



KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

嘉里建設有限公司

FINAL DIVIDEND OF HK\$0.12 PER SHARE FOR THE YEAR ENDED 31 DECEMBER 2002 – MARKET VALUE OF FINAL SCRIP DIVIDEND SHARES

Reference is made to the circular of the Company dated 30 April 2003 in respect of the 2002 Final Scrip Dividend Scheme. This announcement is to advise the shareholders of the Company who are entitled to receive the 2002 Final Dividend the following information regarding the 2002 Final Scrip Dividend Scheme:

- how the final scrip dividend entitlements are derived;
- further details with respect to the election for Final Scrip Dividend Shares; and
- the dispatch of dividend warrants and/or share certificates.

The 2002 Final Scrip Dividend Scheme will be implemented according to the following expected timetable:

- Record Date Tuesday, 15 April 2003
- Five trading days fixed for calculating the average closing price Thursday, 24 April 2003 to Wednesday, 30 April 2003
- Deadline for returning forms of election 4:00 p.m. on Tuesday, 20 May 2003
- Date of dispatch of dividend warrants and/or share certificates to shareholders On or about Friday, 30 May 2003

The market value of a new Share to be allotted pursuant to the 2002 Final Scrip Dividend Scheme has been set at HK\$8.37.

INTRODUCTION

The Company informed the shareholders of the Company in a circular dated 30 April 2003 that on Monday, 3 March 2003 the Directors recommended the 2002 Final Dividend and that each eligible shareholder of the Company may elect to receive such dividend wholly or partly by allotment of Final Scrip Dividend Shares. At the annual general meeting of the Company held on Tuesday, 15 April 2003, the 2002 Final Dividend was approved. The circular sets out the procedures which apply in relation to the 2002 Final Scrip Dividend Scheme and the action which should be taken by the shareholders of the Company relating thereto. Shareholders of the Company whose address is recorded in the register of members of the Company as being located outside Hong Kong will not be permitted to participate in the 2002 Final Scrip Dividend Scheme.

MARKET VALUE OF THE FINAL SCRIP DIVIDEND SHARES

The market value of Final Scrip Dividend Shares has been set at HK\$8.37 per Share, which is equivalent to the average closing prices of the Shares quoted on the Stock Exchange for the five consecutive trading days immediately preceding and including Wednesday, 30 April 2003.

CALCULATION OF THE NUMBER OF FINAL SCRIP DIVIDEND SHARES

The number of Final Scrip Dividend Shares that electing shareholders of the Company will receive will be calculated as follows:

$$\begin{array}{rcl} \text{Number of Final Scrip} & & \text{Number of existing Shares held} \\ \text{Dividend Shares to be received} & = & \text{on the Record Date for which} \\ & & \text{election is made under the 2002} \\ & & \text{Final Scrip Dividend Scheme} \end{array} \times \frac{\text{HK\$0.12}}{\text{HK\$8.37}}$$

The number of Final Scrip Dividend Shares to be received will be rounded down to the nearest whole number thereof. No shareholder of the Company is entitled to be issued any fraction of a Share under the 2002 Final Scrip Dividend Scheme. Fractional entitlements to Final Scrip Dividend Shares will be disregarded and will be aggregated and sold for the benefit of the Company. The Final Scrip Dividend Shares will rank pari passu in all respects with the existing issued Shares except that they shall not rank for the 2002 Final Dividend.

DEADLINE FOR RETURNING FORMS OF ELECTION

Eligible shareholders of the Company who wish to elect to receive the 2002 Final Dividend wholly in Final Scrip Dividend Shares, or partly in Final Scrip Dividend Shares and partly in cash, must lodge the forms of election with Abacus Share Registrars Limited, the Company's branch share registrars in Hong Kong, of G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Tuesday, 20 May 2003.

EFFECT OF THE PRIVATISATION PROPOSAL

On Wednesday, 23 April 2003, the Company and Kerry Holdings Limited made the Joint Announcement regarding the Privatisation Proposal. Under the Privatisation Proposal, all Shares which are issued to Scheme Shareholders as a result of elections under the 2002 Final Scrip Dividend Scheme will be treated as Scheme Shares and be subject to the Scheme. Payment of the 2002 Final Dividend in cash and the issue of Final Scrip Dividend Shares will not be affected by the Privatisation Proposal. For details of the Privatisation Proposal, please refer to the Joint Announcement.

GENERAL

Application will be made to the Stock Exchange for the grant of listing of, and permission to deal in, the Final Scrip Dividend Shares. It is expected that the dividend warrants in relation to the 2002 Final Dividend and/or share certificates with respect to the Final Scrip Dividend Shares will be dispatched at the risk of those entitled thereto on or about Friday, 30 May 2003. Dealings in the Final Scrip Dividend Shares are expected to commence on Friday, 30 May 2003 subject to the proper receipt of share certificates with respect to the Final Scrip Dividend Shares by the relevant shareholders of the Company.

DEFINITIONS

"2002 Final Dividend"	the final dividend of HK\$0.12 per Share for the year ended 31 December 2002 payable on Friday, 30 May 2003 to the shareholders of the Company whose names were recorded on the register of members of the Company on the Record Date
"2002 Final Scrip Dividend Scheme"	the scheme proposed by the Directors on Monday, 3 March 2003 in relation to the 2002 Final Dividend to offer the shareholders of the Company 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
"Company"	Kerry Properties Limited
"Directors"	the directors of the Company
"Final Scrip Dividend Shares"	new Shares to be issued under the 2002 Final Scrip Dividend Scheme
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HKS"	Hong Kong dollars
"Joint Announcement"	the joint announcement dated 23 April 2003 made by the Company and Kerry Holdings Limited regarding the Privatisation Proposal
"Privatisation Proposal"	the proposal announced in the Joint Announcement relating to the privatisation of the Company by Kerry Holdings Limited by way of the Scheme
"Record Date"	Tuesday, 15 April 2003
"Scheme"	a scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda (as amended)
"Scheme Shareholders"	as defined in the Joint Announcement
"Scheme Shares"	Shares held by the Scheme Shareholders
"Share(s)"	ordinary share(s) of par value HK\$1.00 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By Order of the Board
Kerry Properties Limited
Chow Yin Ping, Anita
Company Secretary