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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
DISPOSAL OF INTERESTS IN A SUBSIDIARY
AND ASSIGNMENT OF SHAREHOLDER'S LOAN**

On 24 September 2026, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Sale Share, representing the entire issued share capital of the Target Company, and the Sale Loan at the Consideration.

Upon Completion, the Group will cease to have any interest in the Target Group, and the Target Group's financial results, assets and liabilities will cease to be consolidated into the consolidated financial statements of the Group.

The Purchaser is a controlling shareholder of the Company and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Transaction constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction exceed 0.1% but all are less than 5%, the Transaction is subject to the announcement and reporting requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

** For identification purpose only*

INTRODUCTION

On 24 September 2026, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Sale Share, representing the entire issued share capital of the Target Company, and the Sale Loan at the Consideration.

The Target Company is incorporated in the British Virgin Islands with limited liability and is the sole shareholder of the Property Company, which holds the Property.

Upon Completion, the Group will cease to have any interest in the Target Group, and the Target Group's financial results, assets and liabilities will cease to be consolidated into the consolidated financial statements of the Group.

THE AGREEMENT

Date: 24 September 2026

Parties: Mid-Levels Portfolio Holdings Limited, an indirect wholly-owned subsidiary of the Company, as the Vendor; and

Kerry Holdings Limited, a controlling shareholder of the Company, as the Purchaser.

Subject Matters

Pursuant to the Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase:

- (i) the Sale Share, representing the entire issued share capital of the Target Company, free from all Encumbrances and together with all rights attaching to the Sale Share as at Completion; and
- (ii) the Sale Loan by way of assignment, free from all Encumbrances and together with all rights and benefits attaching to the Sale Loan as at Completion.

The sale and purchase of the Sale Share and the assignment of the Sale Loan are required to be completed simultaneously.

The Target Company is incorporated in the British Virgin Islands with limited liability and directly holds the entire issued share capital of the Property Company, a company incorporated in Hong Kong with limited liability which is the legal and beneficial owner of the Property.

Consideration and Payment Terms

The Consideration is HK\$56.1 million, subject to post-Completion adjustment by reference to the Net Asset Value in accordance with the Agreement.

The Purchaser shall pay the Consideration to the Vendor in one lump sum on the Completion Date.

The Consideration was determined after arm's length negotiations between the Parties taking into account, among other things, (i) the rental income and licence fees generated by the Property; (ii) the book value of the Target Company, details of which are set out under "Information of the Target Group" below; and (iii) the valuation of the Property as at 30 June 2026 as assessed by the Independent Property Valuer, details of which are set out under "Information of the Property" below.

Completion

Completion shall take place on the tenth Business Day after the date of the Agreement, or on such other date as may be agreed in writing between the Vendor and the Purchaser. Upon Completion, the Target Group will cease to be subsidiaries of the Company, and the Group will cease to have any interest in the Target Group. Accordingly, the financial results, assets and liabilities of the Target Group will no longer be consolidated into the consolidated financial statements of the Group.

INFORMATION OF THE PROPERTY

The Property comprises a single-storey penthouse with a saleable area of approximately 1,405 sq. ft., together with a terrace of approximately 820 sq. ft. situated above a ground floor entrance hall, and 14 lock-up garages, all located at No. 3 May Road, Mid-Levels, Hong Kong.

The Property is currently held by the Property Company for investment purposes. The penthouse is subject to the Existing Tenancy, and certain garages are subject to the Existing Licences.

Under the Agreement, the Property will remain subject to the Existing Tenancy and the Existing Licences as at Completion. However, the Property Company has entered into a surrender agreement with the tenant of the penthouse pursuant to which the tenant has agreed to surrender the penthouse on or before 31 March 2027.

The Property is the principal asset of the Property Company. As at 30 June 2026, the Property had a valuation of approximately HK\$49.1 million as assessed by the Independent Property Valuer. The valuation represents its market value which, in accordance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors, is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". The valuation complies with the requirements outlined in the HKIS Valuation Standards, the RICS Global Valuation Standards and the International Valuation Standards. The Independent Property Valuer adopted a market approach by making reference to comparable sales evidence available in the relevant market and, where appropriate, the income approach by capitalising rental income derived from the existing tenancy arrangements.

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 Chinese Mainland and the Asia Pacific region; and hotel ownership in Hong Kong, and hotel ownership and operations in the Chinese Mainland.

The Vendor is an indirect wholly-owned subsidiary of the Company and incorporated in the British Virgin Islands with limited liability. The principal activity of the Vendor is investment holding.

The Purchaser is KHL, a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company. The principal activity of the Purchaser is investment holding.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Vendor and an indirect wholly-owned subsidiary of the Company as at the date of this announcement. The principal activity of the Target Company is investment holding.

The Property Company is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Target Company. The principal activity of the Property Company is property investment. The Property Company is the legal and beneficial owner of the Property.

The Target Company's principal asset is its entire interest in the Property Company. The principal asset of the Property Company is the Property.

The financial information of the Target Group for the financial years ended 31 December 2024 and 2025 is set out below:-

	Financial year ended 31 December	
	2024	2025
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Profit/(loss) before tax	(4.2)	0.9
Profit/(loss) after tax	(4.3)	0.7

As at 31 August 2026, the unaudited consolidated net asset value of the Target Group was approximately HK\$42.6 million.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE AGREEMENT

The Group regularly reviews its property portfolio with a view to optimising capital allocation and enhancing Shareholders' value. The Property constitutes a non-core investment property within the Group's portfolio.

Following a review of the Group's non-core assets, the Directors consider that the Transaction represents an opportunity to realise the value of the Property at an attractive sale price and unlock capital for redeployment towards the Group's core property development and investment businesses.

Upon Completion, the Group is expected to record a gain of approximately HK\$5 million. The expected gain is calculated with reference to the Consideration, after deducting the carrying value of the Target Group attributable to the Group and taking into account the estimated transaction costs and professional fees associated with the Transaction. The actual amount of such gain is subject to auditor's review and will depend on the final determination of the Net Asset Value adjustment, transaction costs and expenses, and therefore may vary from the amount mentioned above. The net proceeds from the Transaction are intended to be used for general working capital and general corporate purposes of the Group.

In light of the above, the Directors (including the independent non-executive Directors) take the view that the Transaction is on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Purchaser is a controlling shareholder of the Company and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Transaction constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction exceed 0.1% but all are less than 5%, the Transaction is subject to the announcement and reporting requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Kuok Khoon Hua, the Chairman, Chief Executive Officer and Executive Director 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 KHL. Ms. Tong Shao Ming, a non-executive Director of the Company, is the chief financial officer of KHL. Accordingly, both Mr. Kuok and Ms. Tong have abstained from voting on the relevant resolutions of the Board approving the Transaction.

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 24 September 2026 entered into between the Parties in relation to the sale and purchase of the Sale Share and the assignment of the Sale Loan;
“Board”	the board of Directors;
“Business Day”	a day, other than a Saturday, Sunday, public holiday or any day on which typhoon signal No. 8 or above or a black rainstorm warning is in force in Hong Kong at any time from 9:00 a.m. to 5:30 p.m., on which licensed banks are generally open for business in Hong Kong;
“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;
“Completion”	completion of the sale and purchase of the Sale Share and the assignment of the Sale Loan in accordance with the Agreement;
“Completion Date”	the date on which Completion takes place;
“connected person”, “connected transaction”, “controlling shareholder”, “percentage ratios” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“Consideration”	the consideration payable by the Purchaser for the Sale Share and the Sale Loan, being HK\$56.1 million subject to post-Completion adjustment by reference to the Net Asset Value in accordance with the Agreement;
“Director(s)”	the director(s) of the Company;
“Encumbrance”	a mortgage, charge, pledge, lien, option, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other preferential arrangement having similar effect, and any agreement or obligation to create or grant any of the foregoing;

“Existing Licences”	all the licence agreements entered into by the Property Company in respect of certain garages forming part of the Property;
“Existing Tenancy”	the tenancy agreement dated 16 April 2026 entered into by the Property Company in respect of the penthouse on 1/F forming part of the Property, and in respect of which a surrender agreement was entered into pursuant to which the tenant has agreed to surrender the penthouse on or before 31 March 2027;
“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 People’s Republic of China;
“Independent Property Valuer”	Cushman & Wakefield Limited, an independent property valuer engaged by the Company;
“KHL”	Kerry Holdings Limited, a company incorporated in Hong Kong with limited liability, which as at the date of this announcement is a controlling shareholder of the Company and the Purchaser under the Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Net Asset Value”	the aggregate value of the assets of the Target Group which are readily convertible into cash or cash equivalents (excluding the Property, any intra-group balances, fixed assets, and intangible assets), less the aggregate liabilities of the Target Group;
“Parties”	the Vendor and the Purchaser;
“Property”	a single-storey penthouse on 1/F and 14 lock-up garages at No. 3 May Road, Mid-Levels, Hong Kong, being the principal asset owned by the Property Company;
“Property Company”	Mid-Levels Portfolio (Gladdon) Limited, a company incorporated in Hong Kong with limited liability, being a direct wholly-owned subsidiary of the Target Company and the legal and beneficial owner of the Property;
“Purchaser”	KHL;

“Sale Loan”	the loan owing by the Target Company to the Vendor as at and immediately before Completion, which amounted to approximately HK\$6.07 million as at the date of the Agreement;
“Sale Share”	one ordinary share in the capital of the Target Company, representing its entire issued share capital;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Mid-Levels Portfolio (Gladdon) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, being the legal and beneficial owner of the entire issued share capital of the Property Company;
“Target Group”	the Target Company and the Property Company;
“Transaction”	the transaction contemplated under the Agreement, being the sale and purchase of the Sale Share and the assignment of the Sale Loan;
“Vendor”	Mid-Levels Portfolio Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, holding the entire issued share capital of the Target Company; and
“%”	per cent.

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

Hong Kong, 24 September 2026

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*