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嘉里控股有限公司
KERRY HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)



KERRY PROPERTIES LIMITED
(Incorporated in Bermuda with limited liability)
嘉里建設有限公司*

JOINT ANNOUNCEMENT

PROPOSED PRIVATISATION OF KERRY PROPERTIES LIMITED BY KERRY HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT RESULTS OF COURT MEETING, ADJOURNMENT OF SPECIAL GENERAL MEETING AND RESUMPTION OF TRADING

Financial Adviser to Kerry Holdings Limited



The Hongkong and Shanghai Banking Corporation Limited

The Scheme was disapproved at the Court Meeting. As a result, the Special General Meeting was adjourned indefinitely.

At the request of KPL, trading in the Shares was suspended with effect from 9:30 a.m. on Tuesday, 22 July 2003, pending the release of this announcement. An application has been submitted to the Stock Exchange requesting the resumption of trading in the Shares with effect from 9:30 a.m. on Wednesday, 23 July 2003.

Pursuant to Rule 31.1 of the Takeovers Code, KHL is not allowed to make another offer to privatise KPL within 12 months of the date of this announcement, except with the consent of the Executive.

INTRODUCTION

This announcement is made further to (1) the document (the "Scheme Document") dated and sent on 26 June 2003 in relation to the proposal for the privatisation of KPL by KHL by way of a scheme of arrangement under Section 99 of the Companies Act; (2) the joint announcement dated 27 June 2003 made by KHL and KPL in respect of the amendment to the timetable set out in the Scheme Document; (3) the revised notice of Court Meeting of the Independent Shareholders dated 27 June 2003; and (4) the revised notice of Special General Meeting dated 27 June 2003. Terms defined in the Scheme Document shall have the same meanings when used in this announcement.

RESULTS OF THE COURT MEETING AND ADJOURNMENT OF THE SPECIAL GENERAL MEETING

The KPL Directors and the KHL Directors jointly announce that:

- (i) at the Court Meeting held on 22 July 2003 to approve the Scheme, a total of 176,041,968 Shares (representing approximately 14.86% of the issued share capital of KPL) were voted either in person or by proxy. 32 Independent Shareholders, holding 77,213,632 Shares (representing approximately 43.86% of the Shares voted at the Court Meeting), voted in favour of the Scheme and 27 Independent Shareholders, holding 98,828,336 Shares (representing approximately 56.14% of the Shares voted at the Court Meeting and approximately 34.86% of the Shares held by all the Independent Shareholders), voted against the Scheme. As the Scheme was not approved by at least three-fourths in value of the Shares held by the Independent Shareholders present and voting either in person or by proxy at the Court Meeting and was disapproved by more than 10% of all the Shares held by all of the Independent Shareholders, the Scheme cannot be put into effect and hence has lapsed;
- (ii) the Special General Meeting was adjourned indefinitely as the Scheme was not approved by the requisite majority and disapproved by over 10% of all the Shares held by all the Independent Shareholders at the Court Meeting;
- (iii) the Proposal will not be implemented as the Scheme was not approved by the requisite majority and disapproved by over 10% of all the Shares held by all the Independent Shareholders at the Court Meeting; and
- (iv) as the Scheme was not approved by the requisite majority and disapproved by over 10% of all the Shares held by all the Independent Shareholders at the Court Meeting, the Option Offer has lapsed and all Options will remain unaffected and exercisable during their relevant exercise periods under the terms of the 1997 Share Option Scheme.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of KPL, trading in the Shares was suspended with effect from 9:30 a.m. on Tuesday, 22 July 2003, pending the release of this announcement. An application has been submitted to the Stock Exchange requesting the resumption of trading in the Shares with effect from 9:30 a.m. on Wednesday, 23 July 2003.

GENERAL

As the Scheme was not approved by the requisite majority and disapproved by over 10% of all the Shares held by all the Independent Shareholders at the Court Meeting, the proposed privatisation of KPL will not proceed and the Listing is and will be maintained. Pursuant to Rule 31.1 of the Takeovers Code, KHL is not allowed to make another offer to privatise KPL within 12 months of the date of this announcement, except with the consent of the Executive.

As at the Latest Practicable Date, the aggregate number of Shares held by KHL and its concert parties (including the HSBC Shareholders and the Trust, which are deemed to be acting in concert with KHL under the Takeovers Code, but whose Shares are Shares held in public hands for the purpose of rule 8.08 governing the Listing) was 901,121,688 Shares, representing approximately 76.07% of the total issued share capital of KPL as at that date. As at the same date, the KPL Executive Directors held 15,703,441 Options (which can be exercised into 15,703,441 Shares, representing approximately 1.33% of the issued share capital of KPL as at that date). No Shares have been acquired by KHL, its concert parties or parties deemed to be acting in concert with KHL since the Latest Practicable Date.

On behalf of the board of
Kerry Holdings Limited
Olivia Fan
Company Secretary

On behalf of the board of
Kerry Properties Limited
Chow Yin Ping, Anita
Company Secretary

Hong Kong, 22 July 2003

The KHL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the KPL Group and the KPL Directors) 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.

The KPL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Kuok Group but including information relating to the KPL Group and the KPL Directors) 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*

“Please also refer to the published version of this announcement in the South China Morning Post”