

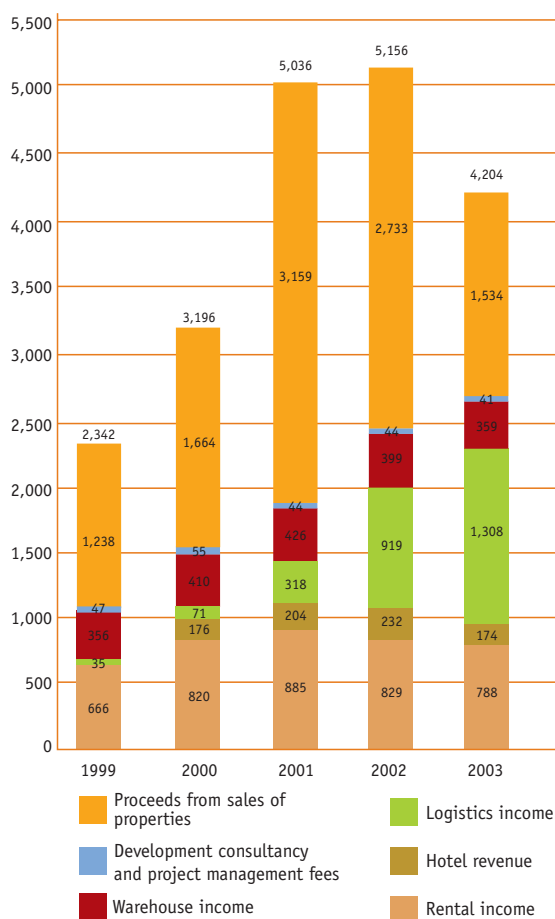
FINANCIAL REVIEW

TURNOVER

Turnover for the Group for the year ended 31 December 2003 decreased by 18% to HK\$4,204 million (2002: HK\$5,156 million). Turnover from rental, sales of properties and hotel operations decreased during the year whilst logistics income has increased. Gross property sales and property rental income decreased to HK\$1,534 million (2002: HK\$2,733 million) and HK\$788 million (2002: HK\$829 million), respectively, in 2003. Income from warehouse and logistics increased to HK\$1,667 million (2002: HK\$1,318 million). The Group's hotel operations contributed HK\$174 million (2002: HK\$232 million) to turnover during the year.

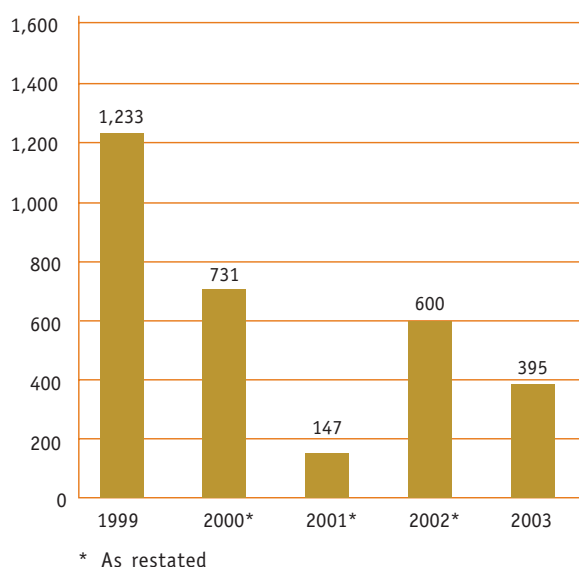
Breakdown of KPL's Total Turnover

HK\$ Million



Profit Attributable to Shareholders

HK\$ Million

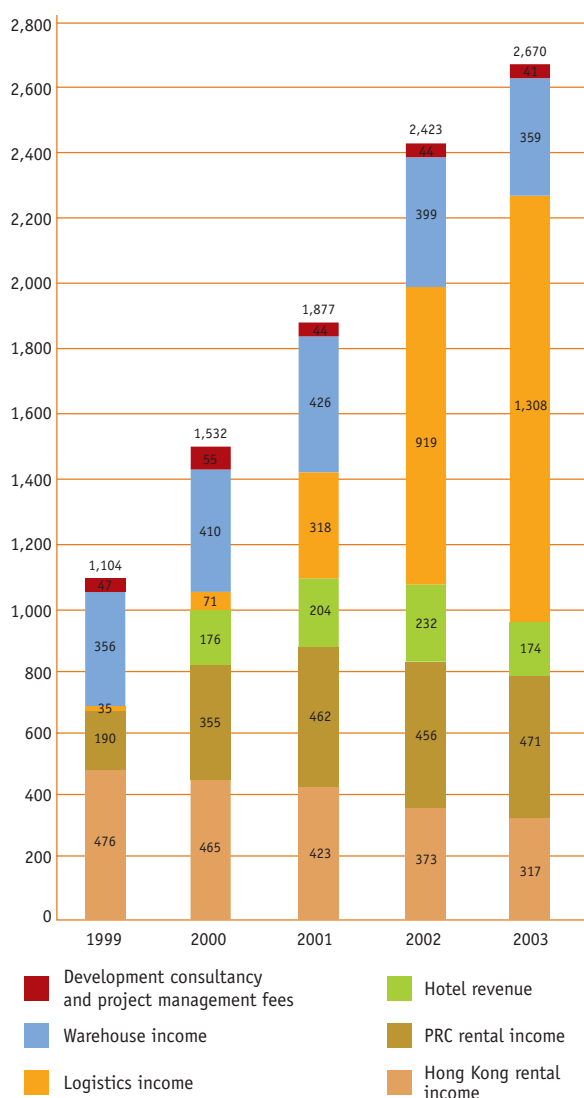


PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Profit attributable to shareholders decreased by 34% to HK\$395 million (2002: HK\$600 million). In 2003, the Group incurred attributable property revaluation deficits of HK\$270 million, additional provisions for Constellation Cove of HK\$55 million, a provision for a decline in the carrying value of associated companies of HK\$111 million and a deferred tax credit of HK\$7 million which were charged or credited to the consolidated profit and loss account. Excluding the effects of these exceptional items amounting to HK\$429 million (2002: HK\$260 million), profit attributable to the Group was HK\$824 million (2002: HK\$860 million).

FINANCIAL REVIEW

KPL's Recurrent Income Base HK\$ Million



FUNDING AND FINANCING

In order to achieve better control of treasury operations and lower the average cost of funds, KPL has centralised funding for all its operations at the Group level. Financing is generally arranged at the Group level where foreign exchange exposure is also reviewed and monitored. The Group considers that foreign exchange exposure does not pose a significant risk given that the level of foreign currency exposure is small relative to its total asset base. As at 31 December 2003, total foreign currency borrowings excluding Renminbi (RMB) borrowings amounted to approximately HK\$74 million (2002: HK\$204 million). RMB loans at the year end amounted to RMB532 million (2002: RMB511 million) and are used to finance the Group's projects in the PRC.

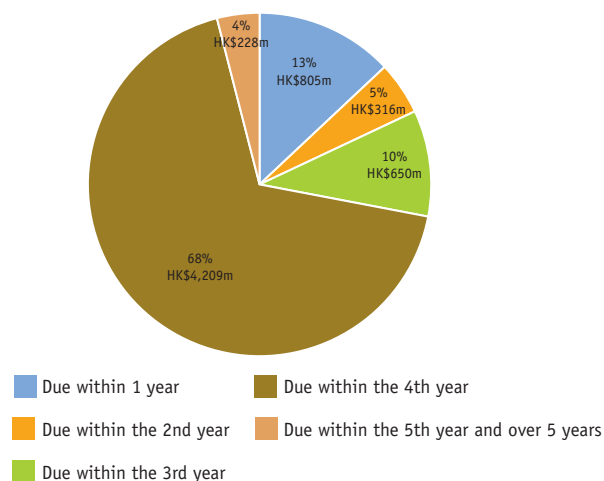
The majority of the Group's borrowings are subject to floating interest rates. As at 31 December 2003, the Group had outstanding interest rate swap contracts amounting to HK\$3.76 billion in total, enabling the Group to hedge its interest rate exposure in the current low interest environment and to have a more stable interest rate profile over the next few years. A summary of the outstanding interest rate swap contracts at the year end is as follows:

Period	Duration	Notional Amount HK\$M	Average HIBOR Fixed Rate %
From 10/2001 to 10/2004	3 years	2,200	3.7145
From 9/2002 to 9/2005	3 years	1,560	5.1025
		<u>3,760</u>	

FINANCIAL REVIEW

Total borrowings amounted to HK\$6.2 billion at 31 December 2003. Approximately 13% of this debt is repayable within one year. At 31 December 2003, the Group had total undrawn bank loan and overdraft facilities of approximately HK\$6.6 billion and net cash on hand of approximately HK\$1.6 billion. These available cash resources together with the strong recurring cashflows from the Group's core investment property portfolio and the anticipated cash inflows from the sale of properties in the coming year will enable the Group to be in a strong financial position to take advantage of new attractive investment opportunities that may arise.

Profile of KPL's Borrowings at the Year End – by Maturity

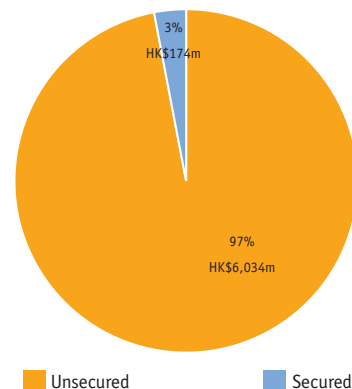


The Group is continually reviewing its financing requirements and will consider any unsecured bank financing and/or secured project financing as and when the need arises. Whenever possible, the Group intends to always obtain financing on a fully unsecured basis. During the year, the Group continued to maintain majority of its borrowings on an unsecured basis. As at 31 December 2003, unsecured debt comprised approximately 97% of total borrowings.

In order to refinance existing facilities, finance developments and pay for new investments, the Group had made drawdowns on new loans amounting to approximately HK\$1.5 billion during the year. Loan repayments during the year amounted to approximately HK\$2.4 billion, resulting in net repayments amounting to approximately HK\$0.9 billion in 2003.

At the year end, total net borrowings amounted to HK\$4,616 million resulting in a gearing ratio of approximately 23%. The Group will continue with its financial strategy of maintaining a prudent gearing ratio and consider steps to reduce its borrowings as appropriate.

Profile of KPL's Borrowings at the Year End – by Security



PROPERTY DIVISION

PROPERTY DIVISION OVERVIEW

The Property Division has approximately 20.77 million (2002: 16.95 million) square feet of properties which can be broken down as follows:

Status	PRC	Hong Kong	Overseas	Total Gross Floor Area
Completed Investment Properties	3,736,052	1,723,629	2,229,991	7,689,672
Properties Under Development	8,485,862	3,765,445	637,705	12,889,012
Properties, Completed and Held for Sale	42,766	151,202	530	194,498
Total Gross Floor Area	12,264,680	5,640,276	2,868,226	20,773,182

(i) Completed Investment Properties

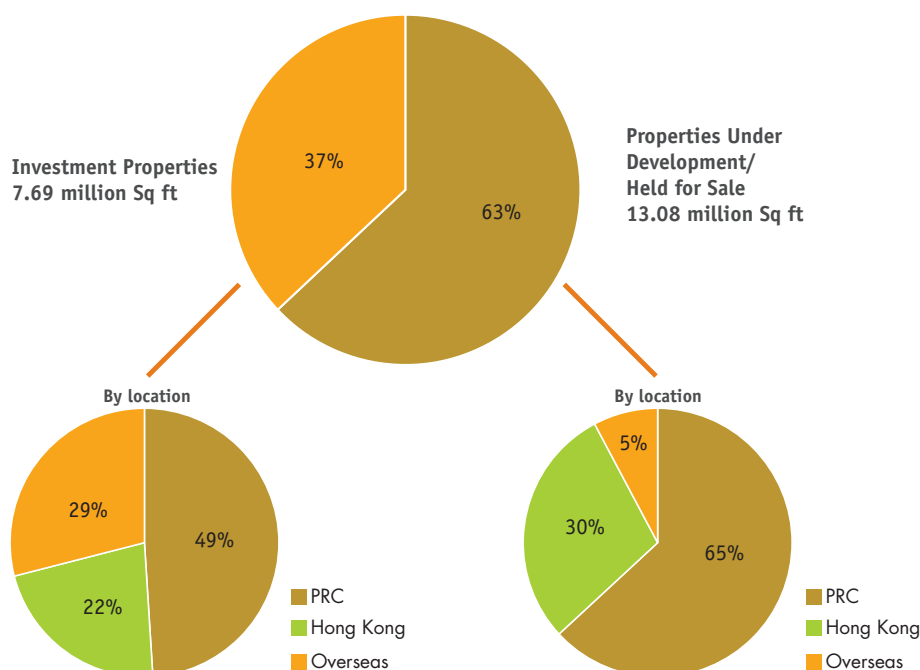
The Group is able to maintain relatively high average occupancy rates in very competitive environments due to the locations and quality of the properties within its investment portfolio. The attractiveness of comprehensive property management, well trained and experienced staff, high tech security features and full service recreational facilities result in high tenant retention, better than average rental yields and exceptional marketability for the properties under the Kerry brand name.

(ii) Properties Under Development

The 23% increase in the size of the portfolio in 2003 is mainly due to the addition of the residential project in Shibalidian, Beijing which added approximately 4.2 million square feet of gross floor area to the Group's property development portfolio. The Group will continue to strengthen and enlarge its landbank as and when opportunities arise.

PROPERTY PORTFOLIO COMPOSITION

20.77 million square feet of gross floor area



PROPERTY DIVISION

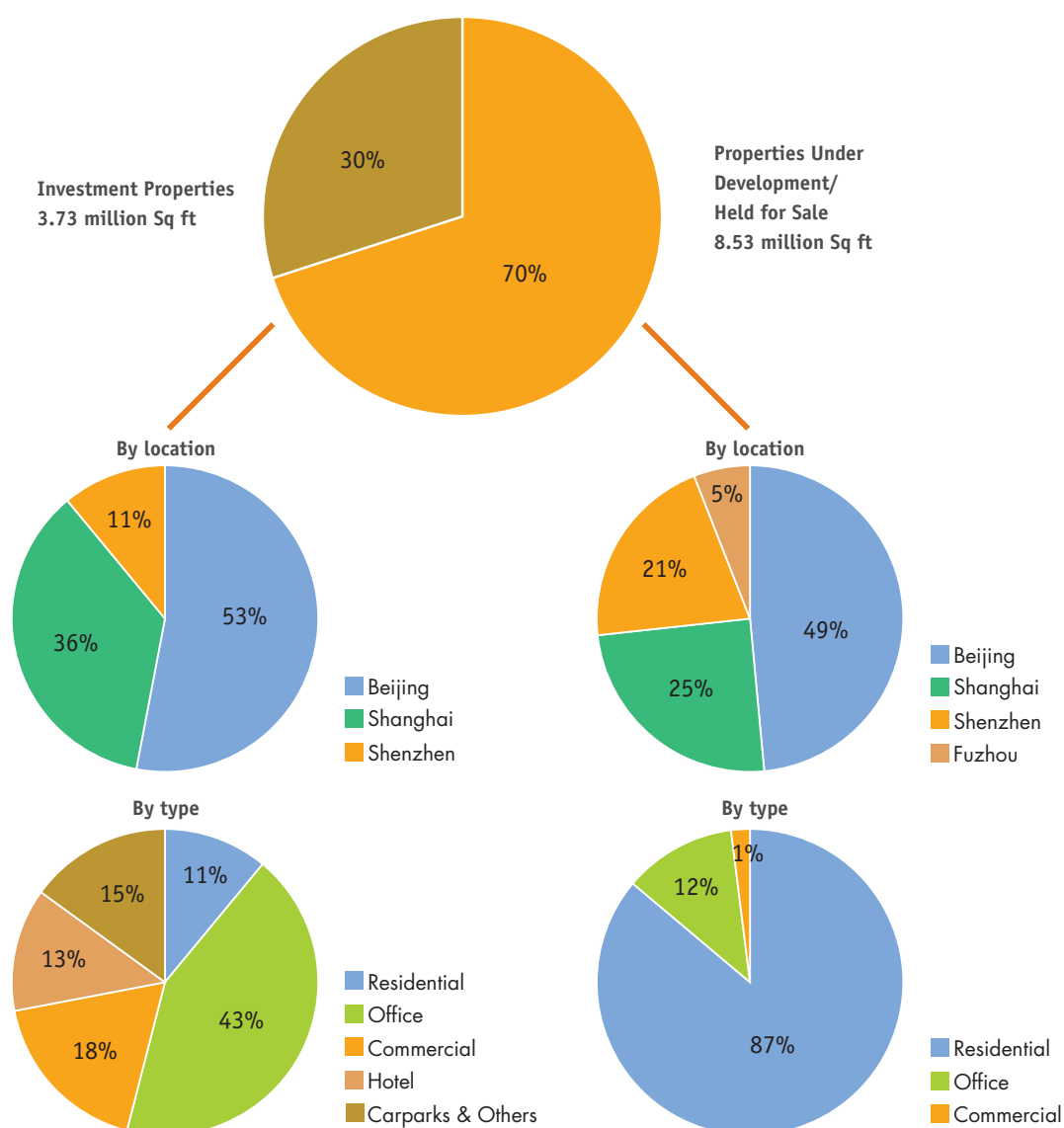
PRC PROPERTY DIVISION

The PRC Property Division has approximately 3.73 million square feet of properties held for investment and approximately 8.53 million square feet under development or held for sale. The Division also holds approximately 1.18 million square feet of site area as landbank that is being held for future development. In

addition, it has an attributable interest of 6.68 million square feet in site area that is currently undergoing resettlement in Shibalidian district in Beijing. The gross asset value of the Group's properties in the PRC was approximately HK\$6,313 million as at 31 December 2003 (2002: HK\$6,565 million).

PRC PROPERTY PORTFOLIO

12.26 million square feet



PROPERTY DIVISION

PRC PROPERTY DIVISION

(i) Investment Properties

Gross rental income received from investment properties in the PRC amounted to HK\$471 million in 2003 (2002: HK\$456 million) and is largely derived from the Beijing and Shanghai Kerry Centres. The Group owns more than 3.7

million square feet of investment properties comprised of residential, commercial, office, hotel and carparks located in Beijing, Shanghai and Shenzhen.

Investment Properties	Beijing	Shanghai	Shenzhen	Total
				Gross Floor Area
Residential	277,330	149,014	–	426,344
Office	814,665	611,079	173,169	1,598,913
Commercial	184,998	360,037	107,256	652,291
Hotel	499,642	–	–	499,642
Carparks & Others	194,698	221,960	142,204	558,862
Total Gross Floor Area	1,971,333	1,342,090	422,629	3,736,052

The Beijing Kerry Centre is adjacent to the China World Trade Centre and together they are considered prime locations for the financial services industry in Beijing. The commercial and office spaces within Beijing Kerry Centre continue to perform well, achieving 96% and 94% occupancy rates, respectively. However, occupancy rates of the serviced apartments have been negatively affected by the numerous new developments in Beijing offering similar services and facilities resulting in occupancies falling to 60% at the year end. Subsequent to the year end, the occupancy rate of the serviced apartments had increased to 65%. The primary attraction of the serviced apartments is their proximity to the offices within the Beijing Kerry Centre and the China World Trade Centre. The Group will continue to focus attention on attracting new tenants and maintaining its current tenants in order to increase the occupancy levels in the Beijing Kerry Centre complex.

Beijing Kerry Centre Hotel was negatively impacted by the outbreak of SARS in the PRC during the second quarter of 2003. However by the year end, the occupancy for the hotel had recovered to approximately 70% with average tariffs per night of US\$111. The Group expects the performance of the hotel will return to normal in 2004.



Beijing Kerry Centre, Beijing, PRC

PROPERTY DIVISION

PRC PROPERTY DIVISION

(i) Investment Properties (Continued)

Shanghai Kerry Centre, comprising of a 32 storey office tower and a 30 storey serviced apartment complex situated on top of a 13,000 square metre retail podium, continues to perform well. It is located on one of Shanghai's main commercial thoroughfares, Nanjing Road West, in the Jingan District. As at 31 December 2003, the office tower, commercial podium and serviced apartments were 97%, 90% and 74% occupied, respectively.



Shanghai Kerry Centre, Shanghai, PRC

Kerry Everbright City is located in close vicinity to Shanghai's main railway station in the Zhabei District. Phase I includes Tower I with 31 floors of office space and Tower II with 32 floors of commercial/residential space on top of a retail podium. Tower I as at 31 December 2003, was 88% leased and 7% sold. Almost all units in Tower II have been sold with only 3% of the tower remaining to be sold. The shopping mall of Kerry Everbright City was entirely leased as at 31 December 2003.

Shanghai Trade Square and International Apartments were almost completely sold.

Shenzhen Kerry Centre is a 32 storey grade A office building with a shopping arcade. The commercial podium is almost 100% leased and the office tower is 39% leased and 58% sold.

PROPERTY DIVISION

PRC PROPERTY DIVISION

(ii) Sales of Properties

Total gross proceeds from sales of properties in the PRC amounted to HK\$596 million in 2003, (2002: HK\$401 million), mainly derived from the sales of Arcadia Court in Shenzhen and the launching of Central Residences in Fuzhou in Fujian Province.



Landscaped garden of Arcadia Court, Shenzhen, PRC

Significant Developments Sold/Presold as at 31 December 2003

Project	Location	Usage	Group's Interest	Percentage	
				Sold/Presold At the Year End	Percentage Remaining
Arcadia Court	Shenzhen	Residential	100%	60%	40%
Shenzhen Regency Park Phase IIIB	Shenzhen	Residential	100%	36%	64%
Central Residences	Fuzhou	Residential	100%	33%	67%



Arcadia Court, Shenzhen, PRC

PROPERTY DIVISION

PRC PROPERTY DIVISION

(ii) Sales of Properties (Continued)

Sales of the Group's 100% owned residential development, Arcadia Court in Futian District, Shenzhen, commenced in December 2002 and as at the year end, the development was 60% presold, achieving an average selling price of RMB9,700 per square metre. Subsequent to the year end, another 10% of the development was presold. The project, located east of the central district in Shenzhen, has a gross floor area of approximately 970,000 square feet and is comprised of eight luxury residential towers offering a total of 544 units. The units on offer range in size from 87 square metres two bedroom apartments to 505 square metres deluxe penthouses. Within the development, there is a 3,500 square metres residents clubhouse which offers a wide array of upscale entertainment facilities to its residents as well as a kindergarten. Arcadia Court is surrounded by extensive green landscaping that contributes to the overall tranquillity and quality lifestyle offered by the development. Construction of the project is expected to be completed in the third quarter of 2004.



Regency Park Phase IIIB, Shenzhen, PRC



Central Residences, Fuzhou, PRC

The Group's development, Central Residences in Fuzhou in Fujian Province, is scheduled to be completed in the second quarter of 2004. The development comprises two 24 storey residential blocks with 248 apartments, a 4,734 square metre two storey retail podium, a clubhouse and two levels of car parks in the basement. The total buildable gross floor area is approximately 424,000 square feet. Interior decoration, mechanical and engineering works are currently in progress. Sales commenced in September 2003 and as at 31 December 2003, 33% of the development had been presold at an average price of RMB3,800 per square metre. Subsequent to the year end, another 26% of the development was presold.



Regency Park Phase IIIB, Shenzhen, PRC

PROPERTY DIVISION

PRC PROPERTY DIVISION

(ii) Sales of Properties (Continued)

Construction of Phase IIIB of Shenzhen Regency Park was completed by the year end. The development consists of two twin houses measuring 381 square metres each, three detached garden houses measuring 661 square metres each and two deluxe houses measuring 771 square metres each. The detached garden houses and deluxe houses all are equipped with

their own swimming pools and garages. At the year end, two out of the seven houses were sold.

During the year, the Group also sold its 65% stake in an industrial site in Changchun, Shenyang Province for RMB14 million.

(iii) Status of Developments

Properties Under Development	Beijing	Shanghai	Shenzhen	Fuzhou	Total Gross Floor Area Upon Completion
Residential	4,181,491	1,841,855	970,057	372,578	7,365,981
Office	-	191,303	807,300	-	998,603
Commercial	-	70,332	-	50,946	121,278
Total Gross Floor Area Upon Completion	4,181,491	2,103,490	1,777,357	423,524	8,485,862

Central Residences Phase II

South West Caojiayan, Yanan Road West and Jiangsu Road, Changning District, Shanghai

Central Residences Phase II is located adjacent to Phase I of the same development and will comprise of approximately 660,000 square feet of buildable gross floor area. At the year end, the Group had taken possession of approximately 95% of the site. Project planning drawings and concept design have been approved by the district authorities. Piling work on the site has been completed with basement work currently in progress. This project comprises of three luxury residential blocks with a total of 274 units with the sizes of the apartments ranging from 130 square metres to 360 square metres. The development is expected to be completed in the third quarter of 2005.

Kerry Everbright City Phase II

Tianmu Road West, Zhabei District, Shanghai

The conceptual designs for a residential, commercial and office development in Phase IIA and a 100% residential development in Phase IIB has been accepted by the municipal authorities in principle and is currently being reviewed by the District Urban Planning Bureau. The project is expected to be completed in phases to 2006.

Jingan Residential Project

1288 Yanan Zhong Road, Jingan District, Shanghai

The Group took possession of the site situated south-west of Shanghai Kerry Centre in February 2003. The Group is currently undertaking feasibility studies and conceptual planning with the intention to develop a mix use project encompassing the Shanghai Kerry Centre.

PROPERTY DIVISION

PRC PROPERTY DIVISION

(iii) Status of Developments (Continued)

Futian Office Project

Futian Central District, Lot No. 7-3 Shenzhen

The Group acquired the site in August 2002. The site will be developed into an office complex for lease and for sale. It occupies a total site area of approximately 108,000 square feet with a buildable area of approximately 807,000 square feet. It is located to the west of the South Futian Central District and is adjacent to the Shenzhen Exhibition Centre and a new Shangri-La Hotel. The office development will benefit from its proximity to the Shenzhen Metro Route 1 which is expected to be completed in 2004. Soil investigation has been completed. Vacant possession of the site and submission of scheme design is pending execution of the land agreement. The project is expected to be completed by the fourth quarter of 2007.

Beijing Shibalidian Resettlement Project

Shibalidian, Chaoyang District, Beijing

In October 2001, the Group made a 20% investment in a joint venture named Beijing BHL Logistics Limited. The joint venture company will perform all necessary work for the relocation and resettlement of the current occupiers of a piece of land at Shibalidian in Chaoyang District, Beijing. After completion, the land will be parceled out to individual companies to be formed for the development of the land. The project occupies a total site area of approximately 3.7 million square metres.

The land is part of the Beijing logistics port development which will include a 180,000 square metres exhibition and convention centre, commercial areas including office, hotel, retail and residential space and a 27 hole golf course.

Beijing Shibalidian Residential Project

Shibalidian, Chaoyang District, Beijing

In September 2003, the Group signed a 50:50 joint venture with Beijing Huayuan Property Co., Ltd. to develop a 306,000 square metres site, in the Shibalidian area in Chaoyang District, into a large scale residential project. This site is a piece of land parceled out from the resettlement site in Shibalidian in which the Group has an interest. The site, with a total buildable area of approximately 777,000 square metres, is located near the southeast Fourth Ring Road and the entry to the Jingjintang expressway. It is also surrounded by several main mass transit systems and is approximately 10 kilometres from the Beijing Central Business District. The project will be developed in phases until 2009.

PROPERTY DIVISION

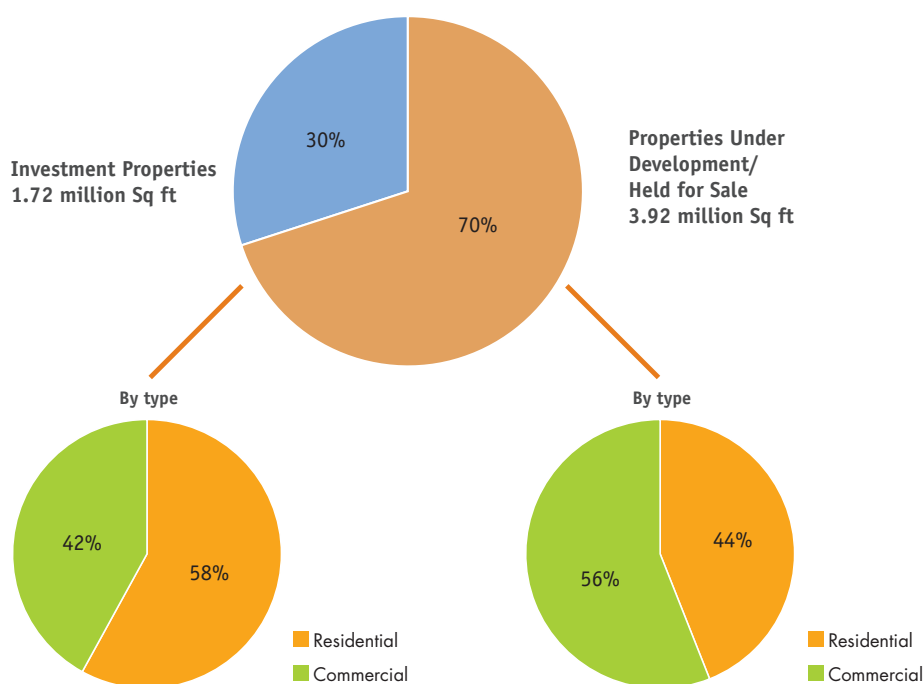
HONG KONG PROPERTY DIVISION

The Hong Kong Property Division has approximately 1.72 million square feet of properties held for investment and approximately 3.92 million square feet under development or held for sale. The gross asset value of the Group's properties in Hong Kong

was approximately HK\$12,955 million as at 31 December 2003 (2002: HK\$13,726 million) of which HK\$8,828 million was derived from residential properties and HK\$4,127 million from commercial/office properties.

HONG KONG PROPERTY PORTFOLIO

5.64 million square feet



(i) Investment Properties

Gross rental revenue from investment properties in Hong Kong amounted to approximately HK\$317 million in 2003 (2002: HK\$373 million) and is largely derived from the Group's luxury

residential properties. The Group owns approximately one million square feet of luxury residential investment properties, all of which are situated on Hong Kong Island.

Investment Properties	Total Gross Floor Area
Residential	997,068
Commercial	726,561
Total Gross Floor Area	1,723,629

PROPERTY DIVISION

HONG KONG PROPERTY DIVISION

(i) Investment Properties (Continued)

Occupancy of the Group's residential portfolio averaged 90% over the year whilst occupancy rates of the retail and commercial properties amounting to approximately 727,000 square feet, are 91% and 99%, respectively, at the year end. The commercial podiums of Olympian City 1 and 2 had occupancy rates of 77% and 96%, respectively, at the year end.

(ii) Sales of Properties

Total gross proceeds from sales of properties in Hong Kong amounted to approximately HK\$938 million in 2003 (2002: HK\$2,332 million), mainly derived from the continuing sales of Constellation Cove and Ocean Pointe.

Significant Developments Sold/Presold as at 31 December 2003

Project	Location	Usage	Group's Interest	Percentage	
				Sold/Presold At The Year End	Percentage Remaining
Constellation Cove	Tai Po, New Territories	Residential	75%	93%	7%
The Cliveden	Tsuen Wan, New Territories	Residential	50%	86%	14%
Island Harbourview at Olympian City	MTR Olympic Station, Kowloon	Residential	20%	93%	7%
Park Avenue at Olympian City	MTR Olympic Station, Kowloon	Residential	32.5%	96%	4%
Central Park at Olympian City	MTR Olympic Station, Kowloon	Residential	32.5%	91%	9%
Residence Oasis	MTR Hang Hau Station, Tseung Kwan O	Residential	40%	42%	58%

Constellation Cove is the Group's development in Tai Po Kau which commenced sales in March 2002. The development is comprised of 208

apartments, 28 duplex villas and 50 detached houses. At the year end, only ten apartments, two duplexes and three houses remained unsold.



The Cliveden, Tsuen Wan



Function room of The Cliveden, Tsuen Wan

PROPERTY DIVISION

HONG KONG PROPERTY DIVISION

(ii) Sales of Properties (Continued)

Presales of the Group's 50% owned joint venture residential development, The Cliveden in Tsuen Wan, commenced in October 2002 and at the year end, the development was 86% sold. The occupation permit for The Cliveden was issued in September 2003 and the certificate of compliance was issued in January 2004. Buyers have already started moving in.

The Group's joint venture developments at Olympian City, next to the MTR Olympic Station in Tai Kok Tsui, are also almost fully sold, with only approximately 7%, 4% and 9% of Island Harbourview, Park Avenue and Central Park, respectively, remaining to be sold.

Presales of the Group's 40% owned joint venture, Residence Oasis in Tseung Kwan O above the MTR Hang Hau Station, commenced in November 2003, with approximately 42% of the development presold by the year end. Subsequent to the year end, another 24% was presold. Residence Oasis comprises of six residential towers providing 2,130 units in total. Each unit will have between 2 and 4 bedrooms and range in size between 656 square feet and 1,268 square feet. There will also be a landscaped podium and clubhouse. The Group's share of the buildable gross floor area of the development amounts to approximately 597,000 square feet. The project is expected to be completed by the first quarter of 2005.



Residence Oasis, Tseung Kwan O



Living Room of Show Flat of Branksome Crest, Mid-Levels

PROPERTY DIVISION

HONG KONG PROPERTY DIVISION

(iii) Status of Developments

Properties Under Development	Residential	Commercial	Total Gross Floor Area Upon Completion
For sale	1,441,983	553,872	1,995,855
For investment	142,848	1,626,742	1,769,590
Total Gross Floor Area Upon Completion	1,584,831	2,180,614	3,765,445

Branksome Crest

3 Tregunter Path, Mid-Levels

Hong Kong Inland Lot No. 8393

Branksome Crest is Kerry Properties' latest showpiece development that emphasizes quality, not only in materials used but also in construction methods, design, environment and services. The development, with a buildable gross floor area of approximately 143,000 square feet, is a 35 storey luxury residential building atop a carpark and a recreation podium,

comprising 60 apartments, 2 garden units and 1 simplex each with their own swimming pool and 1 duplex penthouse with a private swimming pool on the roof. Branksome Crest is expected to be completed in the second quarter of 2004 and will be retained for lease to further strengthen the Group's investment property portfolio. Branksome Crest will showcase Kerry's commitment to high quality products as well as enhance its reputation as a premier developer.



Hong Kong Mid-Levels portfolio

PROPERTY DIVISION

HONG KONG PROPERTY DIVISION

(iii) Status of Developments (Continued)

Enterprise Square 3

Wang Chiu Road, Kowloon Bay, Kowloon

In January 2003, the negotiations regarding the land premium payable by the Group for the conversion of Enterprise Square 3 from industrial/office use to business use was concluded at the price of HK\$12 million or approximately HK\$20 per square foot. Gross floor area of the development is approximately 554,000 square feet. Enterprise Square 3 is strategically located adjacent to Enterprise Square and Enterprise Square 2 in Kowloon Bay. The development is a 35 storey grade A office tower built over a 5 storey podium for carpark and other facilities. It is expected to be completed in the first quarter of 2004 and offered for sale under strata title. As Enterprise Square 3 provides many high tech features and will be one of the only grade A office developments available for sale in the area, it is expected to be well received by the market.



Enterprise Square 3, Kowloon Bay

Ho Man Tin Residential Project

15 Ho Man Tin Hill Road, Kowloon

In December 2002, the Group won the tender for 15 Ho Man Tin Hill Road in Ho Man Tin, Kowloon, a well established luxury residential area, for approximately HK\$410 million. The property has a site area of approximately 26,000 square feet and a buildable residential floor area of approximately 130,000 square feet. The property will be developed into a luxury high rise residential building with 70 units and accompanying recreational facilities. Foundation work and piling construction are currently in progress. The project is expected to be completed in the first quarter of 2006.



The development at 15 Ho Man Tin Hill Road

PROPERTY DIVISION

HONG KONG PROPERTY DIVISION

(iii) Status of Developments (Continued)

Enterprise Square 5

Wang Chiu Road, Kowloon Bay, Kowloon

As the Group intends to use its Enterprise Square developments as a framework for the development of a cluster of high quality offices and retail complexes in Kowloon Bay, it is now planning the development of Enterprise Square 5. The development would provide approximately 1.6 million square feet of grade A commercial space upon completion. In January 2004, the negotiations regarding the land premium payable by the Group for the conversion of Enterprise Square 5 from industrial/office use to business use was concluded at the price of HK\$47.32 million or approximately HK\$29 per square foot. Major consultants have been appointed and a conceptual design has been finalized. Foundation work is currently in progress and the development is expected to be completed in the fourth quarter of 2006.



The construction of Enterprise Square 3 in progress with the site of Enterprise Square 5 in the foreground in Kowloon Bay

Tsuen Wan Residential Project

152-160 Kwok Shui Road, New Territories

The property has a site area of approximately 40,000 square feet and a potential buildable gross floor area of approximately 200,000 square feet. In March 2004, the Town Planning Board approved the land exchange for the Group's site in Kwok Shui Road in Tsuen Wan. The Group will surrender a site area of approximately 40,000 square feet and will be granted a new site area of 79,000 square feet subject to payment of land premium, which is under negotiation. These properties are conveniently located in close proximity to the MTR Tai Wo Hau station. It is envisaged that the site will be developed into a residential complex targeted at middle market consumers and will be completed in the first quarter of 2007.

Ap Lei Chau Residential Project

ALCIL No. 129 Praya Road, Ap Lei Chau, Hong Kong

The Group has a 35% interest in the development with its share of the gross floor area being 319,663 square feet. The Town Planning Board has confirmed the residential zoning for the site and negotiations are continuing regarding the land modification premium.

PROPERTY DIVISION

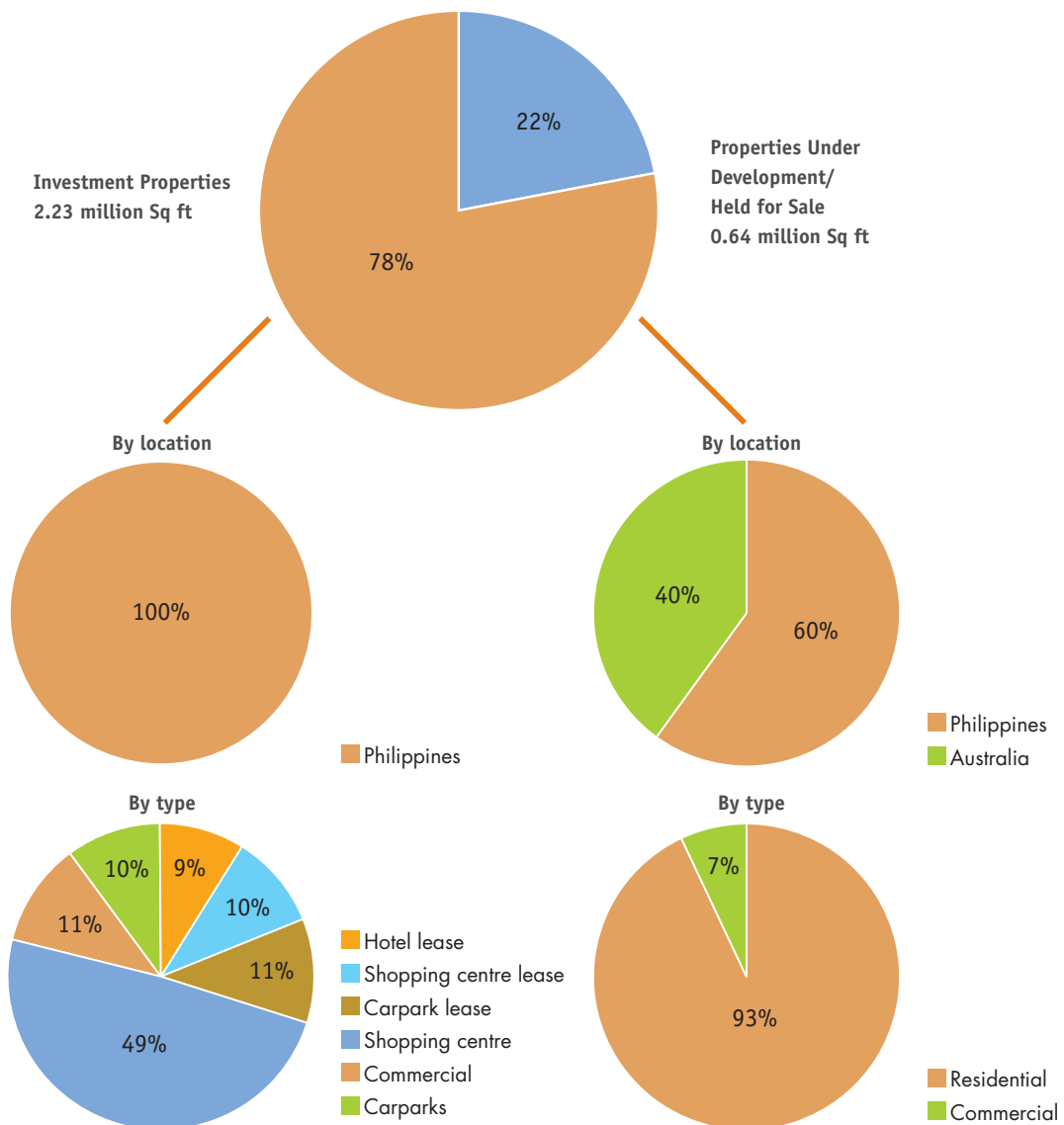
OVERSEAS PROPERTY DIVISION

The Overseas Property Division is comprised of approximately 2.23 million square feet of properties held for investment and approximately 640,000 square feet under development or held for sale. The gross asset value of the Group's overseas properties was

approximately HK\$1,419 million as at 31 December 2003 (2002: HK\$1,416 million) comprising HK\$178 million (2002: HK\$145 million) and HK\$1,241 million (2002: HK\$1,271 million) of assets in Australia and in the Philippines, respectively.

OVERSEAS PROPERTY PORTFOLIO

2.87 million square feet



PROPERTY DIVISION

OVERSEAS PROPERTY DIVISION

Overseas Property Portfolio	Philippines	Australia	Total Gross Floor Area
Investment Properties			
Hotel lease	191,832	–	191,832
Shopping centre lease	217,938	–	217,938
Carpark lease	243,726	–	243,726
Shopping centre	1,087,857	–	1,087,857
Commercial	260,381	–	260,381
Carpark	228,257	–	228,257
<i>Sub-total</i>	<i>2,229,991</i>	<i>–</i>	<i>2,229,991</i>
Development Properties			
Residential	381,657	213,522	595,179
Commercial	–	43,056	43,056
<i>Sub-total</i>	<i>381,657</i>	<i>256,578</i>	<i>638,235</i>
Total Gross Floor Area	2,611,648	256,578	2,868,226

(i) Jacksons Landing, Sydney, Australia

Jacksons Landing is a 12 hectare master planned residential and commercial mixed use development on the Pyrmont peninsula in Sydney, Australia, comprising 1,500 dwellings of waterfront apartments, terrace houses, heritage buildings and converted loft apartments. Other ancillary developments include restaurants, cafes, commercial offices,

a 3.5 hectare park and open spaces along a 600 metre waterfront promenade, which together with the residential aspect of the development, are intended to create a new community along the Sydney Harbour waterfront. Jacksons Landing is a joint venture development between the Group, Lend Lease Corporation of Australia and the Government Investment Corporation of Singapore.



Panorama of Jacksons Landing, Sydney, Australia

PROPERTY DIVISION

OVERSEAS PROPERTY DIVISION

(i) Jacksons Landing, Sydney, Australia (Continued)

In 2003, sales continued with units in the precincts of Terraces, McCafferys and Regatta Wharf B almost 100% sold. Sales in the Distillery Precinct which include the units in the Distillery Tower, the Quarry Tower and Refinery Drive apartments, proceeded throughout the year and were 78%, 62%, and 66% sold by the year end, respectively. In addition, the Escarpment was launched for sale and was 100% sold at the year end. As of 31 December 2003, 813 units out of 878 units in the eight precincts released for sales and presales have been sold.

(ii) EDSA Properties Holdings Inc. ("EPHI"), Philippines

The Group has a direct 39.12% equity interest in EPHI, a company listed on the Philippines Stock Exchange. In addition to shares directly held in EPHI, the Group has also invested in

EPHI through the purchase of Philippine deposit receipts ("PDRs") in which the underlying securities for the PDRs held by the Group represent 34.76% of the total issued shares of EPHI. The Group's interests in EPHI shares and the PDRs jointly account for approximately 73.88% of EPHI's total issued share capital.

The main asset of EPHI is a 78.72% interest in the Shangri-La Plaza Mall, one of the premier shopping malls in Manila. At 31 December 2003, the shopping mall had a 98% occupancy rate. The mall has continuous promotional events that generate market interest resulting in high mall patronage as well as an appealing retail mix that draws in customers.

In addition, EPHI owns the land on which the shopping mall and the EDSA Shangri-La Hotel is situated and collects rent from both. It also owns a carpark adjacent to the mall which may be redeveloped in the future.

EPHI also holds a 23.52% interest in KSA Realty Corporation which owns and operates The Enterprise Centre, a grade A commercial building in the Makati Central Business District in Manila. At 31 December 2003, The Enterprise Centre was 81% leased.



Streetscape facade of Shangri-La Plaza Mall, Manila, Philippines

PROPERTY DIVISION

OVERSEAS PROPERTY DIVISION

(ii) EDSA Properties Holdings Inc. ("EPHI"), Philippines (Continued)

EPHI is currently developing a luxury residential condominium, The Shang Grand Tower, comprised of 250 units, in the heart of the Makati Central Business District. EPHI holds a beneficial interest of approximately 68% in the project which has a site area of approximately 2,900 square metres and a gross floor area of approximately 71,000 square metres. The construction is estimated to be completed in the fourth quarter of 2005. Excavation works have been completed and superstructure construction is in progress. The Shang Grand Tower was launched for sale in September 2003 and at present, there are only 141 units remaining available for sale.



Living and Dining Room of Show Flat of The Shang Grand Tower, Makati, Philippines



The Enterprise Centre, Manila, Philippines

On 19 February 2004, EPHI announced its results for the year ended 31 December 2003 reporting profit attributable to shareholders of approximately Pesos 251.42 million (2002: Pesos 214.37 million). The increase in profit attributable to shareholders was mainly due to the successful implementation of the Shangri-La Plaza shopping mall renovation program which resulted in higher turnover for the mall.

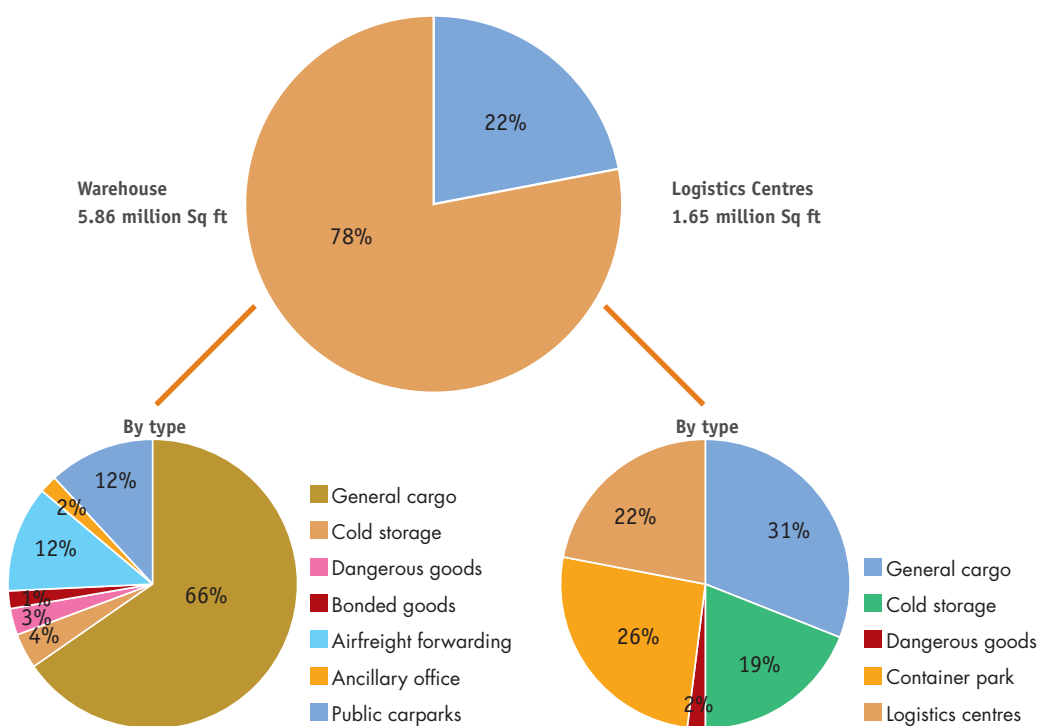
LOGISTICS NETWORK DIVISION

The Logistics Network Division has a warehouse and logistics centres portfolio of approximately 7.66 million square feet. Within the portfolio, approximately 7.51 million square feet are completed warehouses and logistics centres whilst approximately 153,000 square feet are logistics centres under development. Of the total portfolio, approximately 6.73 million

square feet is located in Hong Kong whilst 939,000 square feet is located overseas. The gross asset value of the Division's portfolio was approximately HK\$3,598 million (2002: HK\$3,377 million) comprising HK\$3,432 million (2002: HK\$3,266 million) of assets in Hong Kong and HK\$166 million (2002: HK\$111 million) overseas, respectively.

WAREHOUSE/LOGISTICS CENTRES PORTFOLIO

7.51 million square feet



Warehouse/Logistics Centres Portfolio	Warehouse	Logistics	Total Gross Floor Area
General cargo	3,841,608	504,334	4,345,942
Cold storage	243,842	319,355	563,197
Dangerous goods	166,961	38,005	204,966
Bonded goods	83,770	-	83,770
Airfreight forwarding	693,196	-	693,196
Ancillary office	116,245	-	116,245
Public car parks	718,490	-	718,490
Container park	-	422,218	422,218
Logistics centres	-	363,907	363,907
Total Gross Floor Area	5,864,112	1,647,819	7,511,931

LOGISTICS NETWORK DIVISION



Garment-on-Hanger

In 2003, the Logistics Network Division became the largest revenue contributor to the Group. Already established as a significant player in Hong Kong, during the year, the Division continued to invest in its global network to strengthen its penetration and enhance its competitiveness in the Asia Pacific region.

At present, “Kerry Logistics” is a well-known fast growing third party logistics (“3PL”) service provider in Asia, with its extensive integrated

logistics capabilities encompassing international air and sea freight, warehousing, distribution and contract logistics. The Division won the Export Marketing Grand Award in the 2003 Hong Kong Awards for Services, which will certainly further enhance its market image and reputation. The Division aims at delivering top quality service to customers as well as superior financial returns for shareholders.

(i) Logistics Business

The Division’s logistics operations achieved record revenue of over HK\$1 billion in 2003, representing 78% of the revenues of the Division. This was achieved as a result of the Division’s relentless pursuit of its strategy to expand its logistics network in the Asia Pacific region since early 2000. As at 31 December 2003, the Division’s logistics network covers 14 countries, spanning the United Kingdom, Germany, United States of America, Australia, Thailand, Korea, Philippines, Vietnam, Singapore, Cambodia, Malaysia, Indonesia, Myanmar and the PRC including Hong Kong.

The Division’s vision is to be one of the leading 3PL service providers in Asia, in terms of both service quality and profits.



Call Centre Support



Records Management



Electronics Logistics

LOGISTICS NETWORK DIVISION

Hong Kong

Leveraging on its strengths in warehousing as well as facilities with international standards, combined with a series of effective marketing strategies to promote its corporate image, the Division has grown “Kerry Logistics” into a recognized brand name in Hong Kong as a quality logistics partner with strong capabilities. During the year, the Division managed to secure a number of integrated logistics accounts in new market sectors such as medical supplies, educational and recreational products as well as operate regional hubs for several internationally renown customers.

In March 2003, the Division successfully extended its logistics capabilities to the agency and distribution business by acquiring a 100% interest in a growing retail merchandising service agency in Hong Kong. The acquisition has strengthened the Division’s competitive edge by extending its scope of services and enabling the Division to acquire direct access to product owners as well as penetration into retail stores.



Yantian Logistics Centre, Yantian, PRC

Looking forward, the Division will continue to improve its service quality and enhance its core competencies, in order to secure its position as the market leader in each targeted segment whilst continually exploring opportunities to expand and diversify its business vertically and horizontally inside and outside of Hong Kong, aiming at offering a truly one stop shop solution to its customers covering the entire supply chain from freight forwarding to retail stores.

PRC

2003 also saw the expansion of the Division’s logistics centres outside Hong Kong. In the third quarter of 2003, the Division completed the construction of a three storey 43,000 square metres logistics centre in the Yantian Free Trade Zone in Shenzhen. The facility, being situated at a convenient location next to Terminal 2 of the Yantian Port, became operational in August 2003 and has achieved recognition as a quality logistics facility in the vicinity with modern bonded storage and logistics facilities and ancillary offices. Given the current limited supply of bonded storage facilities in the Free Trade Zone, it is expected that the facility will be able to cope with the consignees and shipping lines migrating from Hong Kong to Yantian as a result of the substantial cost differentials. It will also serve as the Division’s regional hub for the booming Pearl River Delta market.

Logistics Centre	Total Gross Floor Area
Under Development	Upon Completion
Shanghai Waigaoqiao Logistics Centre	152,698

LOGISTICS NETWORK DIVISION

The Division is also in the process of building another 14,000 square metres bonded logistics centre inside the Shanghai Waigaoqiao Free Trade Zone, which is expected to be completed by the third quarter of 2004. It will be a two storey facility mainly for bonded and temperature-controlled cargo. This facility, once completed, will complement the Division's existing operations in the area in capturing business from Shanghai and its neighbouring cities. Together with its China import and export licence, which the Division successfully obtained in 2003 through a 50% joint venture company, Shanghai Kerry CHJ Logistics Limited, the Division is able to secure a competitive advantage over other operators by assisting overseas customers to import their merchandise into Mainland China through the Shanghai ports.



Waigaoqiao Logistics Centre, Shanghai, PRC

In 2003, the Division continued to actively expand its freight forwarding network in the PRC by progressively setting up freight offices in selected cities. Having successfully set up offices in several major cities in the PRC prior to 2003, including Beijing, Tianjin, Shanghai, Qingdao and Shenzhen, the Division set up additional freight offices in Xiamen and Ningbo during the year. The next phase will be to set up offices in Guangzhou and other cities along the Yangtze River Basin.

The Division's logistics operations in the PRC have started gaining momentum. A number of large logistics contracts were won by the Division during the year, including a contract to manage three Vendor Managed Inventory hubs for the largest computer manufacturer in the PRC, covering Huiyang, Shanghai and Beijing. The Division is also providing warehousing and distribution service to Kerry Oils & Grains Limited in Beijing and Shanghai, through its associated companies. It is also operating a nation-wide, cross-provincial transportation business through a 50% joint venture company with Beijing Holdings Group.

Looking ahead, the Division will continue to enhance its logistics competencies in the PRC in order to attract more global customers with pan-Asian needs and to achieve a larger volume of business flow and scale of operations. More modern purpose built logistics centres will be built in Beijing, Shanghai, Shenzhen and other cities if there is adequate business flow to justify further investments. At the same time, with the PRC playing an increasingly important role in the global economy, the Division will keep a close look at the ever changing business environment and develop corresponding strategies to capture WTO and CEPA opportunities and thus position itself effectively in securing potential customers.

Overseas

Outside of the PRC, the Division is also continuously looking for opportunities to develop a bigger freight forwarding presence in the Asia Pacific Region. New freight offices were set up in Philippines and Vietnam in 2003. To further strengthen its overseas network in order to compete with the big international players in the industry, the Division will seek suitable acquisitions or appoint solid and proactive agents in selected countries.

LOGISTICS NETWORK DIVISION



Laem Chabang Logistics Centre, Thailand

In April 2003, the Division completed the construction of a 17,000 square metres logistics centre in Thailand which commenced operations in mid-2003. The facility is located in the area of Laem Chabang Port, south of Bangkok. It comprises of a general warehouse and a bonded warehouse and is the first custom-built logistics facility of the Division outside of Hong Kong. The facility serves the Laem Chabang Container Port as well as the Eastern Seaboard Industry Estate.

Subsequent to the year end, in March 2004 the Division acquired a 54.98% equity interest in Siam Seaport Terminal and Warehouses Company Limited ("SSP") for a consideration of approximately HK\$110 million. SSP is operating a seaport terminal located at the Eastern Seaboard Area of Thailand near the Laem Chabang Commercial Port, providing loading and unloading services for ocean vessels, other ancillary port services, warehouse storage and transportation services in Thailand. The acquisition enabled the Division to jump start its port infrastructure business in Thailand.

Together with the Division's existing logistics and freight forwarding operations in Thailand, the move will enable the Division to provide a full-fledged supply chain solution to its customers in the region. The impact and synergies brought about by this acquisition will be reflected in the results of the Division in 2004.

(ii) Warehousing Business

The tough economic environment in Hong Kong after the SARS outbreak in March 2003, together with ever increasing competition from the cheaper facilities in the Pearl River Delta area, as well as the increased direct shipments of cargo to and from the coastal ports on the Mainland, continued to impose downward pressure on the warehouse rental market in Hong Kong in 2003.

Despite such adverse market conditions, the Division managed to maintain an occupancy rate of 92% for its entire warehouse portfolio in Hong Kong. This was achieved by implementing effective strategies to secure both cargo volume as well as tenants via proactive marketing approach and continuous improvement in service quality. Efforts are being made to focus the Division on several niche sectors such as dangerous goods, bonded cargo and cold storage for which demand and margins are comparatively higher producing better yields.

➤ INFRASTRUCTURE DIVISION

The Infrastructure Division is comprised mainly of the Group's holdings in three infrastructure related companies, which are a 25% interest in Chiwan Container Terminal in Shenzhen, a 15% interest in Asia Airfreight Terminal in Hong Kong and a 15% interest in Western Harbour Tunnel also in Hong Kong. As at 31 December 2003, the gross asset value of the Group's infrastructure investments was approximately HK\$855 million (2002: HK\$723 million) and total profits from this Division amounted to HK\$149 million (2002: HK\$101 million). The Infrastructure Division provides the Group with excellent recurrent income as well as synergies with the Group's Logistics Network Division.

(i) Chiwan Container Terminal (CCT)

The operations of Chiwan Container Terminal continued to make good progress in 2003 with a significant increase in throughput over that of 2002. Approximately 1.9 million twenty feet equivalent units ("TEUs") were handled during

the year, representing an increase of approximately 61% over the amount of TEUs handled in 2002. Profits of HK\$85 million (2002: HK\$49 million) have been equity accounted by the Group in respect of the investment for the year ended 31 December 2003.

Throughout the year under review, CCT managed three berths in the port of Chiwan, which is on the west side of the Pearl River Delta and is one of Shenzhen's three ports, the other two being Yantian and Shekou. CCT finalized the construction of its fourth berth in February 2004. Due to the fourth berth becoming operational in 2004, the volume of TEUs handled by CCT is also expected to increase this year. In view the increasing demand for berthing facilities, CCT has approved the purchase of land to construct an additional new berth, which will increase the total number of berths to five.



New berth of Chiwan Container Terminal, Shenzhen, PRC

➤ INFRASTRUCTURE DIVISION

The Group expects a continuing strong performance from its investment in CCT. The three ports of Shenzhen handled approximately 10.5 million TEUs in 2003 making Shenzhen the fourth busiest port in the world after Hong Kong, Singapore and Shanghai, in that order. It is expected that Shenzhen will catch up with Shanghai in terms of TEUs handled in the next year due to other new berths becoming operational.

(ii) Asia Airfreight Terminal (AAT)

Asia Airfreight Terminal, the air cargo terminal operator at Chek Lap Kok, Hong Kong's international airport, has also performed satisfactorily during the year with tonnage handled reaching 459,849 tons (2002: 431,416 tons). The Group has equity accounted for HK\$29 million in profits in 2003 (2002: HK\$27 million).

The management of AAT is currently assessing additional business opportunities in order to maximize the utilization of its terminal capacity and to increase its revenue stream. AAT has also successfully negotiated with the Airport Authority (AA) for an extension of its franchise

from 2018 to 2028. In addition, due to AAT operating at near capacity, it is also discussing with the AA the possibility of expanding its current facility and handling capacity by building a new cargo terminal.

(iii) Western Harbour Tunnel (WHT)

The Western Harbour Tunnel has also made a positive contribution to the Group during the year with profit attributable to the Group amounting to HK\$35 million (2002: HK\$25 million). WHT commenced operations on 30 April 1997 managing Hong Kong's third cross harbour tunnel, located to the west of Hong Kong's other two cross harbour tunnels. In 2003, daily average traffic amounted to 37,261 vehicles a day (2002: 40,038 vehicles).

In June 2002, a consortium formed by the shareholders of the Western Harbour Tunnel in which the Group has a 15% interest, successfully secured an extension of the management contract of the Cross Harbour Tunnel with the Government for two years commencing September 2002, extendable for another two years thereafter. This investment is performing within expectations.



Asia Airfreight Terminal, Chek Lap Kok Airport, Hong Kong

PARTICULARS OF PROPERTIES HELD

Particulars of properties held by the Group as at 31 December 2003 are as follows:-

Property name	Location	Type	%	Group's attributable interest		Lease term	
				Approximate gross floor area (Sq.ft.)	Approximate no. of carpark spaces		
PRC Properties							
A. Held for investment							
1.	Beijing Kerry Centre	1 Guang Hua Road Chaoyang District Beijing	71.25	Office Hotel with Club Residential Commercial Carparks	711,121 499,642 277,330 98,406 190,806	430	Medium lease
					<u>1,777,305</u>		
2.	Shanghai Kerry Centre	1515 Nanjing Road West Jingan District Shanghai	74.25	Residential Office Commercial Carparks	142,355 308,584 103,971 118,129	180	Medium lease
					<u>673,039</u>		
3.	Kerry Everbright City Phase I	218 Tianmu Road West Zhabei District Shanghai	54.45	Commercial Office Residential Carparks	242,103 273,879 6,659 72,135	131	Medium lease
					<u>594,776</u>		
4.	Shenzhen Kerry Centre	Renminnan Road Lowu District Shenzhen	100.00	Office Commercial Carparks Others	173,169 107,256 88,319 53,885	193	Medium lease
					<u>422,629</u>		
5.	Beijing COFCO Plaza	8 Jianguomennei Avenue Dongcheng District Beijing	15.00	Office Tower A Office Tower B Commercial Carparks & Others	49,649 53,895 86,592 3,892	25	Medium lease
					<u>194,028</u>		
6.	Shanghai Trade Square	88-128 Siping Road Hongkou District Shanghai	55.20	Office Commercial Carparks	28,616 9,946 19,264	51	Medium lease
					<u>57,826</u>		
7.	International Apartments	88-128 Siping Road Hongkou District Shanghai	55.20	Commercial Carparks	4,017 12,432	33	Medium lease
					<u>16,449</u>		
					<u>3,736,052</u>	<u>1,043</u>	
Total PRC investment properties							

PARTICULARS OF PROPERTIES HELD

Property name	Location	Type	Stage of completion	Anticipated completion	Group's attributable interest			
					%	Approximate gross floor area (Sq.ft.)	Approximate site area (Sq.ft.)	
PRC Properties								
B. Under development								
1.	Fuzhou Central Residences	127 Gutian Road Gu Lou District Fuzhou	Residential Commercial	Interior work in progress	Second quarter of 2004	100.00	372,578 50,946	86,241
							423,524	
2.	Arcadia Court	Futian District Shenzhen Lot No. B205-0008	Residential	Interior work in progress	Third quarter of 2004	100.00	970,057	361,595
3.	Shanghai Central Residences Phase II	South West Caojiayan Yanan Road West and Jiangsu Road Changning District Shanghai	Residential	Basement work has commenced	Third quarter of 2005	100.00	661,297	158,823
4.	Kerry Everbright City Phase II	Tianmu Road West Zhabei District Shanghai	Residential Office Commercial	Design planning under review	In phases to 2006	54.45	669,842 191,303 70,332	199,262
							931,477	
5.	Jingan Residential Project	1288 Yanan Zhong Road Jingan District Shanghai	Residential	Project planning	Second quarter of 2006	99.00	510,716	145,917
6.	Futian Office Project	Futian Central District Lot No. 7-3 Shenzhen	Office	Project planning	Fourth quarter of 2007	100.00	807,300	107,782
7.	Shibalidian Residential Project *	Shibalidian Chaoyang District Beijing	Residential	Project planning	In phases to 2009	50.00	4,181,491	1,649,400
Total PRC properties under development							8,485,862	2,709,020

* Share transfer contract of joint venture company signed on 17 September 2003 with registration in progress.

Property name	Location	Type	%	Group's attributable interest				
				Approximate gross floor area (Sq.ft.)	Approximate no. of carpark spaces	Lease term		
PRC Properties								
C. Completed and held for sale								
1.	Shenzhen Regency Park, Phase IIIB	Yinhu Road Lowu District Shenzhen Lot No. H402-37	Residential	100.00	29,547	-	Medium lease	
2.	Shanghai Central Residences Towers 3 and 5	1038 Hua Shan Road Changning District Shanghai	Residential	100.00	13,219	75	Long lease	
Total PRC properties, completed and held for sale					42,766	75		

PARTICULARS OF PROPERTIES HELD

Property name	Location	Type	Group's attributable interest	
			%	Approximate site area (Sq.ft.)
PRC Properties				
D. Held for future development				
1. Changchun Industrial Site	Southeast junction of Pudong Road and Dongsheng Avenue Changchun	Industrial	65.00	699,660 *
2. Tianjin Industrial Site	Lot No. 28 Tianjin Harbour Nanjiang Area Tanggu District Tianjin	Industrial	25.00	269,102
3. Guangxi Beihai Site	Southwest junction of Beihai Avenue and Guizhou Road Beihai	Residential/ Commercial	100.00	118,404
4. Kerry Everbright City Phase III	Tianmu Road West, Zhabei District Shanghai	Residential/ Commercial	54.45	97,633
Total PRC properties held for future development				<u>1,184,799</u>

* Agreement was signed on 23 July 2003 for the disposal of the site. Sale is pending completion.

Property name	Location	Type	Group's attributable interest	
			%	Approximate site area (Sq.ft.)
PRC Properties				
E. For resettlement				
1. Beijing site	Shibalidian Chaoyang District Beijing	Multi-uses	20.00	6,676,074 #
Total PRC properties for resettlement				<u>6,676,074</u>
TOTAL PRC PROPERTY PORTFOLIO				<u>20,125,553</u>

Land will be parceled out for further development by other companies.

PARTICULARS OF PROPERTIES HELD

Property name	Location	Type	Group's attributable interest		Lease term	
			%	Approximate gross floor area (Sq.ft.)		Approximate no. of carpark spaces
Hong Kong Properties						
A. Held for investment						
I. Residential						
1. Tregunter Towers 1 & 2	14 Tregunter Path Mid-Levels Hong Kong	Residential	100.00	270,523	84	Medium to long lease
2. Branksome	3 Tregunter Path Mid-Levels Hong Kong	Residential	100.00	257,372	81	Long lease
3. Aigburth	12 Tregunter Path Mid-Levels Hong Kong	Residential	100.00	204,940	63	Long lease
4. Belgravia	57 South Bay Road Repulse Bay Hong Kong	Residential	100.00	122,353	75	Medium lease
5. Tavistock	10 Tregunter Path Mid-Levels Hong Kong	Residential	100.00	104,460	24	Long lease
6. Constellation Cove	1 Hung Lam Drive Tai Po New Territories	Residential	75.00	14,850	-	Medium lease
7. 111 High Street	111 High Street Sai Ying Pun Hong Kong	Residential	100.00	20,270	-	Long lease
8. Gladdon	3 May Road Mid-Levels Hong Kong	Residential	100.00	2,300	14	Medium lease
9. Elm Tree Towers - Carparks	8-10 Chun Fai Road Tai Hang Hong Kong	Carparks	80.00	-	6	Long lease
Sub-total				997,068	347	

➤ PARTICULARS OF PROPERTIES HELD

Property name	Location	Type	%	Group's attributable interest		Lease term
				Approximate gross floor area (Sq.ft.)	Approximate no. of carpark spaces	
Hong Kong Properties						
A. Held for investment						
II. Commercial						
1. Olympian City 2 at Olympian City	MTR Olympic Station 18 Hoi Ting Road Kowloon	Commercial	32.50	170,016	64	Medium lease
2. Citibank Plaza Citibank Tower – 34/F, 36/F & 37/F	3 Garden Road Central Hong Kong	Commercial	10.16	90,398 *	55	Medium lease
		Commercial	100.00	52,656 *	3	Medium lease
				143,054		
3. Enterprise Square	9 Sheung Yuet Road Kowloon Bay Kowloon	Commercial	100.00	126,910	28	Medium lease
4. Auto Plaza	65 Mody Road Tsimshatsui Kowloon	Commercial	100.00	106,197	980	Long lease
5. 6/F AXA Centre 7/F AXA Centre 8/F AXA Centre 9/F AXA Centre	151 Gloucester Road Wanchai Hong Kong	Commercial	100.00	12,750	2	Long lease
		Commercial	100.00	12,750	2	Long lease
		Commercial	100.00	12,761	2	Long lease
		Commercial	100.00	12,750	2	Long lease
				51,011		
6. Hollywood Centre	233 Hollywood Road Sheung Wan Hong Kong	Commercial	45.00	40,490	–	Long lease
7. Harbour Centre	25 Harbour Road Wanchai Hong Kong	Retail	15.00	6,135 **	43	Long lease
		Office		32,941 *		
				39,076		
8. Olympian City 1 at Olympian City	MTR Olympic Station 11 Hoi Fai Road Kowloon	Commercial	20.00	27,986	66	Medium lease
9. South Seas Centre – Various portions	75 Mody Road Tsimshatsui Kowloon	Commercial	100.00	9,555	38	Long lease
10. Constellation Cove	1 Hung Lam Drive Tai Po New Territories	Commercial	75.00	5,550	–	Medium lease
11. Belair Monte	3 Ma Sik Road Area 19 Luen Wo Hui Fanling New Territories	Commercial	8.00	3,820	–	Medium lease
12. Wing On Plaza	62 Mody Road Tsimshatsui Kowloon	Commercial	10.00	2,896	–	Long lease
Sub-total				726,561	1,285	
Total Hong Kong investment properties				1,723,629	1,632	

* Being lettable floor area

** Being net floor area

PARTICULARS OF PROPERTIES HELD

Property name	Location	Type	Stage of completion	Anticipated completion	Group's attributable interest		
					%	Approximate gross floor area (Sq.ft.)	Approximate site area (Sq.ft.)
Hong Kong Properties							
B. Under development							
1. Enterprise Square 3	Wang Chiu Road Kowloon Bay Kowloon	Commercial	Finishing work in progress	First quarter of 2004	100.00	553,872	46,156
2. Branksome Crest	3 Tregunter Path Mid-Levels Hong Kong Inland Lot No. 8393	Residential	Finishing work in progress	Second quarter of 2004	100.00	142,848	78,790
3. Residence Oasis	MTR Hang Hau Station Tseung Kwan O Kowloon	Residential	Superstructure work in progress	First quarter of 2005	40.00	596,980	77,345
4. Ho Man Tin Residential Project	15 Ho Man Tin Hill Road Ho Man Tin Kowloon	Residential	Foundation work in progress	First quarter of 2006	100.00	130,340	26,078
5. Enterprise Square 5	Wang Chiu Road Kowloon Bay Kowloon	Commercial	Foundation work in progress	Fourth quarter of 2006	100.00	1,626,742	135,562
6. Tsuen Wan Residential Project	152 – 160 Kwok Shui Road New Territories	Residential	Demolition work in progress	First quarter of 2007	100.00	395,000	79,000 #
7. ALCIL No. 129	Praya Road Ap Lei Chau Hong Kong	Residential	Conceptual design stage	Second quarter of 2007	35.00	319,663	63,179
<i>Total Hong Kong properties under development</i>						3,765,445	506,110

Being area approved by the Town Planning Board on 3 March 2004 in respect of a land exchange

PARTICULARS OF PROPERTIES HELD

Property name	Location	Type	%	Group's attributable interest		Lease term
				Approximate gross floor area (Sq.ft.)	Approximate no. of carpark spaces	
Hong Kong Properties						
C. Completed and held for sale						
1. Constellation Cove	1 Hung Lam Drive Tai Po New Territories	Residential	75.00	44,910	40	Medium lease
2. Central Park at Olympian City	MTR Olympic Station 18 Hoi Ting Road Kowloon	Residential	32.50	34,318	} 238	Medium lease
3. Park Avenue at Olympian City	MTR Olympic Station 18 Hoi Ting Road Kowloon	Residential	32.50	16,194		Medium lease
4. Island Harbourview at Olympian City	MTR Olympic Station 11 Hoi Fai Road Kowloon	Residential	20.00	30,132	116	Medium lease
5. The Cliveden	98 Route Twisk Tsuen Wan New Territories	Residential	50.00	17,326	104	Medium lease
6. Richwood Park	33 Lo Fai Road Tai Po New Territories	Shops	50.00	7,893	-	Medium lease
7. Greenfields	1 Fung Kam Street Yuen Long New Territories	Residential	7.00	429	3	Medium lease
8. Valverde	11 May Road Mid-Levels Hong Kong	Carparks	100.00	-	24	Long lease
9. Tavistock II	10A Tregunter Path Mid-Levels Hong Kong	Carparks	100.00	-	16	Long lease
10. Camellia Court	3 Yu Tai Road Fanling New Territories	Carparks	100.00	-	8	Medium lease
11. Enterprise Square 2	3 Sheung Yuet Road Kowloon Bay Kowloon	Carparks	100.00	-	6	Medium lease
Total Hong Kong properties, completed and held for sale				151,202	555	
TOTAL HONG KONG PROPERTY PORTFOLIO				5,640,276		

PARTICULARS OF PROPERTIES HELD

Property name	Location	Type	Group's attributable interest		Lease term			
			%	Approximate gross floor area (Sq.ft.)		Approximate no. of carpark spaces		
Overseas Properties								
A. Held for investment								
1.	Land leased to EDSA Shangri-La Hotel	EDSA corner Shaw Blvd. Mandaluyong City Philippines	Hotel Lease	73.88 #	191,832 *	-	Freehold	
2.	Land leased to Shangri-La Plaza Mall	EDSA corner Shaw Blvd. Mandaluyong City Philippines	Shopping Centre Lease	73.88 #	217,938 *	-	Freehold	
3.	Land for open carparks	EDSA corner Shaw Blvd. Mandaluyong City New Territories	Carpark & Others	73.88 #	243,726 *	293	Freehold	
					653,496 *			
4.	Shangri-La Plaza Mall	EDSA corner Shaw Blvd. Mandaluyong City Philippines	Shopping Centre	58.15 @	1,087,857	384	Freehold	
5.	The Enterprise Centre	Ayala Avenue cor Paseo de Roxa Makati City Philippines	Commercial	17.38 ^	260,381	205	Freehold	
6.	Carpark Building	EDSA corner Shaw Blvd. Mandaluyong City Philippines	Carparks	73.88 #	228,257	536	Freehold	
Total overseas investment properties					2,229,991	1,418		

* Being site area

Including attributable interest of 34.76% held through Philippine Deposit Receipts

@ Including attributable interest of 27.36% held through Philippine Deposit Receipts

^ Including attributable interest of 8.18% held through Philippine Deposit Receipts

PARTICULARS OF PROPERTIES HELD

Property name	Location	Type	Stage of completion	Anticipated completion	Group's attributable interest			
					%	Approximate gross floor area (Sq.ft.)	Approximate site area (Sq.ft.)	
Overseas Properties								
B. Under development								
1. Escarpment Jacksons Landing	Refinery Drive Pyrmont Sydney Australia	Residential	Finalisation work in progress	First quarter of 2004	25.00	6,458	2,086	
2. Distillery Stage 1 Jacksons Landing	Jones Street Pyrmont Sydney Australia	Residential	Interior decoration work in progress	Third quarter of 2004	25.00	67,275	12,109	
3. The Shang Grand Tower	DelaRosa corner Makati City Philippines	Residential	Superstructure work in progress	Fourth quarter of 2005	49.72 #	381,657	15,284	
4. Various precincts, Jacksons Landing	Lot 94, DP 868828 Pyrmont Sydney Australia	Residential Commercial	Design stage	In phases up to 2007	25.00	139,259 43,056	53,134	
						182,315		
Total overseas properties under development						637,705	82,613	

Including attributable interest of 23.39% held through Philippine Deposit Receipts

Property name	Location	Type	%	Group's attributable interest			Lease term
				Approximate gross floor area (Sq.ft.)	Approximate no. of carpark spaces		
Overseas Properties							
C. Completed and held for sale							
1. Terraces Jacksons Landing	Bowman Street Pyrmont Sydney Australia	Residential	25.00	530	-		Freehold
Total overseas properties completed, held for sale				530	-		
TOTAL OVERSEAS PROPERTY PORTFOLIO				2,868,226			

PARTICULARS OF PROPERTIES HELD

Property name	Location	Type	%	Group's attributable interest		Lease term
				Approximate gross floor area (Sq.ft.)	Approximate no. of carpark spaces	
Warehouses and logistics centres						
A. Completed						
1. Kerry Cargo Centre	55 Wing Kei Road Kwai Chung New Territories	Warehouse Carparks	100.00	1,443,356 547,000	777	Medium lease
				<u>1,990,356</u>		
2. Kerry TC Warehouse 2	35 Wing Kei Road Kwai Chung New Territories	Warehouse Carparks	100.00	490,942 171,490	262	Medium lease
				<u>662,432</u>		
3. Kerry TC Warehouse 1	3 Kin Chuen Street Kwai Chung New Territories	Warehouse	100.00	647,832	56	Medium lease
4. Kerry Warehouse (Tsuen Wan)	3 Shing Yiu Street Kwai Chung New Territories	Warehouse	100.00	591,973	56	Medium lease
5. Kerry Warehouse (Chai Wan)	50 Ka Yip Street Chai Wan Hong Kong	Warehouse	100.00	535,037	53	Long lease
6. Kerry Warehouse (Shatin)	36-42 Shan Mei Street Shatin New Territories	Warehouse	100.00	431,530	64	Medium lease
7. Kerry Logistics (Australia) Pty Ltd Adelaide	4 Martin Avenue Gillman, Adelaide South Australia 5013	Container Terminal	100.00	422,218	-	Freehold
8. Kerry Warehouse (Sheung Shui)	2 San Po Street Sheung Shui New Territories	Warehouse	100.00	356,253	37	Medium lease
9. Kerry Warehouse (Yuen Long 1)	19 Tak Yip Street Tung Tau Industrial Area Yuen Long New Territories	Warehouse	100.00	321,430	33	Medium lease
10. Kerry Hung Kai Warehouse (Cheung Sha Wan)	3 Fat Tseung Street Cheung Sha Wan Kowloon	Warehouse	50.00	299,115	29	Medium lease
11. Kerry Warehouse (Kwai Chung)	4-6 Kwai Tai Road Kwai Chung New Territories	Warehouse	100.00	286,628	33	Medium lease
12. Kerry Warehouse (Fanling 1)	39 On Lok Mun Street On Lok Tsuen Fanling New Territories	Warehouse	100.00	283,580	30	Medium lease
				<u>6,828,384</u>	<u>1,430</u>	
Sub-total						

PARTICULARS OF PROPERTIES HELD

Property name	Location	Type	%	Group's attributable interest		Lease term
				Approximate gross floor area (Sq.ft.)	Approximate no. of carpark spaces	
Warehouses and logistics centres						
A. Completed (Continued)						
13. Shenzhen Kerry Yantian Port Logistics Centre	Lot No. 26 Southern zone Yantian Port Free Trade Zone Shenzhen	Logistics Centre	55.00	255,445	-	Medium lease
14. Kerry D.G. Warehouse (Kowloon Bay)	7 Kai Hing Road Kowloon Bay Kowloon	Warehouse	100.00	181,902	19	Medium lease
15. Kerry Warehouse (Fanling 2)	23 Yip Cheong Street On Lok Tsuen Fanling New Territories	Warehouse	100.00	137,738	10	Medium lease
16. Laem Chabang Logistics Centre	Highway No.7 (Bypass Laem Chabang) Nong-kham Sub-District Sri Racha District Chonburi Province Thailand	Logistics Centre	60.00	108,462	-	Freehold
Sub-total				683,547	29	
Total completed warehouses and logistics centres				7,511,931	1,459	

Property name	Location	Type	Stage of completion	Anticipated completion	Group's attributable interest		
					%	Approximate gross floor area (Sq.ft.)	Approximate site area (Sq.ft.)
Warehouses and logistics centres							
B. Under development							
1. Shanghai Waigaoqiao Logistics Centre	Lot No. F20-3 Waigaoqiao Free Trade Zone Shanghai	Logistics Centre	Tendering in progress	Third quarter of 2004	100.00	152,698	215,990
Total warehouses and logistics centers under development						152,698	215,990
TOTAL WAREHOUSES AND LOGISTICS CENTRES PORTFOLIO						7,664,629	

INFRASTRUCTURE INVESTMENTS

Project	Interest owned	Current status
Western Harbour Tunnel	15%	Operational April 1997
Asia Airfreight Terminal	15%	Operational June 1998
Chiwan Container Terminal	25%	Operational January 1994