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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
SUPPLEMENTAL AGREEMENT TO CASH ADVANCE AGREEMENT**

CASH ADVANCE AGREEMENT

Reference is made to the announcement of the Company dated 5 December 2022 in relation to the Cash Advance Agreement entered into between KSRE and LBDQ (both being non-wholly owned subsidiaries of the Company), pursuant to which KSRE agreed to provide the intra-group Loan in the principal amount of up to RMB630,000,000 (approximately HK\$677,880,000) to LBDQ for a term of two years.

For the reasons set forth in this announcement, on 28 November 2024, KSRE and LBDQ entered into the Supplemental Agreement to amend the term and annual interest rate of the Loan under the Cash Advance Agreement.

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 SA and Allgreen are associates 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 Supplemental Agreement 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 Supplemental Agreement is subject to announcement and reporting requirements but is exempt from the circular (including independent financial advice) and the shareholders' approval requirements under Chapter 14A of the Listing Rules.

* For identification purpose only

INTRODUCTION

Reference is made to the announcement of the Company dated 5 December 2022 in relation to the Cash Advance Agreement entered into between KSRE and LBDQ (both being non-wholly owned subsidiaries of the Company), pursuant to which KSRE agreed to provide the intra-group Loan in the principal amount of up to RMB630,000,000 (approximately HK\$677,880,000) to LBDQ for a term of two years.

For the reasons set forth in this announcement, on 28 November 2024, KSRE and LBDQ entered into the Supplemental Agreement to amend the term and annual interest rate of the Loan under the Cash Advance Agreement.

SUPPLEMENTAL AGREEMENT

Date: 28 November 2024

Lender: Kerry (Shenyang) Real Estate Development Co., Ltd.*

Borrower: Lucky Billion Development (Qinhuangdao) Co., Ltd.*

Amendments: with effect from 5 December 2024, the terms of the Cash Advance Agreement shall be amended as follows:

- I. The term of the Loan shall be extended for three (3) years from 5 December 2024 to 4 December 2027, and the Loan is repayable on demand.
- II. The annual interest rate of the Loan shall be adjusted from 3.3% per annum to 1-year Loan Prime Rate (LPR) minus 31 basis points or 2.79% per annum, whichever is the higher.

Save for the aforesaid amendments, other terms of the Cash Advance Agreement remain unchanged.

Effective Date: 5 December 2024

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT

The source of funds for the Loan is surplus cash from KSRE, and the Board considers that this arrangement is consistent with the Group's cash flow management and capital allocation strategies. By utilising internal resources to meet the funding needs of its subsidiaries, the Group effectively minimises financing costs and reduces reliance on external financing, while enhancing its liquidity management. This approach optimises the use of internal resources, as the Loan not only fulfills LBDQ's funding requirements but also generates interest income for KSRE.

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

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The Directors (including the independent non-executive Directors) are of the view that the entering into of the Supplemental Agreement is in the ordinary and usual course of business of the Group and that the terms of the Supplemental Agreement, including the amended term and annual interest rate of the Loan, are on normal commercial terms or better, being fair and reasonable and in the interests of the Company and its shareholders as a whole.

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 SA and Allgreen are associates 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 Supplemental Agreement 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 Supplemental Agreement is subject to announcement and reporting requirements but is exempt from the circular (including independent financial advice) and the shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Kuok Khoon Hua, the Chairman and Chief Executive Officer of the Company, has declared that he, together with his associates, is directly or indirectly interested in 5% or more of the issued shares of each of KHL, SA and Allgreen, and therefore Mr. Kuok has abstained from voting on the relevant resolutions of the Board approving the Supplemental 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 a company 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 a company indirectly owned by the Company, KHL and Allgreen as to 60%, 30% and 10% respectively. The principal activities of LBDQ are 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

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“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)”	the director(s) 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 limited liability company incorporated in Hong Kong, which as 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 established 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 established in the PRC and indirectly owned by the Company, KHL and Allgreen as to 60%, 30% and 10% respectively;

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan in the principal amount of up to RMB630,000,000 (approximately HK\$677,880,000) provided by KSRE to LBDQ pursuant to the Cash Advance Agreement, as amended by the Supplemental Agreement;
“Mainland” or “PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“SA”	Shangri-La Asia Limited, an exempted company incorporated in Bermuda 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;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	The supplemental agreement to the Cash Advance Agreement entered into on 28 November 2024 between KSRE and LBDQ for the purpose of amending certain terms of the Cash Advance Agreement; and
“%”	per cent.

Amounts denominated in RMB in this announcement have been converted into HK\$ at the rate of RMB1=HK\$1.076 for illustration purpose.

By Order of the Board
Kerry Properties Limited
Cheng Wai Sin
Company Secretary

Hong Kong, 28 November 2024

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

Executive Director: *Mr. Kuok Khoon Hua*

Independent Non-executive Directors: *Mr. Hui Chun Yue, David, Mr. Chum Kwan Lock, Grant and Dr. Li Rui*

Non-executive Director: *Ms. Tong Shao Ming*