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KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

嘉里建設有限公司*

website: www.kerryprops.com

(Stock Code: 00683)

MAJOR TRANSACTION AND POSSIBLE CONNECTED TRANSACTIONS EXTENSION OF TIME TO DESPATCH CIRCULAR

The Company has applied to the Stock Exchange for an extension of time to despatch the Circular until 31 December 2004. The Circular is expected to be despatched on or before 31 December 2004 and, subject to satisfaction and/or waiver (if any) of the First Closing Conditions, the Company intends the First Closing to take place as soon as possible thereafter.

Reference is made to the Company's announcement dated 24 September 2004 relating to the proposed acquisition by Kerry Logistics from Huatong of Treasure Lake Shares and Eas PRC Shares in accordance with the terms and conditions of the Sale and Purchase Agreement (the "**First Announcement**") and the Company's announcement dated 18 October 2004 relating to an application to the Stock Exchange for an extension of time for despatch of the relevant circular (the "**Circular**") until 15 December 2004 (the "**Second Announcement**"). Unless the context otherwise requires, terms defined in the First Announcement shall have the same meanings when used in this announcement.

The Company has obtained from the Stock Exchange a waiver from strict compliance with Rule 14.38 of the Listing Rules as disclosed in the Second Announcement.

The Company needs more time to prepare all necessary information to be included in the Circular. In particular, the Company is waiting for relevant PRC opinions in respect of the First Closing to be finalized. Subject to satisfaction and/or waiver (if any) of the First Closing Conditions, the Company intends to have the First Closing completed as soon as possible following despatch of the Circular. In the meantime, Huatong has also advised the Company that approval for the transfer of the 20% equity interest in Eas PRC has been issued. The Company is considering the terms of the approval and details of the position concerning the approvals obtained will be disclosed in the Circular. Moreover, the accountants' reports to be included in the Circular are being finalized.

For the above reasons, the Company has applied to the Stock Exchange for an extension of time to despatch the Circular until 31 December 2004.

As at the date of this announcement, Messrs. Ang Keng Lam, Wong Siu Kong, Ho Shut Kan and Ma Wing Kai, William are executive Directors and Messrs. William Winship Flanz, Lau Ling Fai, Herald and Christopher Roger Moss, O.B.E. are independent non-executive Directors.

By Order of the Board
Ang Keng Lam
Chairman

Hong Kong, 15 December 2004

* For identification purpose only