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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: 683)

DISCLOSEABLE TRANSACTION: ACQUISITION OF LAND IN WUHAN

On 20 September 2018, KPCL, a wholly-owned subsidiary of the Company, successfully won the Land Bid to acquire the land use rights of the Land through public bidding at the Consideration of RMB6,425 million (approximately HK\$7,388.75 million), which will be settled in cash. The Bidding Deposit of HK\$3,669.63 million has been paid prior to the Land Bid and the balance of the Consideration shall be payable in accordance with the Confirmation Agreements.

As the Consideration for the acquisition of the Land exceeds 5% but is lower than 25% of the applicable percentage ratios under Chapter 14 of the Listing Rules, the Transaction constitutes discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 20 September 2018, KPCL, a wholly-owned subsidiary of the Company, successfully won the Land Bid to acquire the land use rights of the Land through public bidding at the Consideration of RMB6,425 million (approximately HK\$7,388.75 million), which will be settled in cash. The Bidding Deposit of HK\$3,669.63 million has been paid prior to the Land Bid and the balance of the Consideration shall be payable in accordance with the Confirmation Agreements.

The Land is designated for residential and commercial uses. The terms for the grant of the land use rights of the Land are 70 years for residential use and 40 years for commercial use.

* For identification purpose only

PRINCIPAL TERMS OF THE CONFIRMATION AGREEMENTS

The principal terms of the Confirmation Agreements are as follows:-

Land Bid date:	20 September 2018
Parties:	(i) Wuhan Land Resources and Planning Bureau (as the seller); (ii) Wuhan Land Reserve Center; and (iii) KPCL (as the purchaser).
Location:	South of Minquan Road, north of Taiyuan Street, west of Hualou Street, east of Minzu Road, Jiangnan District, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市江漢區民權路以南、泰源街以北、花樓街以西、民族路以東)
Total site area:	approximately 64,664 square metres
Consideration:	<p>The cash consideration for the acquisition of the Land is RMB6,425 million (approximately HK\$7,388.75 million).</p> <p>The Bidding Deposit of HK\$3,669.63 million was paid and the balance of the Consideration shall be payable within 1 year after the Land Bid.</p>
Land Contract:	The land contract for the Land will be signed as soon as practicable after signing of the Confirmation Agreements.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

The Directors believe that the Transaction provides the Group with a good investment opportunity in the prime location at Wuhan and it also provides an opportunity for the Group to increase the land bank for development. The Directors believe that the acquisition and development of the Land are expected to enhance the value of the Shareholders by providing additional revenue for the Group.

The Consideration has been arrived at following the successful bid by KPCL at the Land Bid after taking into account the location and potential value of the Land. It is currently expected that the funding required by the Group will be sourced from its internal reserves. The funding requirement is not expected to have any material impact on the Group.

The Directors believe that the terms of the Transaction are fair and reasonable, and the Transaction is on normal commercial terms, in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders 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 in relation to the Transaction.

IMPLICATIONS UNDER THE LISTING RULES

As the Consideration for the acquisition of the Land exceeds 5% but is lower than 25% of the applicable percentage ratios under Chapter 14 of the Listing Rules, the Transaction constitutes discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

KPCL is an indirect wholly-owned subsidiary of the Company and incorporated in Hong Kong with limited liability. Its principal activity is investment holding.

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

Wuhan Land Resources and Planning Bureau, the seller of the Land, and Wuhan Land Reserve Center are PRC Governmental Bodies. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Wuhan Land Resources and Planning Bureau and Wuhan Land Reserve Center are third parties independent of the Group and its connected persons.

DEFINITIONS

“Bidding Deposit”	an amount of HK\$3,669.63 million having been paid by KPCL in order to participate in the Land Bid;
“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;
“Confirmation Agreements”	confirmation letter and land development compensation agreement dated 20 September 2018 entered into between Wuhan Land Resources and Planning Bureau and Wuhan Land Reserve Center respectively with KPCL confirming the winning of the Land Bid;
“Consideration”	the total consideration for the acquisition of the Land, being RMB6,425 million (approximately HK\$7,388.75 million);
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries;
“KPCL”	Kerry Properties (China) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;

“Land”	A piece of land located at south of Minquan Road, north of Taiyuan Street, west of Hualou Street, east of Minzu Road, Jiangnan District, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市江漢區民權路以南、泰源街以北、花樓街以西、民族路以東) with a site area of approximately 64,664 square metres;
“Land Bid”	the public bidding in respect of the Land held on 20 September 2018 in Wuhan City, Hubei Province, the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“PRC Governmental Bodies”	has the meaning ascribed to it in the Listing Rules;
“RMB”	Renminbi, the lawful currency of PRC;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the acquisition of land use rights of the Land through the public bidding process;
“Wuhan Land Reserve Center”	Wuhan Land Reserve Center (武漢市土地整理儲備中心); and
“Wuhan Land Resources and Planning Bureau”	Wuhan Land Resources and Planning Bureau (武漢市國土資源和規劃局).

Amounts denominated in RMB in this announcement have been converted into HK\$ at the rate of RMB1=HK\$1.15 for illustration purposes.

By order of the board
Kerry Properties Limited
Li Siu Ching, Liz
Company Secretary

Hong Kong, 20 September 2018

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

Executive Directors: Messrs. Wong Siu Kong, Ho Shut Kan and Bryan Pallop Gaw
Non-executive Director: Mr. Kuok Khoon Hua
Independent Non-executive Directors: Mr. Ku Moon Lun, Ms. Wong Yu Pok, Marina, JP and Mr. Chang Tso Tung, Stephen