嘉 里 建 設 有 限 公 司*

KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

website: www.kerryprops.com

(Stock Code: 683)

DISCLOSEABLE TRANSACTION
TRANSACTION INVOLVING LAND IN WUHAN, THE PRC

Grand Glory (being a wholly-owned subsidiary of the Company) won a public bidding to acquire the land use rights of the Tianjie Plot B2 in 2018 and acquired the land title deed upon full payment of a total consideration of RMB3,793,640,000 (approximately HK$4,033,019,000) in 2022. The Tianjie Plot B2 was designated for commercial use for a term of 40 years.

In December 2024, in order to improve the quality and defensiveness of the GFA mix of the Group's land bank in Wuhan (including that of the Tianjie Plot B2), Grand Glory entered into the following Transaction:

(1) Wuhan LASC agreed to resume the land use rights of the Tianjie Plot B2 for a total compensation payment from Wuhan LASC to Grand Glory of RMB3,793,640,000 (approximately HK$4,033,019,000) in cash. Following such resumption, Wuhan LASC implemented procedures to vary the land use rights of the Tianjie Plot B2; and

(2) Grand Glory successfully participated in the Sale Process to buy back the land use rights of the Tianjie Plot B2 and in addition to acquire the land use rights of the nearby riverside Hepingli Plot A for a total consideration payable by Grand Glory to Wuhan Bureau of RMB4,893,800,000 (approximately HK$5,202,599,000) in cash. The Tianjie Plot B2 and the Hepingli Plot A are designated for residential, office, commercial and other mixed uses, each with terms of use of 70 years for residential use, 40 years for office and commercial use, and 50 years for other mixed uses.

* *For identification purpose only*

The Group's total net cash outlay in the Transaction is RMB1,100,160,000 (approximately HK$1,169,580,000). Prior to the Transaction, the Tianjie Plot B2 comprised 259,500 sqm GFA of commercial use. Following completion of the Transaction, the Group's total GFA in the Tianjie Plot B2 comprises 130,000 sqm GFA of residential use and 4,000 sqm GFA of commercial use, plus another 43,000 sqm GFA of residential use and 113,000 sqm GFA of office, commercial and other mixed uses at the Hepingli Plot A.

As the Transaction involves both a disposal and an acquisition, the Transaction is classified for the purposes of Chapter 14 of the Listing Rules by reference to the larger of the disposal or the acquisition. As the consideration for the acquisition of the Tianjie Plot B2 and the nearby Hepingli Plot A under the Sale Process exceeds 5% but is lower than 25% of the applicable percentage ratios under Chapter 14 of the Listing Rules, the Transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Grand Glory (being a wholly-owned subsidiary of the Company) won a public bidding to acquire the land use rights of the Tianjie Plot B2 in 2018 and acquired the land title deed upon full payment of a total consideration of RMB3,793,640,000 (approximately HK$4,033,019,000) in 2022. The Tianjie Plot B2 was designated for commercial use for a term of 40 years. Since its acquisition, the Group has not carried out any development works in respect of the Tianjie Plot B2 and it remains a property under development of the Group.

In order to improve the quality and defensiveness of the GFA mix of the Group's land bank in Wuhan (including that of the Tianjie Plot B2), Grand Glory entered into the following Transaction:

(1) Grand Glory and Wuhan LASC entered into the Resumption Agreement pursuant to which Wuhan LASC agreed to resume the land use rights of the Tianjie Plot B2 for a total compensation payment from Wuhan LASC to Grand Glory of RMB3,793,640,000 (approximately HK$4,033,019,000) in cash. Pursuant to the Resumption Agreement, Wuhan LASC implemented procedures to vary the land use rights of the Tianjie Plot B2.

(2) On 26 December 2024, following the Sale Process, Grand Glory agreed to acquire the land use rights of the Tianjie Plot B2 and the nearby riverside Hepingli Plot A for a total consideration payable by Grand Glory to Wuhan Bureau of RMB4,893,800,000 (approximately HK$5,202,599,000) in cash. The Tianjie Plot B2 and the Hepingli Plot A are designated for residential, office, commercial and other mixed uses, each with terms of use of 70 years for residential use, 40 years for office and commercial use, and 50 years for other mixed uses. The Deposit of RMB978,760,000 (approximately HK$1,040,520,000) has been paid prior to the Sale Process and the balance of the total consideration shall be payable in accordance with the Transfer Agreement.

(1) RESUMPTION AGREEMENT

The principal terms of the Resumption Agreement are as follows:

Parties:	(i) Wuhan LASC (ii) Grand Glory To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Wuhan LASC and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.
Land:	Wuhan LASC shall resume the land use rights of the Tianjie Plot B2.
Consideration:	The total compensation payable by Wuhan LASC to Grand Glory is RMB3,793,640,000 (approximately HK$4,033,019,000) in cash. The compensation shall be payable, in each case following approval from relevant governmental authorities, as follows: (i) the first instalment of RMB978,760,000 (approximately HK$1,040,520,000) shall be payable on or before 30 December 2024; and (ii) the balance of the total compensation shall be payable within 15 working days following approval from relevant governmental authorities, and in any case within three months of resumption of the land use rights of the Tianjie Plot B2. The compensation was determined by Wuhan LASC and Grand Glory by reference to the price paid by Grand Glory pursuant to the 2022 land contract to acquire the land use rights of the Tianjie Plot B2.

(2) TRANSFER AGREEMENT

The principal terms of the Transfer Agreement are as follows:

Parties:	(i) Wuhan Bureau (ii) Grand Glory To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Wuhan Bureau and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Land:	Grand Glory shall acquire the land use rights of the Tianjie Plot B2 and the nearby Hepingli Plot A.
Consideration:	The total consideration payable by Grand Glory to Wuhan Bureau is RMB4,893,800,000 (approximately HK$5,202,599,000) in cash. The Deposit can be applied towards satisfaction of the consideration payable by Grand Glory. 50% of the consideration shall be payable on or before 26 January 2025, with the balance payable on or before 26 December 2025. The consideration, being the tender price submitted by Grand Glory under the relevant Sale Process, was determined by the Company with reference to the current and future business prospect and development potential in the region, particularly taking into account the change in use of the Tianjie Plot B2. The consideration shall be financed by the Group's internal resources.

FINANCIAL EFFECTS OF THE RESUMPTION AGREEMENT ON THE GROUP

The commercial net effect of the Transaction is that Grand Glory's land use rights in respect of the Tianjie Plot B2 varied from 100% commercial use to a mix of residential and commercial uses, and Grand Glory acquired the land use rights of the nearby Hepingli Plot A. As the Group expects to apply the proceeds from the Resumption Agreement towards partial satisfaction of the consideration payable under the Transfer Agreement, upon completion of the Transaction, the Group's total net cash outlay is RMB1,100,160,000 (approximately HK$1,169,580,000).

The Group is not expected to realise any gain or loss upon completion of the Resumption Agreement as proceeds from the Resumption Agreement are the same as the Group's total consideration paid to acquire the Tianjie Plot B2 in 2018, and the Tianjie Plot B2 together with the Hepingli Plot A are to be acquired following the Group's successful participation in the Sale Process.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

The Transaction gives the Group an opportunity to improve the quality and defensiveness of the GFA mix of the Group's land bank in Wuhan (including that of the Tianjie Plot B2). Prior to the Transaction, the Tianjie Plot B2 comprised 259,500 sqm GFA of commercial use. Following completion of the Transaction, the Group's total GFA in the Tianjie Plot B2 comprises 130,000 sqm GFA of residential use and 4,000 sqm GFA of commercial use, plus another 43,000 sqm GFA of residential use and 113,000 sqm GFA of office, commercial and other mixed uses at the Hepingli Plot A.

The Directors believe that the terms of the Transaction are fair and reasonable and in the interests of the shareholders of the Company as a whole. The Board confirms that none of the Directors had any material interests in the Transaction and accordingly none of the Directors was required to abstain from voting on the resolutions relating to the Transaction.

INFORMATION OF THE GROUP AND THE PARTIES

The principal activity of the Company is investment holding, and the principal activities of the Company's subsidiaries, associates, and joint ventures comprise property development, investment and management in Hong Kong, the Mainland and the Asia Pacific region; hotel ownership in Hong Kong and hotel ownership and operations in the Mainland; and integrated logistics and international freight forwarding.

Grand Glory is a company wholly-owned by the Company. The principal activity of Grand Glory is property development.

Wuhan LASC is an affiliate of the Wuhan Bureau. Wuhan LASC and Wuhan Bureau are each a PRC Governmental Body.

LISTING RULES IMPLICATIONS

As the Transaction involves both a disposal and an acquisition, the Transaction is classified for the purposes of Chapter 14 of the Listing Rules by reference to the larger of the disposal or the acquisition. As the consideration for the acquisition of the Tianjie Plot B2 and the nearby Hepingli Plot A under the Sale Process exceeds 5% but is lower than 25% of the applicable percentage ratios under Chapter 14 of the Listing Rules, the Transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

"Agreements"	the Resumption Agreement and the Transfer Agreement;
"associate(s)", "connected person(s)", "percentage ratios", "PRC Governmental Body" and "subsidiary(ies)"	each has the meaning ascribed to it under the Listing Rules;
"Board"	the board of Directors;
"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;
"Deposit"	an amount of RMB978,760,000 (approximately HK$1,040,520,000) having been paid by Grand Glory in order to participate in the Sale Process in respect of the Tianjie Plot B2 and the Hepingli Plot A;
"Director(s)"	the director(s) of the Company;

"GFA"	gross floor area;
"Grand Glory"	Grand Glory Real Estate (Wuhan) Co., Ltd.* 富耀置業（武漢）有限公司, a wholly-owned subsidiary of the Company;
"Group"	the Company and its subsidiaries;
"Hepingli Plot A"	Tianjie Phase III (Hepingli) Plot A located at the intersection of Yanjiang Avenue and Daxingyi Road, Jianghan District, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市江漢區沿江大道和大興一路交叉口的天街片三期（和平里）A地塊) with a site area of approximately 15,977 sqm;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"PRC" or "Mainland"	the People's Republic of China;
"Resumption Agreement"	the land resumption agreement dated 2 December 2024 between Wuhan LASC and Grand Glory regarding the resumption of the land use rights of the Tianjie Plot B2;
"RMB"	Renminbi, the lawful currency of the PRC;
"Sale Process"	the public auction of the land use rights of various land in Wuhan City, including the Tianjie Plot B2 and the nearby Hepingli Plot A, taking place at 9:30 a.m. on 26 December 2024, as set out in the public announcement dated 5 December 2024 by the Wuhan Bureau;
"sqm"	square metres;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Transaction"	the entering into of the Agreements and the transactions contemplated thereunder;
"Transfer Agreement"	the land transfer agreement dated 26 December 2024 between Wuhan Bureau and Grand Glory regarding the acquisition of the Tianjie Plot B2 and the nearby Hepingli Plot A;

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"Tianjie Plot B2"	Tianjie Phase I Plot B2 located at the intersection of Minzu Road and Qinlaoyi Street, Jianghan District, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市江漢區民族路和勤勞一街交叉口的天街片一期B2地塊) with a site area of approximately 21,848 sqm;
"Wuhan Bureau"	the Wuhan Municipal Bureau of Natural Resources and Urban-Rural Development (武漢市自然資源和城鄉建設局);
"Wuhan LASC"	Wuhan Land Arranging Storage Centre (武漢市土地整理儲備中心), being an affiliate of the Wuhan Bureau; and
"%"	per cent.

Amounts denominated in RMB in the announcement has been converted into HK$ at the rate of RMB1 = HK$1.0631 for illustration purpose.

By order of the Board
Kerry Properties Limited
Cheng Wai Sin
Company Secretary

Hong Kong, 26 December 2024

As at the date of this announcement, the Directors of the Company are:

Executive Director	*Mr. Kuok Khoon Hua*
Independent Non-executive Directors:	*Mr. Hui Chun Yue, David, Mr. Chum Kwan Lock, Grant and Dr. Li Rui*
Non-executive Director:	*Ms. Tong Shao Ming*