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If you have sold or transferred all your shares in Kerry Properties Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**MAJOR TRANSACTION
SUCCESSFUL TENDER OF LAND IN HUANGPU DISTRICT,
SHANGHAI, THE PRC**

All capitalised terms used in this circular have the meaning set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 4 to 9 of this circular.

* *For identification purpose only*

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DEFINITIONS

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

“associates”, “connected persons”, “percentage ratio(s)”, “subsidiary(ies)”, “PRC Governmental Body”, “Qualified Property Acquisition”	each has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“BPL”	Brilliant Prestige Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability;
“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 (stock code: 683);
“Consideration”	the total consideration for the acquisition of the Land, being RMB13,329,070,000 (approximately HK\$16,261,465,400);
“Director(s)”	the director(s) of the Company;
“Excluded Businesses”	the businesses of the Directors which, as at the Latest Practicable Date, competed or were likely to compete either directly or indirectly, with the business of the Group, other than those businesses in which (a) the Group was interested and (b) the Directors’ only interests were as directors appointed to represent the interests of the Group;
“GFA”	gross floor area;
“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;

DEFINITIONS

“Land”	the plots of land situated at Huangpu District, Shanghai, the PRC, details of which are set out in the paragraph headed “Information of the Land” under the section headed “LETTER FROM THE BOARD” of this circular;
“Land Use Rights Grant Contracts”	state-owned construction land use rights grant contracts (國有建設用地使用權出讓合同) to be entered into pursuant to the Letter of Intent;
“Latest Practicable Date”	14 January 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Letter of Intent”	a letter of intent entered into between Shanghai Huangpu District Planning and Natural Resources Bureau and BPL on 4 January 2022 after BPL successfully won the Land at the tender;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules;
“PRC” or “Mainland”	the People’s Republic of China;
“Project”	development project of the Land and the Adjacent Plots;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Shanghai Huangpu District Planning and Natural Resources Bureau”	Shanghai Municipal Huangpu District Planning and Natural Resources Bureau* (上海市黃浦區規劃和自然資源局), a PRC Governmental Body responsible for, among other things, managing the primary land market, the tendering, auction and listing-for-sale of rights to use state-owned land in Huangpu District, Shanghai, the PRC;

* For identification purposes only

DEFINITIONS

“Share”	an ordinary share of HK\$1.00 each in the capital of the Company, and “Shares” shall be construed accordingly;
“Shareholder”	a holder of any Share, and “Shareholders” shall be construed accordingly;
“sq.f.”	square feet, unit of area;
“sq.m.”	square metre, unit of area;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the acquisition of the land use rights of the Land; and
“%”	per cent.

For the purpose of this circular and for illustration purpose only, conversion of RMB to HK\$ is based on the exchange rate of RMB1 = HK\$1.22. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates.

LETTER FROM THE BOARD



嘉里建設有限公司*

KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

website: www.kerryprops.com

(Stock Code: 683)

Executive Directors:

Mr. Wong Siu Kong (*Chairman*)
Mr. Kuok Khoon Hua (*Vice Chairman and
Chief Executive Officer*)
Mr. Bryan Pallop Gaw
Ms. Serene Siew Noi Nah (*Chief Financial Officer*)

Registered Office:

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Independent Non-executive Directors:

Ms. Wong Yu Pok, Marina, JP
Mr. Chang Tso Tung, Stephen
Mr. Hui Chun Yue, David

***Head Office and Principal Place
of Business in Hong Kong:***

25/F, Kerry Centre
683 King's Road
Quarry Bay
Hong Kong

20 January 2022

*To the Shareholders and, for information only,
the option-holders of Kerry Properties Limited*

Dear Sir or Madam,

MAJOR TRANSACTION SUCCESSFUL TENDER OF LAND IN HUANGPU DISTRICT, SHANGHAI, THE PRC

INTRODUCTION

Reference is made to the announcement dated 4 January 2022 made by the Company. BPL successfully won the tender for the acquisition of the land use rights of the Land offered for sale by Shanghai Huangpu District Planning and Natural Resources Bureau, at a Consideration of RMB13,329,070,000 (approximately HK\$16,261,465,400) for mixed-use development. The Letter of Intent has also been signed on 4 January 2022, and pursuant to the Letter of Intent, the Land Use Rights Grant Contracts will be entered into in due course.

The purpose of this circular is to provide you with, among other things, further details of the Transaction and other information required under the Listing Rules.

LETTER FROM THE BOARD

PRINCIPAL TERMS OF THE TRANSACTION

The principal terms of the Transaction pursuant to the Letter of Intent are as follows:

Parties

- (1) Shanghai Huangpu District Planning and Natural Resources Bureau, as the vendor; and
- (2) BPL, as the purchaser.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Shanghai Huangpu District Planning and Natural Resources Bureau and its ultimate beneficial owner(s) are independent third parties of the Company and its connected persons.

Information of the Land

The Land consists of four plots of land for Plots 064-01, 065-01, 066-01, 067-01, Unit C010102, Guangchang Community, Huangpu District, Shanghai, the PRC (黃浦區廣場社區 C010102單元064-01、065-01、066-01、067-01地塊), located east to Shengze Road, south to Renmin Road, west to Zhejiang Nan Road, north to Ninghai Dong Road (東至盛澤路、南至人民路、西至浙江南路、北至寧海東路), with a total site area of 38,102.7 sq.m. with term of use of 70 years for residential use, 50 years for office use and 40 years for commercial use.

Consideration and payment terms

The Consideration for the Land is RMB13,329,070,000 (approximately HK\$16,261,465,400) and will be payable as follows pursuant to the Letter of Intent:

- (a) RMB2,665,814,000 (approximately HK\$3,252,293,080) (representing 20% of the Consideration, being the deposits) to be payable within five working days of the signing of the Land Use Rights Grant Contracts;
- (b) RMB3,998,721,000 (approximately HK\$4,878,439,620) (representing 30% of the Consideration) to be payable within one month of the signing of the Land Use Rights Grant Contracts; and
- (c) RMB6,664,535,000 (approximately HK\$8,130,732,700) (representing the balance of the Consideration) to be payable within ninety days of the signing of the Land Use Rights Grant Contracts.

The Consideration, being the tender price submitted by BPL under the said tender, was determined by the Company with reference to prevailing comparable market prices, the future business prospect and development potential of the Land's location (as more particularly set out in the section headed "Reasons for and Benefits of the Transaction" below), and the growth prospects of the property market in Shanghai which is anticipated to be in-line with the growth of the Mainland. The Consideration for the Land will be financed by the Group's internal resources and external financing.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE TRANSACTION ON THE GROUP

Immediately upon completion of the Transaction, the major financial effects of the Transaction on the Group are (i) an increase in the Group's total assets by an amount of HK\$16,749,309,400, which comprises the Consideration of HK\$16,261,465,400 plus capitalised expenditures; and (ii) an aggregate increase of HK\$16,749,000,000 in the Group's bank borrowing. As a result, there was no material change in the Group's net assets immediately upon the completion of the Transaction.

Save for the abovementioned, the Directors consider that the Transaction will not have any other material effect on the total assets, total liabilities and earnings of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Situated in the heart of Huangpu district, Shanghai, the Land is located in close proximity to landmarks such as The Bund, Yu Gardens, East Nanjing Road High Street and the People's Square. The Land is part of a transit-oriented mixed-use development. Subject to the government's planning approval and construction approval, the total GFA of the Land is approximately 198,500 sq.m. On the Land, the Company intends to develop residential apartments and shikumen townhouses (approximately 124,500 sq.m.) for sale; and retail, hotel and amenities (approximately 49,000 sq.m.), and low-rise office (approximately 25,000 sq.m.) for long-term investment and leasing. The Land has access to newly opened Yuyuan Station, which is an interchange station of the existing Metro Line 10 and Metro Line 14, benefiting from excellent connectivity. For example, the Yuyuan Station is one station away from Lujiazui Central Business District. The Land also provides good vehicular accessibility via Yan'an Elevated Expressway, Renmin Road Tunnel, and Yan'an Road Tunnel. Subject to the government's planning approval and construction approval, the commencement of construction on the Land is expected to be in 2023, and the completion of construction is expected to be in 2026-2027. The Land offers a diversified asset mix comprised of residential for sale, and retail, low-rise office, hotel and amenities for leasing and long-term investment.

A noteworthy feature of the Land is its central location within the Shanghai government's urban redevelopment and preservation plan for Huangpu district. Situated in a neighbourhood with over 160 years of history, the Land has a network of shikumens (石庫門 or lane houses), "li-long" alleyways (里弄) and rows of historical arcade buildings. This unique blend of Chinese and French architectural styles is representative of Shanghai's historical East-meets-West culture. As part of the Shanghai government's regeneration plan, certain designated historical sites and heritage architecture will be restored and rebuilt, while the Land will be redeveloped to create an iconic mixed-use development.

LETTER FROM THE BOARD

Subject to the tender process, the Project (the Land and the potential Adjacent Plots) can offer total planned GFA of approximately 492,000 sq.m. for mixed-used development of residential apartments and shikumen townhouses, high-rise and low-rise offices, retail and hotel. The Group envisions the Project to be a rare placemaking opportunity in the heart of Shanghai to connect The Bund to Huaihai Road, and Xintiandi to the Old City. The Adjacent Plots will be for commercial use and will include amenities and public spaces with planned GFA of approximately 293,500 sq.m. The Land and Adjacent Plots are separate tenders and the Company considers that in the event that the acquisition of Adjacent Plots were not to proceed, the development of the Land will not be materially affected. Please also refer to the section headed “Update on Adjacent Plots” below.

The Group is optimistic of the long-term prospects of this project, and considers this to be a strategic addition that will strengthen the Group’s high-end development property pipeline, and its premium investment property portfolio. The Group anticipates the Land will contribute good property sales income as the development properties launch by phases, and will add recurrent rental income, with capital value-creation in line with the growth of the Mainland.

The Directors (including the independent non-executive Directors) believe that the Transaction is conducted in the ordinary course of business of the Group, and that the terms of the Transaction are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board confirms that none of the Directors had any material interests in the Transaction and accordingly none of the Directors was required to abstain from voting on the resolutions in relation to the Transaction.

UPDATE ON ADJACENT PLOTS

Reference is made to the Company’s announcement dated 12 November 2021 made pursuant to Rule 13.09(2) of the Listing Rules and Part XIVA of the SFO.

BPL was also confirmed as the selected tenderer for the Project for certain other adjacent plots (the “**Adjacent Plots**”), i.e. Plots 198-1, 200-3, Unit C010201, Bund Community, Plots 070-01, 071-01, 072-01, 073-01, Unit C010102, Guangchang Community, and the underground spaces of Jiangxi Nan Road, Shandong Nan Road, Shengze Road and Plot 070-02, situated at Huangpu District, Shanghai, the PRC (黃浦區外灘社區C010201單元198-1、200-3地塊、廣場社區C010102單元070-01、071-01、072-01、073-01地塊及江西南路、山東南路、盛澤路、070-02地下空間地塊), located east to Land Parcel 200 Planning green area, Henan Nan Road, south to Renmin Road, west to Zijin Road, Shengze Road, north to Jinling Dong Road, Ning Hai Dong Road (東至200街坊規劃綠地、河南南路、南至人民路、西至紫金路、盛澤路、北至金陵東路、寧海東路).

LETTER FROM THE BOARD

The tender process for the Project consists of (stage one) tenderer(s) selection and (stage two) two separate tenders processes. The result for the tender of the other Adjacent Plots is subject to the subsequent arrangement for the grant of land use rights and announcement to be made by Shanghai Municipal Huangpu District Planning and Natural Resources Bureau. As at the date of this circular, neither the result of the tender of the Adjacent Plots nor the signing of any legally binding contract is available.

If the acquisition of the Adjacent Plots were to proceed, it may (or may not) also constitute a major transaction for the Company but it will be a Qualified Property Acquisition under Rule 14.04(10C) of the Listing Rules. The Company will comply with the applicable requirements of the Listing Rules as and when required.

GENERAL

BPL is a wholly-owned subsidiary of the Company and incorporated in Hong Kong with limited liability. Its principal activity is investment holding.

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.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Transaction exceed 25% but are all less than 100%, the Transaction constitutes a major transaction for the Company.

As the Group's principal business activities include property development, the Company is regarded as a "Qualified Issuer" under Rule 14.04(10B) of the Listing Rules. Besides, the Transaction involves an acquisition of state-owned land from a PRC Governmental Body through a tender governed by PRC law and is undertaken by the Company (through BPL) in its ordinary and usual course of business as contemplated under Rule 14.33A(1) of the Listing Rules. Accordingly, the Transaction constitutes a Qualified Property Acquisition as defined under Rule 14.04(10C) of the Listing Rules, and is subject to announcement and circular requirements but is exempt from (i) Shareholders' approval requirement pursuant to Rule 14.33A of the Listing Rules and (ii) the requirement to include a valuation report on the Land in the circular pursuant to Rule 14.33B of the Listing Rules.

The Board confirms that the Transaction is in the ordinary and usual course of business of the Group and the Board is of the view that the terms of the Transaction are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Kerry Properties Limited
Wong Siu Kong
Chairman

1. FINANCIAL INFORMATION OF THE GROUP FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER 2018, 2019 AND 2020 AND THE SIX MONTHS ENDED 30 JUNE 2021

Financial information of the Group for each of the three years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2021 are disclosed in the following documents which have been published on the websites of the Company at www.kerryprops.com and the Stock Exchange at www.hkexnews.hk and can be accessed at the website addresses below:

- (i) annual report of the Company for the year ended 31 December 2018 (pages 109 to 219) (<https://www.kerryprops.com/files/reports/annual/en/2018/ar2018.pdf>).
- (ii) annual report of the Company for the year ended 31 December 2019 (pages 111 to 215) (<https://www.kerryprops.com/files/reports/annual/en/2019/ar2019.pdf>).
- (iii) annual report of the Company for the year ended 31 December 2020 (pages 115 to 211) (<https://www.kerryprops.com/files/reports/annual/en/2020/ar2020.pdf>).
- (iv) interim report of the Company for the six months ended 30 June 2021 (pages 17 to 39) (https://www.kerryprops.com/files/reports/interim/en/2021/e_00683ir_20210901.pdf).

2. INDEBTEDNESS**Bank loans**

Out of the Group's total bank loans of HK\$37,549,409,000 as at 30 November 2021, HK\$9,419,430,000 (representing approximately 25%) was classified as current liabilities and HK\$28,129,979,000 (representing approximately 75%) was classified as non-current liabilities. As at 30 November 2021, the Group maintained all of its bank loans on an unsecured and guaranteed basis and no assets were pledged. As at 30 November 2021, the Group had total undrawn bank loan facilities of HK\$26,821,830,000 which may be used to fund material capital expenditure. The Group will also continue to secure financing as and when the need arises.

Derivative financial instruments

As at 30 November 2021, the Group had derivative financial assets and liabilities of HK\$211,321,000 and HK\$176,467,000 respectively with total nominal values of HK\$8,470,635,000 and HK\$5,050,175,000 respectively.

Amounts due to associates and joint ventures, non-controlling interests and lease liabilities

As at 30 November 2021, the Group had amounts due to associates and joint ventures, non-controlling interests and lease liabilities of approximately HK\$683,344,000, HK\$2,239,418,000 and HK\$52,842,000 respectively.

Contingent liabilities and guarantees

As at 30 November 2021, the Group had the following contingent liabilities:

- (a) The Group has executed guarantees for banking facilities granted to certain associates and joint ventures. The utilised amount of such facilities covered by the Group's guarantees which also represented the financial exposure of the Group as at 30 November 2021 amounted to approximately HK\$4,746,703,000. The total amount of such facilities covered by the Group's guarantees as at 30 November 2021 amounted to approximately HK\$5,085,793,000; and
- (b) The Group has executed guarantees to certain banks for mortgage facilities granted to first hand buyers of certain properties developed by the Group in the Mainland. The utilised amount of such facilities covered by the Group's guarantees which also represented the financial exposure of the Group as at 30 November 2021 amounted to approximately HK\$3,115,139,000.

Save as set out above and apart from intra-group liabilities and guarantees, the Group did not have any outstanding indebtedness in respect of mortgages, charges, debentures or loan capital, bank overdrafts, loans, debt securities or other similar indebtedness or acceptance credits (other than trade bills in the ordinary and usual course of the business) or hire purchase commitments or any guarantees or other material contingent liabilities at the close of business on 30 November 2021.

3. WORKING CAPITAL

Taking into account the Group's internal resources and available banking facilities, the Directors are of the opinion that the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this circular.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS

As at the end of June 2021, the Group recorded consolidated revenue of HK\$6.37 billion which was up 63%. Contracted sales for properties in Hong Kong and the Mainland was HK\$8.19 billion, which is 61% of the 2021 full-year sales target. Property rental revenue for the Group was HK\$2.66 billion, up 14% compared to the same period last year despite sporadic cases of Covid-19 in the Mainland. Occupancy levels trended upwards during this reporting period, with residential, retail and office at 94%, 94% and 97% respectively.

In terms of its ongoing business prospects, as at June 2021, the Group has a number of notable development properties projects for future launch. In Hong Kong, the Wong Chuk Hang MTR transit-oriented development projects, LA MARINA has 493,000 sq.f. GFA and 600 residential units, commenced pre-sale in the third quarter of 2021. In 2022, Mont Verra at No. 3 Lung Kui Road on Beacon Hill, is scheduled to launch, and will feature large-sized residential units and mansions that boast panoramic views of the Central harbourfront and Kowloon East's skyline. The second project in the Wong Chuk Hang portfolio is the larger of the two sites at approximately 638,000 sq.f. GFA, is expected to commence pre-sales in 2023. On the Mainland, upcoming development properties for sale include Wuhan with residential GFA of 2.6 million sq.f. with estimated pre-sale in 2023, Hangzhou's upcoming mixed-use project in the Wulin district with residential GFA of 1.0 million sq.f. estimated to commence pre-sale in 2023, and Shanghai's Pudong Jufeng Road project which has residential GFA of 0.5 million sq.f. estimated for pre-sale in 2023. Large-scale projects which have already commenced pre-sales by phases include Fuzhou Rivercity with residential GFA of 2.0 million sq.f. that commenced sales by phases in 2020, and Shenyang Phase 3 with total residential GFA of 3.3 million sq.f. that launched in the second half of 2021.

The Group also maintains a number of mixed-use properties under development in the Mainland's core cities and provincial capitals with total attributable GFA upon completion amounting to approximately 20.9 million sq.f.. The asset types within the mixed-use developments span across a spectrum of office, retail and hotel, and also residential for sale, with estimated target completion by phases between 2021 and 2025 onwards. This gives the Group a robust pipeline of residential properties (approximately 11.1 million sq.f. GFA) and office, retail, and hotel properties (approximately 9.8 million sq.f. GFA) which will sufficiently support the Group's healthy growth over the next five years and beyond.

The Group ensures it maintains a healthy financial position and capital structure to service its financing needs and to support its continuous and sustained growth. As at June 2021, the Group had total capital resources of HK\$37.63 billion. This includes cash and bank deposits of HK\$15.96 billion, and undrawn loan facilities from banks of HK\$21.67 billion. Based on the above, the Group considers it has ample financial resources for its ongoing business operations and future developments.

Save as otherwise disclosed in the announcements, circulars, annual reports and interim reports of the Company, the Company is not aware of any material changes to the financial and trading prospects of the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that, save as disclosed in the section headed “Financial and Trading Prospects” above and as disclosed in the Company’s interim report for the six months ended 30 June 2021, there has been no material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group have been made up.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executives of the Company

As at the Latest Practicable Date, the interests of the Directors in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (the “Associated Corporations”) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:–

(i) Long position in the Shares

Names of Directors	Number of Shares interested				Total interests	Approximate % of shareholding [#]
	Personal interests ¹	Family interests ²	Corporate interests ³	Other interests ⁴		
Wong Siu Kong	–	–	–	50,000	50,000	0.00
Kuok Khoon Hua	2,199,413	–	1,000,000	3,297,763	6,497,176	0.45
Bryan Pallop Gaw	–	4,324,763	–	1,202,048	5,526,811	0.38
Serene Siew Noi Nah	–	–	–	50,000	50,000	0.00

Notes:

1. This represents interests held by the relevant Director as beneficial owner.
2. This represents interests held and/or deemed to be held by the spouse of the relevant Director.
3. This represents interests deemed to be held by the relevant Director through his controlled corporation(s).
4. This represents interests deemed to be held by the relevant Director through discretionary trust(s) of which the relevant Director is a discretionary beneficiary.

(ii) Long position in underlying shares of the Company – physically settled unlisted equity derivatives

Names of Directors	Capacity in which the underlying shares were held	Number of underlying shares in respect of share options granted	Approximate % of shareholding [#]
Wong Siu Kong	Beneficial Owner	3,784,000	0.26
Bryan Pallop Gaw	Beneficial Owner	350,000	0.02

(iii) Long position in ordinary shares of the Associated Corporations

Associated Corporations	Names of Directors	Number of ordinary shares interested				Total interests	Approximate % of shareholding ^A
		Personal interests ¹	Family interests ²	Corporate interests ³	Other interests ⁴		
Kerry Group Limited	Wong Siu Kong	4,955,973	7,504,300	-	3,115,476	15,575,749	1.00
	Kuok Khoon Hua	2,000,000	-	-	236,789,615	238,789,615	15.39
	Bryan Pallop Gaw	2,500,000	187,894,152	-	49,515,464	239,909,616	15.47
	Serene Siew Noi Nah	-	-	-	3,115,476	3,115,476	0.20
Kerry Logistics Network Limited	Wong Siu Kong	-	-	-	717,588	717,588	0.04
	Kuok Khoon Hua	600,428	-	-	1,132,479	1,732,907	0.10
	Bryan Pallop Gaw	-	189,781	-	1,308,612	1,498,393	0.08
	Wong Yu Pok, Marina	20,796	-	-	-	20,796	0.00
Hopemore Ventures Limited	Kuok Khoon Hua	50	-	-	-	50	3.57
Kerry Mining (Mongolia) Limited	Kuok Khoon Hua	-	-	-	500	500	0.46
	Bryan Pallop Gaw	-	-	-	500	500	0.46
Majestic Tulip Limited	Kuok Khoon Hua	10	-	-	-	10	3.33
Marine Dragon Limited	Kuok Khoon Hua	1,200	-	-	-	1,200	4.00
Medallion Corporate Limited	Kuok Khoon Hua	48	-	-	-	48	4.80
	Bryan Pallop Gaw	26	26	-	-	52	5.20
Ocean Fortune Enterprises Limited	Kuok Khoon Hua	1,000	-	-	-	1,000	6.67
	Bryan Pallop Gaw	-	-	200	500	700	4.67
Oceanic Ally Global Limited	Kuok Khoon Hua	1,500	-	3,000	-	4,500	15.00
	Bryan Pallop Gaw	900	2,400	-	-	3,300	11.00
Rubyhill Global Limited	Kuok Khoon Hua	1	-	-	-	1	10.00
Shang Properties, Inc.	Bryan Pallop Gaw	-	-	-	248,482	248,482	0.01
United Beauty Limited	Kuok Khoon Hua	-	-	-	15	15	15.00
	Bryan Pallop Gaw	-	10	-	5	15	15.00
Vencedor Investments Limited	Kuok Khoon Hua	5	-	-	-	5	5.00
	Bryan Pallop Gaw	5	5	-	-	10	10.00

Notes:

1. This represents interests held by the relevant Director as beneficial owner.
2. This represents interests held and/or deemed to be held by the spouse of the relevant Director.
3. This represents interests deemed to be held by the relevant Director through his controlled corporation(s).
4. This represents interests deemed to be held by the relevant Director through discretionary trust(s) of which the relevant Director is a discretionary beneficiary.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its Associated Corporations which had been entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests of substantial Shareholders in the share capital of the Company

As at the Latest Practicable Date, the interests of those persons (other than the Directors) in the Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:–

Long position in the Shares

Name	Capacity in which Shares were held	Number of Shares interested	Approximate % of shareholding [#]
Kerry Group Limited	Interest of controlled corporations	874,090,494 ^(Note)	60.10
Kerry Holdings Limited	Interest of controlled corporations	746,230,656 ^(Note)	51.31
Caninco Investments Limited	Beneficial owner	312,248,193 ^(Note)	21.47
Darmex Holdings Limited	Beneficial owner	256,899,261 ^(Note)	17.66
Schroders Plc	Investment manager	101,727,500	6.99
Moslane Limited	Beneficial owner	73,821,498 ^(Note)	5.08

Note: Caninco Investments Limited (“**Caninco**”), Darmex Holdings Limited (“**Darmex**”) and Moslane Limited (“**Moslane**”) are wholly-owned subsidiaries of Kerry Holdings Limited (“**KHL**”). KHL itself is a wholly-owned subsidiary of Kerry Group Limited (“**KGL**”). Accordingly, the Shares in which Caninco, Darmex and Moslane were shown to be interested had also been included in the Shares in which KHL was shown to be interested, and KGL was deemed to be interested in the Shares in which KHL was shown to be interested.

Save as disclosed above, as at Latest Practicable Date, no interests or short positions in the Shares or underlying shares of the Company had been recorded in the register kept by the Company under Section 336 of the SFO.

The percentage represents the number of Shares interested divided by the total number of the issued Shares as at the Latest Practicable Date (i.e. 1,454,471,728 Shares).

^ The percentage has been compiled based on the total number of ordinary shares of the respective Associated Corporations in issue as at the Latest Practicable Date.

3. DIRECTORS' INTEREST IN THE CONTRACT AND ASSETS OF THE GROUP

- (a) As at the Latest Practicable Date, no Director was materially interested in any contract or arrangement subsisting which is significant in relation to the business of the Group taken as a whole.
- (b) Since 31 December 2020 (being the date to which the latest published audited financial statements of the Group were made up), none of the Directors has or has had any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, a service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation, other than statutory compensation.

5. COMPETING INTERESTS

As at the Latest Practicable Date, the following Directors were considered to have interests in the following Excluded Businesses:–

- (a) Mr. Wong Siu Kong, Mr. Kuok Khoon Hua and Mr. Bryan Pallop Gaw were directors of certain subsidiaries of Shangri-La Asia Limited and Mr. Wong, Mr. Kuok and Mr. Gaw had interests in shares of Shangri-La Asia Limited, the businesses of which consisted of hotel ownership and operation. The Directors believed that as the size of that part of these Excluded Businesses in the Mainland, where the Group has hotel businesses, is not insignificant when compared with the hotel business of the Group in the Mainland, it is likely that these Excluded Businesses may compete with the hotel business of the Group in the Mainland; and
- (b) Mr. Wong was a director of China World Trade Center Co., Ltd. but did not have any interests in shares of China World Trade Center Co., Ltd., the businesses of which consisted of property and hotel business in the Mainland. The Directors believe that as the size of these Excluded Businesses is not insignificant when compared with the property and hotel businesses of the Group in the Mainland, it is likely that these Excluded Businesses may compete with the property and hotel businesses of the Group in Mainland.

The Excluded Businesses are operated and managed by companies (and in the case of Shangri-La Asia Limited and China World Trade Center Co., Ltd., by listed companies) with independent management and administration. On this basis, the Directors believe that the Group is capable of carrying on its businesses independently of the Excluded Businesses and at arm's length from the Excluded Businesses.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was or is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was or is known to the Directors to be pending or threatened by or against any member of the Group.

7. GENERAL

This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.

The registered office of the Company is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business of the Company in Hong Kong is at 25/F, Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong.

The company secretary of the Company is Ms. Cheung Ka Ki. Ms. Cheung is a solicitor of the High Court of Hong Kong as well as the Supreme Court of England and Wales.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date, and are or may be material:

- (a) the Letter of Intent;
- (b) the irrevocable undertakings dated 30 March 2021 provided to Flourish Harmony Holdings Company Limited ("**Flourish Harmony**") by the Company in favour of Flourish Harmony, details of which are set out in the circular of the Company dated 5 May 2021 (the "**Circular dated 5 May 2021**");
- (c) the participation agreement dated 30 March 2021 entered into between the Company and KHL, details of which are set out in the Circular dated 5 May 2021; and
- (d) the shareholders' agreement dated 10 February 2021 entered into between Flourish Harmony, S.F. Holding Co., Ltd. (parent company of Flourish Harmony), KHL and the Company, details of which are set out in the Circular dated 5 May 2021.

9. DOCUMENTS ON DISPLAY

The Letter of Intent will be published on the websites of the Company (www.kerryprops.com) and the Stock Exchange (www.hkexnews.hk) for a period of 14 days from the date of this circular (both days inclusive).