KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

嘉里建設有限公司*

website: www.kerryprops.com

(Stock Code: 00683)

ANNOUNCEMENT

The board of directors of Kerry Properties Limited announces that:

1. Mr William Winship Flanz has been appointed as an independent non-executive director of the Company with effect from 29 September 2004; and

2. Mrs Lee Pui Ling, Angelina has resigned as an independent non-executive director of the Company with effect from 29 September 2004.

The board of directors (the "Board") of Kerry Properties Limited (the "Company") is pleased to announce that Mr William Winship Flanz has been appointed as an independent non-executive director of the Company effective from 29 September 2004. Mr Flanz has also been appointed as a member of each of the audit committee and the remuneration committee of the Board of the Company with effect from 29 September 2004.

Mr Flanz, aged 60, is a private investor, and serves as Advisor to Sterling Enterprises Limited, and as Senior Advisor to Baring Private Equity Asia, Limited. Mr Flanz also serves as an independent non-executive director of each of Li and Fung (Distribution) Limited and Integrated Distribution Services Group Limited. Mr Flanz began his career with Chase Manhattan Bank N.A., where he served as Country Manager for Japan, Area Director for the Middle East and North Africa, and later was appointed Area Director, responsible for all of Chase's activities in Asia Pacific. He was a founding partner of Prudential Asia Investments Limited, and subsequently a member of the Management Committee of Investcorp International Limited, and then Chairman and Chief Executive Officer of Gucci Group, N.V. before returning to Hong Kong, becoming Chief Executive Officer of Sterling Enterprises Limited, a Hong Kong based investment company. He graduated from New York University with a Bachelor of Arts Degree in Economics. He also holds an MBA from the University of Michigan.

Mr Flanz does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company and he does not have any interest (within the meaning of Part XV of the Securities and Futures Ordinance) in shares of the Company. He will receive from the Company a director's fee of HK$250,000 for the year ending 31 December 2004 on a pro-rata basis from the date of his appointment. This rate of director's fee is in line with that payable by the Company to other independent non-executive directors of the Company for the year ending 31 December 2004. There is no service contract entered into between Mr Flanz and the Company or any of its subsidiaries (together, the "Group"), and therefore no emolument is payable to Mr Flanz by the Group apart from the abovementioned director's fee. Mr Flanz will hold office of the directorship in the Company until he retires from the Board of the Company at the annual general meeting of the Company to be held in 2005 in accordance with the Bye-laws of the Company.

The directors of the Company welcome Mr Flanz to join the Board.

The Board also announces that Mrs Lee Pui Ling, Angelina has tendered her resignation as an independent non-executive director of the Company with effect from 29 September 2004 due to other business commitments. Mrs Lee has confirmed that there are no matters relating to her resignation that need to be brought to the attention of the shareholders of the Company.

The Board would like to extend its appreciation to Mrs Lee for her valuable efforts and contribution to the Company during her tenure as an independent non-executive director of the Company.

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

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

Hong Kong, 29 September 2004

* *For identification purpose only*
\+ *Executive director*
\# *Independent non-executive director*

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