legal counsel and will make enquiries regarding the legal restrictions under the laws of the jurisdictions in which Overseas Shareholders have registered addresses and/or the requirements of any relevant regulatory body or stock exchange in such jurisdictions. If, having considered the advice from relevant counsel, the Board is of the view that it is necessary and/or expedient not to extend the Distribution to Overseas Shareholders then such Overseas Shareholders will constitute Non-qualifying Shareholders. Results of the Company's enquiries will be included in the Circular.

Overseas Shareholders should consult their professional advisers as to whether or not they are permitted to receive the Distribution or if any governmental or other consent is required, and whether there is any restriction in relation to the future sale of KEX Shares so received.

Notwithstanding the above, the Board reserves the absolute right to exclude any KLN Shareholder from the Distribution if it believes that the transfer of KEX Shares to any such person may violate applicable legal and/or regulatory requirements.

Arrangements for Non-qualifying Shareholders

Owing to practical difficulties arising from the distribution of KEX Shares to Non-qualifying Shareholders, they will not be entitled to receive KEX Shares. Instead, if the Distribution were to proceed, Non-qualifying Shareholders will receive cash-in-lieu payment for KEX Shares which would otherwise have been distributed to them. To fund such cash-in-lieu payment, the Company and/or Kerry Thailand will tender for acceptance under the KEX Offer in respect of the KEX Shares to which the Non-qualifying Shareholders are otherwise entitled under the Distribution. The Net Proceeds will be paid to the Non-qualifying Shareholders in the same manner as that for Qualifying Minority Shareholders who elect Option 2 (Share Sale).

BENEFICIAL OWNERS WHOSE KLN SHARES ARE DEPOSITED IN CCASS

Beneficial Owners whose KLN Shares are held through CCASS on the Record Date will need to take further action and provide additional documents to elect either Option 1 (Shares) or Option 2 (Share Sale), assuming the Distribution becomes unconditional.

In particular, those who wish to take up Option 1 (Shares) must provide the Registrar (and not CCASS) with all Option 1 Documents (other than the Election Form) prepared in the same manner as stated above for Qualifying Minority Shareholders and must submit their election instruction (i) to CCASS through their stockbroker or financial intermediary, before the deadline given by the stockbroker or financial intermediary or (ii) if they are admitted to participate in CCASS as CCASS investor participants, to CCASS directly, before the deadline given by CCASS, in order to receive the KEX Shares in scripless form in Account 600.

Any Beneficial Owner who elects Option 1 (Shares) and provides the requisite documentation to the Registrar will be deemed to have authorised the Thai Legal Adviser to submit the same to TSD on his/her/its behalf for transferring his/her/its KEX DIS Shares to the Account 600 under the Beneficial Owner's name.

Beneficial Owners who choose to take Option 1 (Shares) and provide the required documentation by the stipulated time (and have their application for the transfer of KEX Shares to Account 600 approved by TSD) will have their Account 600 credited with the KEX Shares to which they are entitled on the Distribution Closing Date. Those who choose to take Option 2 (Share Sale) and provide the required information by the stipulated time will have their KEX Shares tendered in the KEX Offer by the Company and/or Kerry Thailand and the Net Proceeds paid to HKSCC Nominees Limited to be remitted onward to them. Beneficial Owners are advised to consult their stockbroker, bank or other professional advisers as soon as practicable after the despatch of the Circular as to the documentation requirements applicable to their chosen option.

As stated in the section headed “Options available to Qualifying Minority Shareholders — Brokerage services for trading KEX DIS Shares”, KEX Shares can only be traded on the Thailand Stock Exchange in scripless form via a securities trading account and not an Account 600. Beneficial Owners who wish to make use of the brokerage facility provided by MIB Securities should contact MIB Securities for details.

To the extent that Beneficial Owners are known to the Company as being resident outside Hong Kong, the Board reserves the absolute right to also exclude them from the Distribution on the same basis and in the same manner as if they were themselves KLN Shareholders.

STOCK CONNECT INVESTORS

Since KEX Shares are not listed on the Hong Kong Stock Exchange, Stock Connect Investors will not be allowed to buy or sell such securities through Stock Connect. Considering the practical difficulty faced by Stock Connect Investors in realising the benefit of the KEX DIS Shares, absent any facility to open or arrange the opening on their behalf of Account 600 (as is required for receiving KEX DIS Shares) or a securities trading account with a SET member broker (as is required to trade KEX DIS Shares on market), Stock Connect Investors will not be able to elect Option 1 (Shares) and Option 2 (Share Sale) will be compulsory for them.

Stock Connect Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisers in this regard.

OTHER IMPORTANT NOTES

Qualifying Minority Shareholders

Qualifying Minority Shareholders are reminded that whether or not it is to their advantage to elect to receive the Distribution via Option 1 (Shares) or Option 2 (Share Sale) depends on their own individual circumstances and preferences, and that any decision in this regard and all resultant effects are the sole responsibility of each individual Qualifying Minority Shareholder.

Qualifying Minority Shareholders are advised to consult their broker and professional advisers as to the implications (including tax implications) of the Distribution as well as the disposal of KEX DIS Shares under the possible KEX Offer or otherwise. None of the Company, Kerry Thailand, HSBC or their respective directors accepts any responsibility for any tax effect or other liabilities in this regard.

After a valid Election Form is lodged (together with the Option 1 Documents, if Option 1 (Shares) is elected) with the Registrar, no election may be in any way withdrawn, revoked, superseded or altered without the Company’s agreement. Qualifying Minority Shareholders who fail to make a valid election on or before the time stated in the Election Form will be deemed to have elected Option 2 (Share Sale) in respect of all KEX DIS Shares to which they are entitled under the Distribution.

Transfer Agent in Hong Kong

The Company has appointed the Transfer Agent in Hong Kong for the purpose of the Distribution. If KLN Shareholders have questions relating to Option 1 (Shares) or Option 2 (Share Sale) or the Distribution generally, or require assistance as to the completion and return of the Election Form, please contact the Transfer Agent as follows:

Tricor Investor Services Limited

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Telephone hotline: +852 2980 1333

Email: is-enquiries@hk.tricorglobal.com

The hotline will be available from 9:00 a.m. to 5:30 p.m. (Hong Kong time) Monday to Friday except on Hong Kong public holidays, and will remain open until Friday, 31 May 2024 (or such other date as the Company may announce).

REASONS FOR AND BENEFITS OF THE DISTRIBUTION

KEX was incorporated as a private limited company in 2014 to develop the express delivery business in Thailand. In 2020, the Company spun off the business of KEX for a separate listing on the Thailand Stock Exchange in order to focus on the continued expansion of its own business and afford KEX independent access to capital markets.

Further to the Company's disposal of certain companies engaging in express delivery businesses as disclosed in its announcement dated 25 July 2023, the Distribution reinforces the Company's strategy of focusing on its core business of integrated logistics and international freight forwarding while streamlining its express delivery businesses, with an aim to enhancing its overall performance and prospects.

If the Distribution were to proceed, FHHL and Qualifying Minority Shareholders who opt for Option 1 (Shares) could directly participate in and support the development of KEX's business as well as enjoy full autonomy in choosing their exposure to it over time. For other KLN Shareholders, the tender of their KEX DIS Shares in the KEX Offer would provide an immediate realisation of value through cash.

After completion of the Distribution, the Company would no longer hold any interest in KEX. KLN Shareholders and potential investors will then be better positioned to differentiate and value the separate businesses of KLN Group and KEX Group based on their respective business models, revenues and earnings. Going forward, KLN Group could fully focus on its own strategic plans and growth opportunities. It would also allow the Company to reduce exposure to market volatilities unrelated to its principal business, which the Board trusts would provide cost savings in the long-term.

Based on the above, the Board is of the view that the Distribution is in the interest of the Company and KLN Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISTRIBUTION

Upon completion of the Distribution, the Company would no longer hold any KEX Shares and KEX would cease to be an indirect subsidiary of the Company. Accordingly, KEX Group's financial results and assets and liabilities will cease to be consolidated into KLN Group's financial statements upon completion of the Distribution.

The actual financial effect as a result of the Distribution will depend on the market price of KEX Shares and the net asset value of KEX Group as at the Distribution Closing Date and therefore, the actual financial impact arising from the Distribution on KLN Group may only be determined following the completion of the Distribution.

INFORMATION ABOUT THE COMPANY AND KLN GROUP

The Company is incorporated in the BVI and continued into Bermuda to become an exempted company with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 636).

KLN Group is a leading Asia-based logistics service provider with a highly diversified business portfolio and global presence in 59 countries and territories. Headquartered in Hong Kong, KLN Group offers a broad range of supply chain solutions from integrated logistics, international freight forwarding (air, ocean, road, rail and multimodal), industrial project logistics, to cross-border e-commerce and last-mile fulfilment.

INFORMATION ABOUT KEX AND KEX GROUP

KEX is a public company with limited liability registered in Thailand and listed on the Thailand Stock Exchange (stock symbol: KEX).

KEX Group is principally engaged in express delivery business in Thailand.

HONG KONG LISTING RULES IMPLICATIONS

The Distribution does not constitute a transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

As the applicable percentage ratios calculated based on the KEX Shares to be distributed under the Distribution all are below 75%, the requirements under Rule 14.94 of the Hong Kong Listing Rules do not apply to the Distribution.

FURTHER DETAILS REGARDING THE POSSIBLE KEX OFFER

The following sets out the principal terms of the KEX Offer (if made), as extracted from the Offeror Undertaking. Further details regarding the KEX Offer will be set out in the KEX Offer Document to be published by the Offeror within three Business Days from the date on which the Condition is satisfied. Such KEX Offer Document and other documents to be published by the Offeror and/or KEX will be available on SET's website. The Company will make further announcement(s) as and when the key documents of the KEX Offer are published.

The Offeror has engaged BLS as tender offer preparer and tender offer agent in preparation for the possible KEX Offer.

KEX Offer Price

The KEX Offer will be extended to all KEX Offer Shares in issue (excluding the Offeror's KEX Shares) on the date on which the KEX Offer is made, being within three Business Days after the date of publication of the KEX Offer Document.

As at the date of this announcement, the number of issued KEX Shares was 1,742,577,000 and the Offeror held 1,000 KEX Shares. Taking also into account the number of Offeror's KEX DIS Shares to be received under the Distribution (being 467,373,855 KEX Shares), the total number of KEX Offer Shares is expected to be 1,275,202,145, representing approximately 73.2% of all issued KEX Shares as at the date of this announcement.

Pursuant to the requirements of the Thai Code and Thai SEC, the KEX Offer Price must not be less than the highest price paid for KEX Shares by the Offeror Concert Group during the period of 90 days prior to the date on which the KEX Offer Document is submitted to Thai SEC. As confirmed by the Offeror, during the 90-day period preceding the date of this announcement, the highest price paid for KEX Shares by the Offeror Concert Group was THB4.34 per KEX Share. Accordingly, the KEX Offer Price must be no less than THB4.34 per KEX Offer Share (“**Floor Price**”). Taking account of the recent average closing prices of KEX Shares and other factors, the Offeror has determined the KEX Offer Price to be set at THB5.50 per KEX Offer Share, representing a premium of 26.7% over the Floor Price.

Highest and lowest KEX Share prices

The highest and lowest closing prices of the KEX Shares as quoted on the Thailand Stock Exchange during the period commencing three months preceding the Last Trading Day were THB6.75 (equivalent to approximately HK\$1.53) per KEX Share on 29 September 2023 and THB3.86 (equivalent to approximately HK\$0.87) per KEX Share on 13 December 2023, respectively.

Effect of authorising the Company and/or Kerry Thailand to accept the KEX Offer

Subject to the satisfaction of the Condition, the Offeror will make the KEX Offer. The KEX Offer (if made) will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of KEX Shares or any other condition, save that the Offeror may cancel the KEX Offer upon the occurrence of certain events to be specified in the KEX Offer Document.

By accepting the KEX Offer, KEX Shareholders (including Kerry Thailand on behalf of Qualifying Minority Shareholders who have elected Option 2 (Share Sale) and Non-qualifying Shareholders) will sell their KEX Shares free from encumbrances and together with all rights accruing or attaching to them, including without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the KEX Offer is made, being within three Business Days after the date of publication of the KEX Offer Document.

Acceptances of the KEX Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Thai Code.

Transaction expenses

For KEX Shareholders who accept the KEX Offer (including Kerry Thailand who accepts the KEX Offer on behalf of Qualifying Minority Shareholders who elect Option 2 (Share Sale) and Non-qualifying Shareholders), a brokerage fee of 0.25% of the KEX Offer Price and value added tax of 7% of the brokerage fee will be deducted from the total offer consideration payable under the KEX Offer.

Payment of KEX Offer Price by the Offeror

The total KEX Offer Price payable by the Offeror is expected to be financed out of a cash deposit maintained by the Offeror. BLS will be required to verify the source of funds for the KEX Offer and to confirm in the KEX Offer Document that there are sufficient funds available for conducting the KEX Offer.

Payment in cash in respect of acceptances of the KEX Offer will be made to accepting KEX Shareholders (including Kerry Thailand) within two Business Days after the KEX Offer Period closes.

As stated in the section headed “Options Available to Qualifying Minority Shareholders — Option 2 (Share Sale)” in this announcement, Net Proceeds receivable by each Qualifying Minority Shareholder who has elected Option 2 (Share Sale) will be paid in HK\$ based on the prevailing exchange rate, on or around the 10th Business Day after the Distribution Closing Date.

Independent financial adviser to KEX

An independent financial adviser will be appointed by KEX to advise KEX and its board of directors in respect of the KEX Offer and in particular, as to whether the KEX Offer is, or is not, fair and reasonable and as to acceptance.

KEX is required to submit its opinion on the KEX Offer including the opinion of its board of directors (together with the opinion of the independent financial adviser of KEX) within 15 Business Days after the KEX Offer Document is submitted to Thai SEC. These opinions will be published on SET's website.

Publication of the KEX Offer Document

The Offeror has undertaken to, if the Distribution becomes unconditional, submit the KEX Offer Document to Thai SEC setting out, among others, (i) details of the KEX Offer (including timetable and terms and conditions of the KEX Offer), (ii) information about the Offeror, (iii) the Offeror's intentions regarding KEX Group after the close of the KEX Offer, and (iv) the relevant form of acceptance, within three Business Days from the date on which the Condition is satisfied.

Information about the Offeror

The Offeror is a company incorporated in Thailand for the purpose of holding KEX Shares, including the Offeror's KEX DIS Shares. It is an indirect subsidiary of S.F. Holding.

S.F. Holding is a joint stock company incorporated in the PRC with limited liability the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002352.SZ). S.F. Holding is a leading global integrated logistics services provider.

Shareholding structure of KEX Group before and after the close of the KEX Offer

Assuming that there is no Non-qualifying Shareholder or Stock Connect Investor and there is no change to the shareholding structure of the Company or KEX on the Record Date, set out below is the shareholding structure of KEX (i) as at the date of this announcement, (ii) immediately after completion of the Distribution and the KEX Offer and assuming all Qualifying Minority Shareholders elect Option 1 (Shares) and no KEX Shareholders accept the KEX Offer, and (iii) immediately after completion of the Distribution and the KEX Offer and assuming all Qualifying Minority Shareholders elect Option 2 (Share Sale) and all KEX Shareholders accept the KEX Offer:

	As at the date of this announcement		Immediately after completion of the Distribution and the KEX Offer and assuming all Qualifying Minority Shareholders elect Option 1 (Shares) and no KEX Shareholders accept the KEX Offer		Immediately after completion of the Distribution and the KEX Offer and assuming all Qualifying Minority Shareholders elect Option 2 (Share Sale) and all KEX Shareholders accept KEX Offer	
	(i) Number of KEX Shares	% of issued KEX Shares	(ii) Number of KEX Shares	% of issued KEX Shares	(iii) Number of KEX Shares	% of issued KEX Shares
Kerry Thailand	907,200,000	52.1	-	-	-	-
Offeror ¹	<u>1,000</u>	<u>< 0.01</u>	<u>467,374,855²</u>	<u>26.8</u>	<u>1,742,577,000</u>	<u>100</u>
Other KEX Shareholders	835,376,000	47.9	835,376,000	47.9	-	0
Qualifying Minority Shareholders	-	-	439,826,145 ³	25.3	-	0
Total	<u><u>1,742,577,000</u></u>	<u><u>100.0</u></u>	<u><u>1,742,577,000</u></u>	<u><u>100.0</u></u>	<u><u>1,742,577,000</u></u>	<u><u>100.0</u></u>

Notes:

1. FHHL will transfer the KEX DIS Shares to which it is entitled under the Distribution to the Offeror on the Distribution Closing Date.
2. Such figure has been rounded down to the nearest whole number of KEX Shares based on the distribution ratio of 0.5019 of a KEX Share for every one KLN Share held (the “Distribution Ratio”).
3. Such figure represents the arithmetic difference between (i) the total number of KEX Shares to be distributed under the Distribution and (ii) the number of Offeror’s KEX DIS Shares, without taking account of fractional entitlements which may arise from rounding adjustments made to the Distribution Ratio and the entitlements of individual KLN Shareholders when applying the Distribution Ratio.

Intentions of the Offeror in relation to KEX Group

The Offeror has no current intention to make any material change to the business objectives, core business operation/ assets, business management plan, investment plan, management, financial structure or dividend policy of KEX during the period of 12 months after the KEX Offer Period closes, nor does it intend to (unless required by legal and/or regulatory requirements) delist the KEX Shares from the Thailand Stock Exchange during the period.

The Offeror may however during the said period consider making necessary changes, as it deems appropriate, depending on the results of the KEX Offer (and therefore, the level of control held by the Offeror in KEX after the close of the KEX Offer) while also factoring in the prevailing market environment as well as development plans and business operations of KEX.

WARNING: AS THE MAKING OF THE DISTRIBUTION (AND THEREFORE, THE KEX OFFER) IS SUBJECT TO THE SATISFACTION OF THE CONDITION, IT MAY OR MAY NOT PROCEED. KLN SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE COMPANY’S SECURITIES.

EXPECTED TIMETABLE OF THE DISTRIBUTION AND THE POSSIBLE KEX OFFER

As the making of the Distribution (and therefore, the KEX Offer) is conditional upon the satisfaction of the Condition, the expected timetable for its implementation (including the Record Date and closure of the Registers of Members for the purpose of determining KLN Shareholders’ entitlement to the Distribution) will be announced by the Company in due course after the fulfilment of the Condition, in compliance with the Hong Kong Listing Rules.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement have the meanings set out below:

“Account 600”	a securities issuer’s account, participant no. 600 opened with TSD for a Qualifying Minority Shareholder who elects Option 1 (Shares) and provides the requisite documentation in accordance with the instructions set out in the Circular and the Election Form
“Beneficial Owner(s)”	in respect of a KLN Shareholder, beneficial owner(s) of KLN Shares whose KLN Shares are registered in the name of the KLN Shareholder as shown on the Register of Members
“BLS”	Bualuang Securities Public Company Limited
“Board”	the board of Directors
“Business Day”	a day on which banks in Thailand or Hong Kong (as the case may be) are open for business, operate and provide normal banking services (excluding Saturdays, Sundays, public holidays)

“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“ChinaClear”	China Securities Depository and Clearing Corporation Limited
“Circular”	the circular to be despatched to KLN Shareholders by the Company in relation to the Distribution
“Company” or “KLN”	Kerry Logistics Network Limited, incorporated in the BVI and continued into Bermuda to become an exempted company with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 636)
“Condition”	has the meaning given to it under the section headed “The Distribution — Condition to the Distribution” in this announcement
“Director(s)”	director(s) of the Company
“Distribution”	the distribution of a special interim dividend in specie of 0.5019 of a KEX Share for every one KLN Share held by Qualifying Shareholders on the Record Date, subject to the satisfaction of the Condition
“Distribution Closing Date”	the date on which the completion of the Distribution takes place, to be announced by the Company, which is expected to be shortly after the close of the KEX Offer
“Election Form”	the election form for Qualifying Minority Shareholders to complete and return to the Registrar to confirm the option by which they elect to receive the benefit of the Distribution, which will be despatched with the Circular and the Transfer Form
“FHHL”	Flourish Harmony Holdings Company Limited, an indirect wholly-owned subsidiary of SF Holding HK
“Floor Price”	has the meaning given to it in the section headed “Further details regarding the possible KEX Offer — KEX Offer Price” in this announcement
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, being the sole financial adviser to the Company in relation to the Distribution, a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“Kerry Thailand”	KLN Logistics (Thailand) Limited, a subsidiary of the Company
“KEX”	Kerry Express (Thailand) Public Company Limited, a public company with limited liability registered in Thailand and listed on the Thailand Stock Exchange (stock symbol: KEX) and a subsidiary of the Company
“KEX DIS Shares”	the KEX Shares that will be distributed to Qualifying Shareholders under the Distribution
“KEX Group”	KEX and its subsidiaries
“KEX Offer”	the mandatory tender offer to be made by the Offeror as a result of the Distribution pursuant to the Thai Code, subject to the satisfaction of the Condition
“KEX Offer Document”	the tender offer document in respect of the KEX Offer that will be published by the Offeror in accordance with the Thai Code and any ancillary documents
“KEX Offer Period”	the period from the time when the KEX Offer is launched (which must be no later than six Business Days after the date on which the Condition is satisfied) until the date on which the KEX Offer closes, lapses or is withdrawn, such period being not less than 25 consecutive Business Days and not more than 45 consecutive Business Days, subject to extension as permitted under the Thai Code
“KEX Offer Price”	the price at which the KEX Offer will be made, being THB5.50 per KEX Offer Share
“KEX Offer Share(s)”	all issued KEX Shares other than the Offeror’s KEX Shares
“KEX Shareholder(s)”	registered holder(s) of KEX Shares
“KEX Share(s)”	share(s) of par value of THB0.50 each in KEX
“KLN Group”	the Company and its subsidiaries

“KLN Share(s)”	share(s) of nominal value of HK\$0.50 each in the Company or, if there has been a subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary share capital of the Company
“KLN Shareholder(s)”	registered holder(s) of KLN Share(s)
“Last Trading Day”	28 December 2023, being the last trading day on which the KEX Shares were traded on the Thailand Stock Exchange prior to the date of this announcement
“MIB Securities”	MIB Securities (Hong Kong) Limited
“Net Proceeds”	the total proceeds to be received from the Offeror from the tender for acceptance of (i) the KEX DIS Shares to which Qualifying Minority Shareholders who have elected Option 2 (Share Sale) are entitled and (ii) the KEX Shares to which the Non-qualifying Shareholders are otherwise entitled, after deducting brokerage fee of 0.25% of the KEX Offer Price, value added tax of 7% of the brokerage fee and among other (if any) transaction costs, levies, fees, expenses and withholding tax incurred in connection with the tendering of such KEX Shares
“Non-qualifying Shareholder(s)”	Overseas Shareholder(s) who is/are excluded from receiving KEX Shares by the Board out of necessity and/or expediency, on account of applicable legal or regulatory requirements or restrictions
“Offeror”	the offeror of the KEX Offer, being SF Thai SPV
“Offeror Concert Group”	the Offeror, its related persons, concert parties or related persons of the concert parties (all as defined under the Thai Code)
“Offeror Undertaking”	has the meaning given to it under the section headed “Possible KEX Offer — Offeror Undertaking and KEX Offer Price” in this announcement
“Offeror’s KEX DIS Shares”	the KEX DIS Shares to which FHHL is entitled under the Distribution, which will be transferred by FHHL to SF Thai SPV on the Distribution Closing Date
“Offeror’s KEX Shares”	Offeror’s KEX DIS Shares and other KEX Shares already held by the Offeror
“Option 1 Documents”	has the meaning given to it in the section headed “Options Available to Qualifying Minority Shareholders — Option 1 (Shares)” in this announcement
“Option 1 (Shares)”	the option being made available to FHHL and Qualifying Minority Shareholders for receiving the benefit of the Distribution in scripless form, which allows them to elect to have the KEX DIS Shares to which they are entitled under the Distribution credited to their Account 600

“Option 2 (Share Sale)”	the option being made available to Qualifying Minority Shareholders for receiving the benefit of the Distribution in the form of cash, which allows them to elect to have the KEX DIS Shares to which they are entitled under the Distribution tendered for acceptance under the KEX Offer and the Net Proceeds returned to them after the KEX Offer Period closes
“Overseas Shareholder(s)”	KLN Shareholder(s) whose address(es) shown on the Registers of Members on the Record Date is/are in a place outside Hong Kong
“PRC”	the People’s Republic of China
“Qualifying Minority Shareholder(s)”	Qualifying Shareholders other than FHHL
“Qualifying Shareholder(s)”	KLN Shareholder(s) whose name(s) appear(s) on the Registers of Members on the Record Date, other than Non-qualifying Shareholder(s)
“Record Date”	the record date for determining KLN Shareholders’ entitlement to the Distribution, to be announced by the Company, which is expected to be the 11 th Business Day after the Condition is satisfied
“Registers of Members”	the Company’s principal register of members and Hong Kong branch register of members
“Registrar” or “Transfer Agent”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office
“SET member broker”	a securities brokerage firm registered with SET as a member
“SF Holding HK”	SF Holding (HK) Limited, an indirect wholly-owned subsidiary of S.F. Holding
“SF Thai SPV”	SF International Holding (Thailand) Co., Ltd., a limited liability company incorporated in Thailand, being the Offeror
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SPA”	has the meaning given to it in the section headed “The Distribution — Condition to the Distribution” in this announcement
“Stock Connect”	Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect
“Stock Connect Investors”	PRC Southbound trading investors who hold KLN Shares through Stock Connect
“subsidiary”	has the meaning ascribed to it under the Hong Kong Listing Rules
“S.F. Holding”	S.F. Holding Co., Ltd., a controlling shareholder of the Company

“Thai Legal Adviser”	Siam Premier International Law Office Limited, being the legal adviser to the Company as to Thailand law
“Thai Code”	Securities and Exchange Act B.E. 2535 (1992) (as amended), Notification of Capital Market Supervisory Board Tor Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeover (as amended), and any other relevant rules, regulations, and notifications issued thereunder
“Thai SEC”	the Securities and Exchange Commission, Thailand
“Thailand”	the Kingdom of Thailand
“Thailand Stock Exchange” or “SET”	The Stock Exchange of Thailand
“THB”	Thai Baht, the lawful currency of Thailand
“Transfer Form”	TSD-404, a standard form application for securities transfer to/from the issuer account a copy of which can be obtained at SET’s website (https://media.set.or.th/rulebook/form/20220301_TSD_404_EN.pdf) and will be despatched with the Circular and the Election Form
“TSD”	Thailand Securities Depository Company Limited, a wholly-owned subsidiary of the Thailand Stock Exchange and the securities registrar of KEX
“%”	per cent.

For illustrative purpose only, in this announcement, HK\$ has been translated from THB at the rate of THB4.4229:HK\$1 based on the average counter rates quoted by commercial banks (average selling rate) as of 28 December 2023 as stated on the website of Bank of Thailand.

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

Hong Kong, 29 December 2023

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

Chairman, Non-executive Director:

Mr WANG Wei

Vice Chairman, Non-executive Director:

Mr KUOK Khoo Hua

Executive Directors:

Mr CHEUNG Ping Chuen Vicky and Mr CHENG Chi Wai

Non-executive Directors:

Mr HO Chit, Ms OOI Bee Ti and Ms CHEN Keren

Independent Non-executive Directors:

Dr CHEUNG Wai Man, Mr LAI Sau Cheong Simon, Mr TAN Chuen Yan Paul and Ms WONG Yu Pok Marina

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.kln.com).