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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)

CONNECTED TRANSACTION

On 29 April 2010, KFT (an indirect wholly-owned subsidiary of the Company), Hsinchu, TJ and Mr. Wang entered into the New Joint Venture Agreement in respect of the Joint Venture Company, an indirect 51%-owned subsidiary of the Company, following the transfer by Mr. Wang of 31% and 9% of his interests in the Joint Venture Company to Hsinchu and TJ respectively pursuant to the Share Transfer Agreement.

Hsinchu is a Substantial Shareholder of an indirect 77%-owned subsidiary of the Company and therefore a Connected Person of the Company. Accordingly, the entering into of the New Joint Venture Agreement and the Transaction constitutes a connected transaction for the Company under the Listing Rules. As one of the applicable Percentage Ratios is more than 0.1% but less than 2.5%, the Transaction is only subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement pursuant to Rule 14A.32 of the Listing Rules. Details of the Transaction will be included in the next published annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules.

THE NEW JOINT VENTURE AGREEMENT

On 29 April 2010, KFT (an indirect wholly-owned subsidiary of the Company), Hsinchu, TJ and Mr. Wang entered into the New Joint Venture Agreement in respect of the Joint Venture Company, an indirect 51%-owned subsidiary of the Company, following the transfer by Mr. Wang of 31% and 9% of his interests in the Joint Venture Company to Hsinchu and TJ respectively pursuant to the Share Transfer Agreement.

The principal terms of the New Joint Venture Agreement are set out below:-

Date: 29 April 2010

Parties:

- (a) KFT;
- (b) Hsinchu;
- (c) TJ; and
- (d) Mr. Wang.

Authorised and issued share capital of the Joint Venture Company: The authorised share capital of the Joint Venture Company is NT\$29,000,000 divided into 2,900,000 shares of NT\$10 each, all of which have been issued and fully paid-up as follows:-

Shareholder	Number of shares held	Percentage shareholding
KFT	1,479,000	51%
Hsinchu	899,000	31%
TJ	261,000	9%
Mr. Wang	261,000	9%

Business of the Joint Venture Company: The Joint Venture Company is principally engaged in the business of international freight forwarding.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE NEW JOINT VENTURE AGREEMENT

On 16 October 2003, the Company, through KFT (an indirect wholly-owned subsidiary of the Company), entered into the Existing Joint Venture Agreement with Mr. Wang, pursuant to which KFT and Mr. Wang established the Joint Venture Company in the ROC in which they held respectively 51% and 49% of the issued share capital of the Joint Venture Company.

The Joint Venture Company is principally engaged in the business of international freight forwarding.

On 29 April 2010, Mr. Wang as transferor, Hsinchu and TJ as transferees entered into the Share Transfer Agreement, pursuant to which Mr. Wang transferred 31% and 9% of his interests in the Joint Venture Company to Hsinchu and TJ respectively. Following such transfer, KFT, Hsinchu, TJ and Mr. Wang holds respectively 51%, 31%, 9% and 9% of the issued share capital of the Joint Venture Company.

In accordance with the provisions of the Existing Joint Venture Agreement, with the introduction of Hsinchu and TJ as shareholders of the Joint Venture Company, it is necessary for the JV Parties to enter into the New Joint Venture Agreement to govern and regulate their respective rights and obligations in respect of the Joint Venture Company.

The New Joint Venture Agreement has been negotiated between the JV Parties on an arm's length basis. The Directors (including the independent non-executive Directors) believe that the New Joint Venture Agreement is on normal commercial terms, the terms of which are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Joint Venture Company is an indirect 51%-owned subsidiary of the Company. Hsinchu is a Substantial Shareholder of an indirect 77%-owned subsidiary of the Company and therefore a Connected Person of the Company. Accordingly, the entering into of the New Joint Venture Agreement and the Transaction constitutes a connected transaction for the Company under the Listing Rules. As one of the applicable Percentage Ratios is more than 0.1% but less than 2.5%, the Transaction is only subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement pursuant to Rule 14A.32 of the Listing Rules. Details of the Transaction will be included in the next published annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules.

INFORMATION ABOUT THE GROUP, HSINCHU AND TJ

The Group is principally engaged in (1) property development, investment and management in Hong Kong, PRC and the Asia Pacific region; (2) logistics, freight and warehouse ownership and operations; (3) infrastructure-related investments in Hong Kong and PRC; and (4) hotel ownership in Hong Kong, and hotel ownership and operations in PRC.

Hsinchu is principally engaged in the transportation and logistics business in the ROC.

TJ is a limited liability company incorporated in the ROC whose shares are listed on The Taiwan Stock Exchange Corporation. Through its subsidiaries, the Company is entitled to exercise or control the exercise of an aggregate of approximately 30% of the voting power at the general meetings of TJ and therefore TJ is an associated company of the Company. Save as aforesaid, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, TJ is a third party independent of and not connected with the Company and its Connected Persons. TJ is principally engaged in the transportation and logistics business in the ROC.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless otherwise specified:-

"Board"	the board of Directors;
"Company"	Kerry Properties Limited, an exempted company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange;
"Connected Person(s)"	has the meaning ascribed to it under Chapter 14A of the Listing Rules;
"Director(s)"	the directors of the Company;

"Existing Joint Venture Agreement"	the agreement dated 16 October 2003 entered into between KFT and Mr. Wang in respect of the establishment of the Joint Venture Company;
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of PRC;
"Hsinchu"	新竹貨運股份有限公司 (Hsinchu Freight Co., Ltd), a limited liability company incorporated under the laws of the ROC;
"Joint Venture Company"	嘉里通運股份有限公司 (Kerry Freight (Taiwan) Limited), a limited liability company incorporated under the laws of the ROC;
"JV Parties"	collectively, KFT, Hsinchu, TJ and Mr. Wang;
"KFT"	Kerry Freight International (Taiwan) Limited, a limited liability company incorporated under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Company;
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange;
"Mr. Wang"	Mr. Don Wang;
"New Joint Venture Agreement"	the joint venture agreement dated 29 April 2010 entered into between KFT, Hsinchu, TJ and Mr. Wang in respect of the Joint Venture Company;
"NT\$"	New Taiwan Dollars, the lawful currency of the ROC;
"Percentage Ratio(s)"	has the meaning ascribed to it under the Listing Rules;
"PRC"	the People's Republic of China;
"ROC"	the Republic of China;
"Share Transfer Agreement"	the agreement dated 29 April 2010 entered into between Mr. Wang as transferor, Hsinchu and TJ as transferees, pursuant to which Mr. Wang transferred 31% and 9% of his interests in the Joint Venture Company to Hsinchu and TJ respectively;

"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules;
"TJ"	大榮汽車貨運股份有限公司 (TJoin Transportation Co., Ltd), a limited liability company incorporated under the laws of the ROC, the shares of which are listed on The Taiwan Stock Exchange Corporation;
"Transaction"	the establishment of the joint venture by the JV Parties on the terms of the New Joint Venture Agreement and the transaction contemplated thereunder; and
"%"	per cent.

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, ^{MBE, JP}⁺, Qian Shaohua⁺, Chan Wai Ming, William⁺, Ku Moon Lun[#], Lau Ling Fai, Herald[#], Ms. Wong Yu Pok, Marina, ^{JP}[#] and Mr. Tse Kai Chi[@].

By Order of the Board
Kerry Properties Limited
Li Siu Ching, Liz
Company Secretary

Hong Kong, 29 April 2010

- ⁺ *Executive Director*
- [#] *Independent Non-executive Director*
- [@] *Non-executive Director*
- ^{*} *For identification purpose only*