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KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

嘉里建設有限公司*

ANNOUNCEMENT

In accordance with the requirements of PN 19, the Directors announce the details of financial assistance given to, and guarantees given for the benefits of, the Company's affiliated companies by the Group as at 30 June 2003.

INTRODUCTION

Reference is made to the announcement dated 8 March 1999 made by the Company and various disclosure made in connection with PN 19 in the interim reports and the annual reports of the Company issued subsequent to the date of the abovesaid announcement.

As at 30 June 2003, financial assistance given to, and guarantees given for the benefits of, the Company's affiliated companies by the Group together in aggregate exceed 25% of the Group's net asset value of HK\$18,967 million. Pursuant to paragraph 3.3 of PN 19, this announcement is made to disclose further information on such financial assistance and guarantees.

ANALYSIS OF THE AMOUNT OF FINANCIAL ASSISTANCE AND GUARANTEES

Details of financial assistance given to, and guarantees given for the benefits of, the Company's affiliated companies as at 30 June 2003 were as follows:

Affiliated companies	Percentage of interest %	Advances HK\$M	Share of guarantees given			Share of guaranteed facilities utilised			
			Banking facilities HK\$M	Other facilities HK\$M	Total HK\$M	Banking facilities HK\$M	Other facilities HK\$M	Total HK\$M	
Ariel Investments Limited	45.0	39	-	-	-	-	-	-	
Cavalcade Holdings Limited	45.0	1	-	-	-	-	-	-	
Win Chanford Enterprises Limited	45.0	21 [^]	-	-	-	-	-	-	
Enterprico Investment Limited	45.0	47 [^]	-	-	-	-	-	-	
Benefit Bright (B.V.I.) Limited	32.5	2,547	-	-	-	-	-	-	
Olympian City 2 Finance Company Limited	38.2	37 [^]	-	-	-	-	-	-	
Harvest Sun (B.V.I.) Limited	20.0	17	-	-	-	-	-	-	
Twin Luck Worldwide Ltd.	50.0	57	-	-	-	-	-	-	
Cheerjoy Development Limited	35.0	190 [@]	-	-	-	-	-	-	
Brisbane Trading Company Limited	50.0	213 [^]	-	-	-	-	-	-	
Wolver Hollow Company Limited	50.0	47	-	-	-	-	-	-	
Grand Creator Investment (BVI) Limited	40.0	353 [^]	-	-	-	-	-	-	
Grand Creator Investment Limited	40.0	-	852	-	852	331	-	331	
Kerry BHL Logistics Limited	50.0	1	-	-	-	-	-	-	
Shanghai Kerry CHJ Logistics Limited	50.0	1	-	-	-	-	-	-	
Top Spring Development (Beijing) Limited	25.0	93	-	-	-	-	-	-	
Beijing COFCO Plaza Development Co., Ltd.	15.0	-	3	-	3	3	-	3	
Adwood Company Limited	30.0	512 [#]	-	-	-	-	-	-	
Hong Kong Tunnels and Highways Management Company Limited	15.0	-	8	-	8	8	-	8	
Chiwan Container Terminal Co., Ltd.	25.0	38	155	75	230	24	33	57	
Jacksons Landing Development Pty. Limited	25.0	40	197	-	197	29	-	29	
			<u>4,254</u>	<u>1,215</u>	<u>75</u>	<u>1,290</u>	<u>395</u>	<u>33</u>	<u>428</u>

[^] interest bearing

[@] out of which HK\$9 million was interest bearing

[#] out of which HK\$452 million was interest bearing

SOURCE OF FUNDS

The above advances to the Company's affiliated companies were funded by internal resources and/or bank borrowings of the Group.

TERMS OF FINANCIAL ASSISTANCE

The above advances are unsecured, interest free (except for interest bearing advances marked above which bear interest at rates ranging from 1% to 12% per annum as at 30 June 2003) and have no fixed repayment dates.

DEFINITIONS

"Company"	Kerry Properties Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on The Stock Exchange of Hong Kong Limited
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PN 19"	Practice Note 19 to the Listing Rules

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

Hong Kong, 8 September 2003

* For identification purpose only