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嘉里控股有限公司
KERRY HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)



KERRY PROPERTIES LIMITED
(Incorporated in Bermuda with limited liability)
嘉里建設有限公司

JOINT ANNOUNCEMENT

PROPOSED PRIVATISATION OF KERRY PROPERTIES LIMITED

BY

**KERRY HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT
(Under Section 99 of the Companies Act 1981 of Bermuda (as amended)), at the Cancellation Price
of HK\$8.50**

Financial Adviser to Kerry Holdings Limited



The Hongkong and Shanghai Banking Corporation Limited

SCHEME OF ARRANGEMENT

The directors of KHL and KPL jointly announce that on 11 April 2003, KHL requested the KPL Directors to put forward a proposal to the Scheme Shareholders regarding a proposed privatisation of KPL by way of a scheme of arrangement under Section 99 of the Companies Act involving the cancellation of all the Scheme Shares.

KHL proposes that all Scheme Shares will be cancelled in exchange for HK\$8.50 in cash for each Scheme Share. The Cancellation Price represents a premium of approximately 41.67% over the closing price of HK\$6.00 per Share as quoted on the Stock Exchange on 11 April 2003 (being the last date of trading prior to the suspension of trading in the Shares pending the issue of this announcement).

The Proposal would be implemented by way of the Scheme. The listing of the Shares on the Stock Exchange will be withdrawn following the effective date of the Scheme, and KPL will become wholly-owned by KHL and NSKG. The Proposal is conditional upon the fulfilment or waiver, as applicable, of the conditions as described in the section headed "Conditions of the Proposal" below. All conditions will have to be fulfilled or waived, as applicable, on or before 30 August 2003 (or such later date as KPL and KHL may agree).

As at the Announcement Date, the Scheme Shareholders were interested in 344,470,550 Shares, representing approximately 29.42% of the issued share capital of KPL. The maximum number of Scheme Shares and amount of cash required for the Proposal is up to 377,361,286 Shares (representing approximately 32.24% of the issued share capital of KPL as at the Announcement Date) and approximately HK\$3,207.57 million respectively, assuming that all outstanding options are exercised in full by all holders of options except for Mr. Kuok Khoon Loong, Edward (see below), the 2002 Final Scrip Dividend Scheme becomes unconditional, all Scheme Shareholders elect for the scrip alternative in relation to the final dividend in respect of the year ended 31 December 2002 and the value of the scrip alternative is HK\$6.00 per Share (see below).

As at the Announcement Date, there were 31,731,425 outstanding options (which can be exercised into 31,731,425 new Shares and represents approximately 2.71% of the issued share capital of KPL as at the Announcement Date) granted by KPL out of which 15,521,914 options (which can be exercised into 15,521,914 new Shares and represents approximately 1.33% of the issued share capital of KPL as at the Announcement Date) were granted to the KPL Directors other than the independent non-executive KPL Directors. Save for the options, there are no warrants, convertible securities or outstanding derivatives in respect of the Shares held by KHL or parties acting in concert with it. Any Shares issued as a result of the exercise of the options by Scheme Shareholders will be treated as Scheme Shares and be subject to the Scheme. An appropriate offer or proposal to holders of any outstanding options in KPL will be made in accordance with the Takeovers Code unless the requirement of such offer or proposal is waived by the Executive. Further details in respect of any such offer or proposal will be set out in the scheme document of KPL to be despatched to Shareholders.

KHL intends to finance the cash required for the Proposal from internal resources and banking facilities. HSBC, KHL's financial adviser, is satisfied that sufficient financial resources are available to KHL for the implementation of the Proposal.

SHAREHOLDINGS IN KPL

As at the Announcement Date, KHL owned 720,203,699 Shares, representing approximately 61.53% of the issued share capital of KPL. In addition, NSKG, SKG and the KPL Selling Directors, which/who were interested in a total of 134,010,326 Shares (representing approximately 11.45% of the issued share capital of KPL) are acting in concert with KHL. As at the Announcement Date, the Trust was interested in a total of 34,411,179 Shares (representing approximately 2.94% of the issued share capital of KPL). As at the Announcement Date, KHL and parties acting in concert with it, and the Trust, which is presumed to be acting in concert with KHL under the Takeovers Code, collectively held 888,625,204 Shares (representing approximately 75.92% of the issued share capital of KPL).

DESPATCH OF THE SCHEME DOCUMENT

A scheme document of KPL containing, inter alia, further details of the Proposal and the Scheme, recommendation from the independent board committee of KPL with respect to the Proposal and/or the Scheme and the advice of the independent financial adviser to the independent board committee of KPL referred to below in the section of this announcement headed "Financial Advisers, Independent Board Committee and General", a notice of the Court Meeting and a notice of the special general meeting of KPL, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code.

FINAL DIVIDEND

The final dividend of HK\$0.12 per Share in respect of the year ended 31 December 2002 will be paid on 30 May 2003 to Shareholders whose names appeared on the register of members of KPL on 15 April 2003, with a scrip alternative entitling Shareholders to elect to receive such final dividend wholly or partly by allotment of new Shares credited as fully paid in lieu of cash. Any Shares which are issued as a result of Scheme Shareholders electing for the scrip alternative in relation to this dividend will be treated as Scheme Shares and be subject to the Scheme. The maximum number of Shares which may be issued to Scheme Shareholders, assuming that the 2002 Final Scrip Dividend Scheme becomes unconditional, all Scheme Shareholders elect for the scrip alternative in relation to the final dividend in respect of the year ended 31 December 2002 and the value of the scrip alternative is HK\$6.00 per Share, is 6,889,411 Shares (which represents approximately 0.59% of the issued share capital of KPL as at the Announcement Date). The value of the scrip alternative (which will be calculated by reference to the average closing price per Share for the 5 trading days of the Shares immediately following the AGM and the resumption of trading in the Shares) will be announced by KPL as soon as practicable after the 5 trading days of the Shares immediately following the AGM and the resumption of trading in the Shares. Payment of the final dividend in cash and the issue of the scrip Shares by KPL under the 2002 Final Scrip Dividend Scheme will not be affected by the Proposal. Any such elections by KHL and its concert parties will be disclosed pursuant to Rule 22 of the Takeovers Code.

SUSPENSION AND RESUMPTION OF TRADING

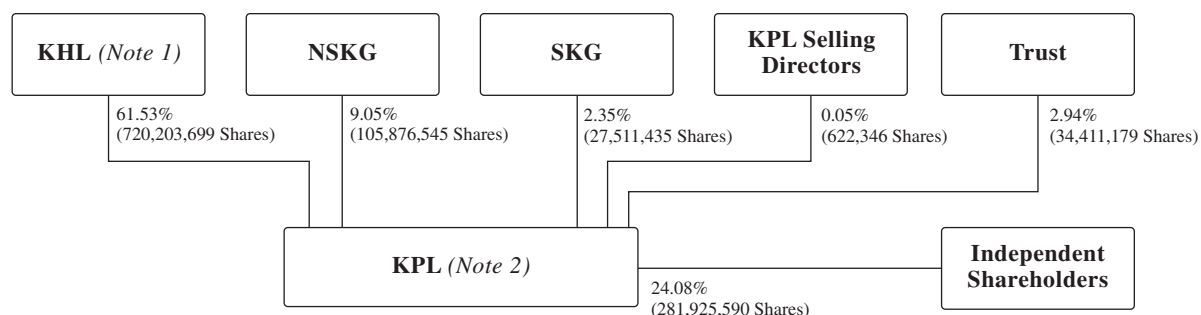
At the request of KPL, trading in the Shares on the Stock Exchange was suspended from 2:30 p.m. on 11 April 2003 pending the issue of this announcement. Application has been made by KPL to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 24 April 2003.

Shareholders of KPL and potential investors should be aware that the implementation of the Proposal is subject to the conditions as set out below being fulfilled or waived, as applicable, and thus may or may not become effective. They are advised to exercise caution when dealing in the Shares.

The KPL Directors intend that the listing of the Shares on the Stock Exchange will be withdrawn if the Scheme is implemented and be maintained in the event that the Scheme is not approved or lapses.

OVERVIEW

An overview of the shareholding structure of KPL, as at the Announcement Date, is set out below:



Total issued share capital of KPL as at the Announcement Date – 1,170,550,794 Shares

Notes:

1. KHL is a company incorporated in Hong Kong with limited liability, and is wholly-owned by Kerry Group Limited (a company incorporated in the Cook Islands and whose shareholders comprise Mr. Kuok Hock Nien and his relatives, other members of the Kuok family in Hong Kong and elsewhere, executives and employees (past and present) of the Kuok Group of companies, related trusts of some or all of the aforesaid and/or companies owned or controlled by any of them, and charitable foundations established by the Kuok family. Mr. Kuok Hock Nien, his relatives, related trusts and companies owned or controlled by any of them collectively control 30% or more of Kerry Group Limited). There are no other shareholders of Kerry Group Limited who hold 30% or more of the shares in Kerry Group Limited.
2. Listed on the Stock Exchange.
3. The above chart sets out the principal entities or group of entities involved, with intermediary entities being omitted. KHL's interests shown in KPL are held through subsidiaries and an associated company, details of which will be included in the scheme document of KPL.
4. Save for the Trust which is presumed to be acting in concert with KHL under the Takeovers Code, NSKG, SKG and the KPL Selling Directors are the only parties who are acting in concert with KHL.
5. % figures are stated to 2 decimal places.
6. KHL is also interested in Shares held by certain SKG members but, in order to show SKG's interests separately, in this announcement such interests have not been included in the interests of KHL, details of which will be included in the scheme document of KPL.

The reasons for the Proposal are set out in the section headed "Reasons for and Benefits of the Proposal".

INTRODUCTION

On 11 April 2003, KHL, the controlling shareholder of KPL being interested in approximately 61.53% of the issued share capital of KPL as at the Announcement Date, requested the KPL Directors to put forward a proposal to the Scheme Shareholders regarding a proposed privatisation of KPL by way of a scheme of arrangement under Section 99 of the Companies Act involving the cancellation of all the Scheme Shares.

TERMS OF THE PROPOSAL

The Scheme will provide that the Scheme Shares be cancelled and, in consideration thereof, each Scheme Shareholder will be entitled to receive HK\$8.50 in cash for each Scheme Share held.

As at the Announcement Date, there were 1,170,550,794 Shares in issue and the Scheme Shareholders were interested in 344,470,550 Shares, representing approximately 29.42% of the issued share capital of KPL.

As at the Announcement Date, there were 31,731,425 outstanding options (which can be exercised into 31,731,425 new Shares and represents approximately 2.71% of the issued share capital of KPL as at the Announcement Date) granted by KPL out of which 15,521,914 options (which can be exercised into 15,521,914 new Shares and represents approximately 1.33% of the issued share capital of KPL as at the Announcement Date) were granted to the KPL Directors other than the independent non-executive KPL Directors.

Save for the options as mentioned above, there are no warrants, convertible securities or outstanding derivatives in respect of the Shares held by KHL or parties acting in concert with it. Any Shares issued as a result of the exercise of the options by Scheme Shareholders will be treated as Scheme Shares and be subject to the Scheme. An appropriate offer or proposal to holders of any outstanding options in KPL will be made in accordance with the Takeovers Code unless the requirement of such offer or proposal is waived by the Executive. Further details in respect of any such offer or proposal will be set out in the scheme document of KPL to be despatched to Shareholders.

The final dividend of HK\$0.12 per Share in respect of the year ended 31 December 2002 will be paid on 30 May 2003 to Shareholders whose names appeared on the register of members of KPL on 15 April 2003, with a scrip alternative entitling Shareholders to elect to receive such final dividend wholly or partly by allotment of new Shares credited as fully paid in lieu of cash. Any Shares which are issued as a result of Scheme Shareholders electing for the scrip alternative in relation to this dividend will be treated as Scheme Shares and be subject to the Scheme. The maximum number of Shares which may be issued to Scheme Shareholders, assuming that the 2002 Final Scrip Dividend Scheme becomes unconditional, all Scheme Shareholders elect for the scrip alternative in relation to the final dividend in respect of the year ended 31 December 2002 and the value of the scrip alternative is HK\$6.00 per Share, is 6,889,411 Shares (representing approximately 0.59% of the issued share capital of KPL as at the Announcement Date). The value of the scrip alternative (which will be calculated by reference to the average closing price per Share for the 5 trading days of the Shares immediately following the AGM and the resumption of trading in the Shares) will be announced by KPL as soon as practicable after the 5 trading days of the Shares immediately following the AGM and the resumption of trading in the Shares. A circular containing details of the 2002 Final Scrip Dividend Scheme together with the relevant election form, where applicable will be sent to each Shareholder on or about 30 April 2003. Payment of the final dividend in cash and the issue of the scrip Shares by KPL under the 2002 Final Scrip Dividend Scheme will not be affected by the Proposal. Any such elections by KHL and its concert parties will be disclosed pursuant to Rule 22 of the Takeovers Code.

The maximum number of Scheme Shares (assuming that all outstanding options are exercised in full by all holders of options except for Mr. Kuok Khoon Loong, Edward, who is part of NSKG and holds 5,730,100 options (which can be exercised into 5,730,100 new Shares and represents approximately 0.49% of the issued share capital of KPL as at the Announcement Date), the

2002 Final Scrip Dividend Scheme becomes unconditional, all Scheme Shareholders elect for the scrip alternative in relation to the final dividend in respect of the year ended 31 December 2002 and the value of the scrip alternative is HK\$6.00 per Share) will be 377,361,286 Shares (representing approximately 32.24% of the issued share capital of KPL as at the Announcement Date).

The cash consideration of HK\$8.50 per Scheme Share represents:

- a premium of approximately 41.67% over the closing price of HK\$6.00 per Share as quoted on the Stock Exchange on 11 April 2003 (being the last traded price prior to the suspension of trading in the Shares pending the issue of this announcement);
- a premium of approximately 38.66% over the average closing price of approximately HK\$6.13 per Share based on the daily closing prices as quoted on the Stock Exchange over the 5 trading days up to and including 11 April 2003;
- a premium of approximately 33.65% over the average closing price of approximately HK\$6.36 per Share based on the daily closing prices as quoted on the Stock Exchange over the 1 month period up to and including 11 April 2003;
- a premium of approximately 31.38% over the average closing price of approximately HK\$6.47 per Share based on the daily closing prices as quoted on the Stock Exchange over the 3 month period up to and including 11 April 2003;
- a premium of approximately 24.09% over the average closing price of approximately HK\$6.85 per Share based on the daily closing prices as quoted on the Stock Exchange over the 12 month period up to and including 11 April 2003; and
- a discount of approximately 52.62% to the NAV per Share of approximately HK\$17.94 as at 31 December 2002.

On the basis of the consideration of HK\$8.50 per Scheme Share, which was arrived at after taking into account the above, the Proposal values the entire issued share capital of KPL as at the Announcement Date at approximately HK\$9,949.68 million. The maximum number of Scheme Shares and amount of cash required for the Proposal is up to 377,361,286 Scheme Shares (representing approximately 32.24% of the issued share capital of KPL as at the Announcement Date) and approximately HK\$3,207.57 million respectively, assuming that all outstanding options are exercised in full by all holders of options except for Mr. Kuok Khoon Loong, Edward, who is part of NSKG and holds 5,730,100 options (which can be exercised into 5,730,100 new Shares and represents approximately 0.49% of the issued share capital of KPL as at the Announcement Date), the 2002 Final Scrip Dividend Scheme becomes unconditional, all Scheme Shareholders elect for the scrip alternative in relation to the final dividend in respect of the year ended 31 December 2002 and the value of the scrip alternative is HK\$6.00 per Share. KHL intends to finance the cash required for the Proposal from internal resources and banking facilities. HSBC, KHL's financial adviser, is satisfied that sufficient financial resources are available to KHL for the implementation of the Proposal.

INFORMATION ON KPL

KPL is an exempted company incorporated in Bermuda with limited liability and the Shares have been listed on the Stock Exchange since 5 August 1996. KPL is an investment holding company. The KPL Group and KPL's associated companies are principally engaged in (1) property development and investment in Hong Kong, the PRC, Australia and the Philippines; (2) logistics, freight and warehouse ownership and operation; (3) infrastructure-related investment in Hong Kong and the PRC; and (4) hotel ownership in the PRC.

A summary of the audited consolidated results of the KPL Group for each of the three years ended 31 December 2002 are set out below:

	(audited)		
	For the years ended 31 December		
	2000	2001	2002
	HK\$'000	HK\$'000	HK\$'000
Turnover	3,195,757	5,036,408	5,156,162
Operating profit	790,939	527,285	678,896
Profit before taxation	931,856	526,238	821,234
Profit after tax but before minority interest	810,324	423,875	670,636
Profit attributable to Shareholders	728,201	395,750	660,310
Earnings per Share (HK cents)	64.90	34.50	56.71
Net asset value per Share (HK\$)	20.98*	18.95	17.94

* restated based on revised Statement of Standard Accounting Practice No. 9 "Events after the balance sheet date" issued by the Hong Kong Society of Accountants which became effective in 2001

INFORMATION ON KHL

KHL is a company incorporated in Hong Kong with limited liability, and is wholly-owned by Kerry Group Limited. Kerry Group Limited is a company incorporated in the Cook Islands and whose shareholders comprise Mr. Kuok Hock Nien and his relatives, other members of the Kuok family in Hong Kong and elsewhere, executives and employees (past and present) of the Kuok Group of companies, related trusts of some or all of the aforesaid and/or companies owned or controlled by any of them, and charitable foundations established by the Kuok family. Mr. Kuok Hock Nien, his relatives, related trusts and companies owned or controlled by any of them collectively control 30% or more of Kerry Group Limited. There are no other shareholders of Kerry Group Limited who hold 30% or more of the shares in Kerry Group Limited.

Mr. Kuok Khoon Loong, Edward, Mr. Ang Keng Lam, Mr. Wong Siu Kong and Mr. Thaddeus Thomas Beczak are directors of both KHL and KPL.

SHAREHOLDING STRUCTURE AS AT THE ANNOUNCEMENT DATE AND AFTER THE SCHEME

The table below sets out the shareholding structure of KPL as at the Announcement Date and immediately upon completion of the Proposal:

	As at the Announcement Date		Upon completion of the Proposal (Note 4)	
	Number of Shares	%	Number of Shares	%
KHL	720,203,699	61.53	1,064,674,249	90.95
NSKG	105,876,545	9.05	105,876,545	9.05
SKG (Note 2)	27,511,435	2.35	–	0.00
KPL Selling Directors (Note 2)	622,346	0.05	–	0.00
Trust (Note 2)	34,411,179	2.94	–	0.00
Sub-total (Note 3)	888,625,204	75.92	1,170,550,794	100.00
Independent Shareholders	281,925,590	24.08	–	0.00
	<u>1,170,550,794</u>	<u>100.00</u>	<u>1,170,550,794</u>	<u>100.00</u>

Note 1: % figures are stated to 2 decimal places.

Note 2: All of the Shares held by SKG, the KPL Selling Directors and the Trust will form part of the Scheme Shares.

Note 3: The figure represents the aggregate shareholding of KHL and parties acting in concert with KHL, and the Trust which is presumed to be acting in concert with KHL under the Takeovers Code.

Note 4: For the avoidance of doubt, KHL's and NSKG's number of Shares and shareholding percentages will change depending upon the number of outstanding options that are exercised and the number of Shareholders who elect for the scrip alternative in relation to the final dividend in respect of the year ended 31 December 2002.

Note 5: Under the Scheme, the issued share capital of KPL will be reduced by cancelling and extinguishing the Scheme Shares. Forthwith upon such reduction, the issued share capital of KPL will be increased to its former amount by the creation of the same number of new Shares (the "New Shares") as the cancelled Scheme Shares through applying the credit arising in KPL's books of account as a result of such capital reduction in paying up in full at par the New Shares, which will be allotted and issued, credited as fully paid, to KHL or its subsidiaries or as it may direct.

Note 6: The above table sets out the principal entities or group of entities involved, with intermediary entities being omitted. KHL's interests in KPL are held through subsidiaries and an associated company, details of which will be included in the scheme document of KPL.

Note 7: KHL is also interested in Shares held by certain SKG members but, in order to show SKG's interests separately, in this announcement such interests have not been included in the interests of KHL, details of which will be included in the scheme document of KPL.

Following the effective date of the Scheme and the withdrawal of listing of the Shares on the Stock Exchange, KPL will become wholly-owned by KHL and NSKG.

REASONS FOR AND BENEFITS OF THE PROPOSAL

As with the performance of many Hong Kong listed property companies with properties primarily in Hong Kong and the PRC, the Shares have traded at a progressively worse average annual closing price over the last three years ended 11 April 2003 and the trading volume of the Shares has been thin. Over the 6-month and 12-month periods up to and including 11 April 2003, the Shares traded within the closing price range of HK\$5.35 to HK\$6.90 and HK\$5.15 to HK\$9.30 per Share with an average closing price of the Shares of approximately HK\$6.15 per Share and HK\$6.85 per Share respectively. The average daily trading volume of the Shares for the 6-month and 12-month periods up to and including 11 April 2003 was 953,969 and 806,837 Shares respectively. Such daily trading volume represents approximately 0.08% and 0.07% of the issued share capital of KPL as at the Announcement Date respectively. Given the low liquidity of the Shares traded on the Stock Exchange and the currently depressed equity markets, the KHL Directors are of the opinion that KPL's ability to raise funds from the equity markets may be limited and any significant improvement in this in the foreseeable future is uncertain. Therefore, they believe that it may not be in the best interest of the Shareholders to maintain the listing status of KPL and the KPL Directors have been requested to put forward the Proposal to the Shareholders for consideration.

The Cancellation Price represents a premium of approximately 41.67% over the last traded Share price on 11 April 2003 and approximately 38.66% and 31.38% over the 5 trading day and 3-month period average closing price per Share up to and including 11 April 2003 respectively.

The KHL Directors and KPL Directors believe that the Proposal provides an opportunity for all Scheme Shareholders to realise their investments in KPL at a premium to the last traded price of the Shares on 11 April 2003, being the last day of trading prior to the suspension of trading in the Shares pending the release of this announcement. In the circumstances, the KPL Directors are putting forward the Proposal to the Scheme Shareholders for consideration.

If the Scheme becomes effective, KPL will become wholly-owned by KHL and NSKG. KPL will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the effective date of the Scheme. A detailed timetable of the Proposal will be included in a scheme document of KPL to be despatched to Shareholders. Whilst KHL has no intention to make significant changes to the existing business of the KPL Group upon the successful privatisation of KPL, it does not rule out the possibility of any changes in the future if and when it thinks changes may be needed in order to benefit the company.

CONDITIONS OF THE PROPOSAL

The Proposal will become effective and binding on KPL and all Shareholders subject to the fulfilment or waiver (as applicable) of the following conditions:

- (a) the approval of the Scheme by a majority in number of the Independent Shareholders present and voting either in person or by proxy at the Court Meeting representing not less than three-fourths in value of the Shares that are voted either in person or by proxy by the Independent Shareholders (by way of poll) at the Court Meeting, provided that the Scheme is not disapproved by the Independent Shareholders at the Court Meeting holding more than 10% in value of all the Shares held by the Independent Shareholders (by way of poll);
- (b) the passing of a special resolution (by way of poll) to approve and give effect to the Scheme (including the cancellation of the Scheme Shares and the reduction of the issued share capital of KPL) by a majority of at least three-fourths of votes cast by the Shareholders present and voting, in person or by proxy, at a special general meeting of KPL;
- (c) the sanction of the Scheme (with or without modifications) by the Supreme Court of Bermuda and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Supreme Court of Bermuda for registration;
- (d) the necessary compliance with the requirements of Section 46 of the Companies Act in relation to the reduction of the issued share capital of KPL;
- (e) the Authorisations having been obtained or made from, with or by (as the case may be) the Relevant Authorities, in Hong Kong, Bermuda and/or any other relevant jurisdictions;
- (f) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (g) there not having occurred since the Announcement Date:
 - (i) any change in any relevant political, economic or fiscal conditions or exchange controls;
 - (ii) any act of God, escalation or outbreak of war, riot, civil commotion, fire, flood, explosion or terrorism; or
 - (iii) the imposition of economic sanctions,which individually has, or in aggregate have, a material adverse effect on the current or future financial position of the KPL Group taken as a whole; and
- (h) all bank and other necessary consents which may be required under any existing contractual obligations of the KPL Group being obtained.

KHL reserves the right to waive any or all of conditions (e) to (h), either in whole or in respect of any particular matter. Conditions (a) to (d) cannot be waived in any event. All of the above conditions will have to be fulfilled or waived, as applicable, on or before 30 August 2003 (or such later date as KPL and KHL may agree). Otherwise, the Scheme will lapse.

Warning:

Shareholders of KPL and potential investors should be aware that the implementation of the Proposal is subject to the conditions as set out above being fulfilled or waived, as applicable, and thus may or may not become effective. They are advised to exercise caution when dealing in the Shares.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled. Share certificates for the Shares held by the Scheme Shareholders will thereafter cease to have effect as documents or evidence of title. KPL will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the effective date of the Scheme. The Scheme Shareholders will be notified by way of an announcement of the exact dates on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. The Scheme will lapse if it does not become effective on or before 30 August 2003 or such later date as KPL and KHL may agree and the Scheme Shareholders will be notified by way of an announcement accordingly. A detailed timetable of the Proposal will be included in a scheme document of KPL to be despatched to Shareholders, which will also contain, inter alia, further details of the Proposal and the Scheme.

The listing of Shares on the Stock Exchange will not be withdrawn if the Scheme is not approved or lapses.

OVERSEAS SHAREHOLDERS

The making of the Proposal to persons not resident in Hong Kong may be subject to the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves appropriately and observe any applicable legal or regulatory requirements. It is the responsibility of any Overseas Shareholders wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. KPL will be making necessary enquiries to determine whether or not it would be unduly burdensome to send the scheme document to any of the Overseas Shareholders. If appropriate, KHL will apply for a waiver from the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code, from the requirement to send the scheme document of KPL to such Overseas Shareholders. The Executive may or may not grant such a waiver.

MEETINGS AND SCHEME SHARES

As at the Announcement Date, KHL owned 720,203,699 Shares, representing approximately 61.53% of the issued share capital of KPL. Such Shares will not be voted at the Court Meeting. In view of the interests of KHL in the Proposal, parties who are acting in concert with KHL, being NSKG, SKG and the KPL Selling Directors, which/who collectively, held, as at the Announcement Date 134,010,326 Shares (representing approximately 11.45% of the issued share capital of KPL), will not vote at the Court Meeting. In addition, on the basis that the Trust is presumed to be acting in concert with KHL, its votes will not be taken into account at the Court Meeting for the purposes of approving the Scheme as required under Rule 2.10 of the Takeovers Code. However, the 62,544,960 Shares (representing approximately 5.34% of the issued share capital of KPL) held by SKG, the KPL Selling Directors and the Trust, will still form part of the Scheme Shares. The 105,876,545 Shares held by NSKG (representing approximately 9.05% of the issued share capital of KPL) will not form part of the Scheme Shares. The maximum number of Scheme Shares (assuming that all outstanding options are exercised in full by all holders of options except for Mr. Kuok Khoon Loong, Edward, who is part of NSKG and holds 5,730,100 options (which can be exercised into 5,730,100 new Shares and represents approximately 0.49% of the issued share capital of KPL as at the Announcement Date), the 2002 Final Scrip Dividend Scheme becomes unconditional, all Scheme Shareholders elect for the scrip alternative in relation to the final dividend in respect of the year ended 31 December 2002 and the value of the scrip alternative is HK\$6.00 per Share) will be 377,361,286 Shares (representing approximately 32.24% of the issued share capital of KPL as at the Announcement Date).

KHL, NSKG, SKG and the KPL Selling Directors have indicated that if the Scheme is approved at the Court Meeting, their respective Shares will be voted in favour of the special resolution to be proposed at the special general meeting of KPL to approve and give effect to the Scheme (including the cancellation of the Scheme Shares and the reduction of the issued share capital of KPL). The trustee of the Trust has given no indication as to its voting intentions as at the Announcement Date.

SUSPENSION AND RESUMPTION OF TRADING

At the request of KPL, trading in the Shares on the Stock Exchange was suspended from 2:30 p.m., on 11 April 2003 pending the issue of this announcement. Application has been made by KPL to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 24 April 2003.

FINANCIAL ADVISERS, INDEPENDENT BOARD COMMITTEE AND GENERAL

KHL has appointed HSBC as its financial adviser in connection with the Proposal.

An independent board committee of KPL has been formed to advise the Independent Shareholders in connection with the Proposal. An independent financial adviser will be appointed to advise the independent board committee of KPL in connection with the Proposal and/or the Scheme and the independence of each member of the independent board committee will be confirmed with the Executive at such time. Announcements will be made in respect of such appointment and the membership of the independent board committee as soon as possible after the appointment is made.

A scheme document of KPL containing, inter alia, further details of the Proposal and the Scheme, the expected timetable, explanatory statement as required under the Companies Act, information regarding the KPL Group and KHL, valuation reports, recommendation from the independent board committee of KPL with respect to the Proposal and/or the Scheme, a letter of advice from the independent financial adviser to such independent board committee, a notice of the Court Meeting and a notice of the special general meeting of KPL, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code.

Save for dealings between wholly-owned subsidiaries of KHL (details of which will be included in the scheme document of KPL to be despatched to Shareholders), set out below are the dealings in Shares by KHL and parties who are acting in concert with KHL, during the 6 months prior to the Announcement Date (subject to confirmation):

Acquisitions

Name	Date	Price per Share (HK\$)	No. of Shares
Jerneh Insurance (HK) Limited (<i>Note</i>)	12 December 2002	5.800	25,000
	19 December 2002	5.505	30,000
Total			55,000

Note: A subsidiary of Jerneh Asia Berhad, a member of SKG

Name	Date	Price per Share (HK\$)	No. of Shares
Ho Poh Lin (<i>Note</i>)	31 October 2002	5.525	40,000
	7 and 8 November 2002	5.575	20,000
	12 November 2002	5.500	10,000
	20 December 2002	5.517	90,000
Total			160,000

Note: A member of NSKG

Name	Date	Price per Share (HK\$)	No. of Shares
Kerry Asset Management Limited (<i>Note</i>)	23 October 2002	5.400	50,000
	8 November 2002	5.550	20,000
	12 November 2002	5.540	50,000
	13 December 2002	5.800	20,000
	17, 18 and 19 December 2002	5.613	160,000
	20 December 2002	5.516	320,000
Total			620,000

Note: An associated company of KHL

Disposals

Name	Date	Price per Share (HK\$)	No. of Shares
Jerneh Insurance (HK) Limited (<i>Note</i>)	16 January 2003	6.150	47,500
	20 January 2003	6.000	5,000
	21 January 2003	6.0283	53,000
Total			105,500

Note: A subsidiary of Jerneh Asia Berhad, a member of SKG

Save for the Proposal itself, there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between KHL or any person acting in concert with it and any other person in relation to shares of KHL or Shares which might be material to the Proposal.

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“AGM”	the Annual General Meeting of KPL, which was held on 15 April 2003
“Announcement Date”	23 April 2003, being the date of this announcement
“Authorisations”	all necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“Cancellation Price”	the cancellation price of HK\$8.50 per Share payable in cash by KHL to the Scheme Shareholders

“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Court Meeting”	a meeting of the Independent Shareholders or any adjourned meeting thereof to be convened at the direction of the Supreme Court of Bermuda at which the Scheme will be voted upon
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong and any delegate of the Executive Director
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, which is deemed to have been registered with the Securities and Futures Commission for Types 1, 4, 6 and 9 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) by virtue of it being an exempt dealer under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong) (repealed) and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), being financial adviser to KHL in connection with the Proposal
“Independent Shareholders”	shareholders of KPL other than KHL, parties acting in concert with KHL and the Trust (which is presumed to be acting in concert with KHL under the Takeovers Code)
“KHL Director(s)”	director(s) of KHL
“KHL”	Kerry Holdings Limited, a company incorporated in Hong Kong with limited liability, which, where the context so requires, includes certain subsidiaries and an associated company of Kerry Holdings Limited (all of which are parties acting in concert with Kerry Holdings Limited) which in aggregate own, and through which Kerry Holdings Limited is interested in, 720,203,699 Shares (representing approximately 61.53% of the issued share capital of KPL as at the Announcement Date) and, for the avoidance of doubt, excludes NSKG and SKG.
“KPL Director(s)”	director(s) of KPL
“KPL Selling Directors”	consists of those KPL Directors who are Shareholders except for Mr. Kuok Khoon Loong, Edward, who is included in NSKG and is interested in 857,704 Shares (representing approximately 0.07% of the issued share capital of KPL as at the Announcement Date), who collectively hold 622,346 Shares (representing 0.05% of the issued share capital of KPL as at the Announcement Date)
“KPL Group”	KPL and its subsidiaries
“KPL”	Kerry Properties Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are currently listed on the Stock Exchange as at the Announcement Date
“Kuok Group”	companies owned or controlled by Mr. Kuok Hock Nien and/or interests associated with him
“NAV”	the audited consolidated net asset value of the KPL Group as at 31 December 2002 as set out in the published audited consolidated accounts of KPL for the year ended 31 December 2002
“NSKG”	non-selling Kuok Group members (other than those entities through which KHL is interested in Shares) comprising of various unlisted companies, trusts and charitable foundations all being members of the Kuok Group and Mr. Kuok Khoon Loong, Edward who is both a KPL Director and a KHL Director, who together are interested in 105,876,545 Shares (representing approximately 9.05% of the issued share capital of KPL as at the Announcement Date)
“Overseas Shareholders”	the Scheme Shareholders who are not resident in Hong Kong
“PRC”	the People’s Republic of China, other than the regions of Hong Kong, Macau and Taiwan
“Proposal”	the proposal for the privatisation of KPL by KHL by way of the Scheme
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Scheme Share(s)”	Share(s) held by the Scheme Shareholders
“Scheme Shareholder(s)”	Shareholder(s) at the relevant time other than KHL and NSKG, who as at the Announcement Date collectively hold 344,470,550 Shares (representing approximately 29.42% of the issued share capital of KPL as at the Announcement Date)
“Scheme”	a scheme of arrangement under Section 99 of the Companies Act involving the cancellation of all the Scheme Shares

“Shareholder(s)”	holder(s) of Shares
“Share(s)”	share(s) of HK\$1.00 each in the capital of KPL
“SKG”	selling Kuok Group members comprising of the following listed entities: <ul style="list-style-type: none"> (i) FFM Berhad and Jerneh Asia Berhad, which are both listed on the Kuala Lumpur Stock Exchange; and (ii) Shangri-La Asia Limited and SCMP Group Limited, which are both listed on the Stock Exchange, all of which are members of the Kuok Group and who together hold directly or indirectly 27,511,435 Shares (representing approximately 2.35% of the issued share capital of KPL as at the Announcement Date)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Trust”	a trust which holds, as at the Announcement Date, 34,411,179 Shares (representing approximately 2.94% of the issued share capital of KPL). The beneficiaries of the trust are parties acting in concert with KHL
“2002 Final Scrip Dividend Scheme”	the scheme proposed by the KPL Directors on 3 March 2003 in relation to the final dividend of HK\$0.12 per Share in respect of the year ended 31 December 2002 payable on 30 May 2003 to the Shareholders whose names appeared on the register of members of KPL on 15 April 2003 to offer the Shareholders a scrip alternative to elect to receive such dividend wholly or partly by allotment of new Shares credited as fully paid in lieu of cash
“%”	per cent.

On behalf of the board of
Kerry Holdings Limited
Olivia Fan
Company Secretary

On behalf of the board of
Kerry Properties Limited
Chow Yin Ping, Anita
Company Secretary

Hong Kong, 23 April 2003

The KHL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the KPL Group and the KPL Directors) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The KPL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Kuok Group but including information relating to the KPL Group and the KPL Directors) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

“Please also refer to the published version of this announcement in the South China Morning Post”