

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

嘉里建設有限公司*

website: www.kerryprops.com

(Stock Code: 00683)

INTERIM DIVIDEND OF HK\$0.3 PER SHARE FOR THE SIX MONTHS ENDED 30 JUNE 2008 — MARKET VALUE OF INTERIM SCRIP DIVIDEND SHARES

This announcement is to advise the shareholders of the Company who are entitled to receive the 2008 Interim Dividend the following information regarding the 2008 Interim Scrip Dividend Scheme:

- a. how the interim scrip dividend entitlements are derived;
- b. further details with respect to the election for Interim Scrip Dividend Shares; and
- c. the despatch of dividend warrants and/or share certificates.

The market value of a new Share to be allotted pursuant to the 2008 Interim Scrip Dividend Scheme has been set at HK\$33.26.

INTRODUCTION

On Tuesday, 19 August 2008, the Directors declared the 2008 Interim Dividend and that entitled shareholders of the Company may elect to receive such dividend wholly or partly by allotment of Interim Scrip Dividend Shares. The registers of members of the Company were closed on Wednesday, 3 September 2008 and Thursday, 4 September 2008.

MARKET VALUE OF THE INTERIM SCRIP DIVIDEND SHARES

The market value of Interim Scrip Dividend Shares has been set at HK\$33.26 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 after the Record Date. If no elections for Interim Scrip Dividend Shares were received, the total cash dividend payable by the Company would be HK\$428,086,429.50.

CALCULATION OF THE NUMBER OF INTERIM SCRIP DIVIDEND SHARES

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

$$\begin{array}{l} \text{Number of Interim Scrip} \\ \text{Dividend Shares to be received} \end{array} = \begin{array}{l} \text{Number of existing Shares held} \\ \text{on the Record Date for which} \\ \text{election is made under the 2008} \\ \text{Interim Scrip Dividend Scheme} \end{array} \times \frac{\text{HK\$0.3}}{\text{HK\$33.26}}$$

The number of Interim 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 2008 Interim Scrip Dividend Scheme. Fractional entitlements to the Interim Scrip Dividend Shares will be disregarded and will be aggregated and sold for the benefit of the Company. The Interim Scrip Dividend Shares will rank pari passu in all respects with the existing issued Shares except that they shall not rank for the 2008 Interim Dividend.

OVERSEAS SHAREHOLDERS

No person resident in any jurisdiction other than in Hong Kong may join the 2008 Interim Scrip Dividend Scheme unless in such jurisdiction it would be lawful to join without contravention of any registration or other legal requirements. The overseas shareholders of the Company on the Record Date had registered addresses in Australia (New South Wales), Canada (Ontario), Indonesia, the Isle of Man, Malaysia, the Philippines, the PRC, Singapore, Thailand, the United Kingdom and the United States of America.

The form of election has not been sent to shareholders (the “**Excluded Shareholders**”) with a registered address in the United States of America (including its territories and possessions), Malaysia, the Philippines and the PRC (the “**Restricted Jurisdictions**”). The Directors have been advised by legal counsel in the Restricted Jurisdictions that there are restrictions on inviting shareholders in the Restricted Jurisdictions to receive the 2008 Interim Dividend in scrip form, unless registration or other formalities or requirements are complied with. On such basis, the Directors are of the opinion that it would not be cost-effective or expedient for the Company to offer the 2008 Interim Scrip Dividend Scheme to the Excluded Shareholders. The Excluded Shareholders will receive the 2008 Interim Dividend in cash. This circular will be sent to the Excluded Shareholders for information only.

The 2008 Interim Scrip Dividend Scheme will be offered to those Excluded Shareholders that can prove to the satisfaction of the Company that such action would not result in a contravention of any applicable legal or regulatory requirements. Excluded Shareholders who wish to participate in the 2008 Interim Scrip Dividend Scheme should notify the Company in writing immediately. Forms of election will be sent to all shareholders of the Company as at the Record Date other than the Excluded Shareholders who did not or could not prove to the satisfaction of the Company that such action will not result in a contravention of any applicable laws or regulatory requirements by the Company.

Shareholders with a registered address in the Province of Ontario, Canada should note that: (i) unless certain conditions are satisfied, securities obtained by way of scrip dividend can only be traded under a prospectus or in accordance with exemptions from prospectus and registration requirements; and (ii) they are advised to consult their own professional advisers whether it would be beneficial or expedient for them to participate in the 2008 Interim Scrip Dividend Scheme. The Company is not aware that it has any shareholders in Canada with a registered address outside the Province of Ontario.

DESPATCH OF CIRCULARS AND FORMS OF ELECTION

A circular giving details of the 2008 Interim Scrip Dividend Scheme together with the relevant form of election for electing Interim Scrip Dividend Shares, if applicable, will be sent to the shareholders of the Company in accordance with relevant local and overseas laws, regulations and requirements on or about Friday, 19 September 2008.

DEADLINE FOR RETURNING FORMS OF ELECTION

Eligible shareholders of the Company who wish to elect to receive the 2008 Interim Dividend wholly in Interim Scrip Dividend Shares, or partly in Interim Scrip Dividend Shares and partly in cash, must lodge the forms of election with Tricor Abacus Limited, the Company's branch share registrar and transfer office in Hong Kong, of 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 6 October 2008.

GENERAL INFORMATION

Application will be made to the Stock Exchange for the grant of listing of, and permission to deal in, the Interim Scrip Dividend Shares. It is expected that the dividend warrants in relation to the 2008 Interim Dividend and/or share certificates with respect to the Interim Scrip Dividend Shares will be despatched at the risk of those shareholders entitled thereto at their respective registered addresses on or about Friday, 17 October 2008.

As at the date of this announcement, the Directors are Messrs. Kuok Khoon Chen⁺, Wong Siu Kong⁺, Ho Shut Kan⁺, Ma Wing Kai, William⁺, So Hing Woh, Victor, MBE, JP⁺, Chan Wai Ming, William, Qian Shaohua, Ku Moon Lun[#], Lau Ling Fai, Herald[#], Ms. Wong Yu Pok Marina, JP[#] and Mr. Tse Kai Chi[@].

⁺ *Executive director*

[#] *Independent non-executive director*

[@] *Non-executive director*

DEFINITIONS

“2008 Interim Dividend”	the interim dividend of HK\$0.3 per Share for the six months ended 30 June 2008 payable on Friday, 17 October 2008 to the shareholders of the Company whose names were recorded on the registers of members of the Company on the Record Date
“2008 Interim Scrip Dividend Scheme”	the scheme approved by the Directors on Tuesday, 19 August 2008 in relation to the 2008 Interim 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, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Interim Scrip Dividend Shares”	new Shares to be issued under the 2008 Interim Scrip Dividend Scheme
“PRC”	the People’s Republic of China
“Record Date”	Thursday, 4 September 2008
“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
Li Siu Ching, Liz
Company Secretary

Hong Kong, 11 September 2008

** For identification purpose only*