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KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

嘉里建設有限公司*

PROPOSED PRIVATISATION OF KERRY PROPERTIES LIMITED BY KERRY HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT

MEMBERSHIP OF THE INDEPENDENT BOARD COMMITTEE

The KPL Directors wish to announce that Mr. Christopher Roger Moss, Dr. Fung Kwok King, Victor and Mrs. Lee Pui Ling, Angelina, the independent non-executive directors of KPL, have been appointed as members of the independent board committee of KPL to advise the Independent Shareholders on the Proposal and the Scheme. Mr. Christopher Roger Moss is the Chairman of the independent board committee.

As announced by KPL on 28 April 2003, N M Rothschild & Sons (Hong Kong) Limited has been appointed as the independent financial adviser to the independent board committee of KPL in relation to the Proposal and the Scheme.

Reference is made to the joint announcements dated 23 April 2003 (the "First Announcement"), 30 April 2003, 14 May 2003 and 13 June 2003, respectively, made by KHL and KPL. Terms used herein shall have the same meanings as set out in the First Announcement.

The board of directors of KPL comprises eight directors, of whom five are executive directors (the "KPL Executive Directors") and the remaining three are independent non-executive directors. The five KPL Executive Directors are Messrs. Kuok Khoon Loong, Edward, Ang Keng Lam, Wong Siu Kong, Ho Shut Kan and Thaddeus Thomas Beczak, and the three independent non-executive directors are Dr. Fung Kwok King, Victor, Mrs. Lee Pui Ling, Angelina and Mr. Christopher Roger Moss.

As Messrs. Kuok Khoon Loong, Edward, Ang Keng Lam, Wong Siu Kong and Thaddeus Thomas Beczak are also directors of KHL and each of the KPL Executive Directors has interests in Kerry Group Limited, the controlling shareholder of KHL, none of the KPL Executive Directors are considered to be sufficiently independent under the Takeovers Code for the purpose of advising the Independent Shareholders on the Proposal and the Scheme.

As a result, Mr. Christopher Roger Moss, Dr. Fung Kwok King, Victor and Mrs. Lee Pui Ling, Angelina, the independent non-executive directors of KPL who have no interest in the Proposal or the Scheme, have been appointed as members of the independent board committee of KPL to advise the Independent Shareholders on the Proposal and the Scheme. Mr. Christopher Roger Moss is the Chairman of the independent board committee.

As announced by KPL on 28 April 2003, N M Rothschild & Sons (Hong Kong) Limited has been appointed as the independent financial adviser to the independent board committee of KPL pursuant to Rule 2.1 of the Takeovers Code in relation to the Proposal and the Scheme.

Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the satisfaction or waiver of the conditions as set out in the First Announcement and therefore may or may not become effective. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 13 June 2003

The KPL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement 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.

* For identification only