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SWIRE PACIFIC LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Codes: 00019 and 00087)

Sale of shares in Modern Terminals Limited

On 30th July 2005, the Company entered into Agreements to sell its entire 17.62% interest in MTL for a total consideration of about HK\$2,900 million. After Completion, the Company will no longer have any equity interest in MTL.

This announcement is made pursuant to paragraph 13.09 of the Listing Rules.

Agreements

On 30th July 2005, the Company entered into the following agreements (“Agreements”) with the Purchasers for the sale by the Company and the purchase by the Purchasers of 13,551 Shares (“Sale Shares”) representing approximately 17.62% of the MTL Capital, for a consideration of HK\$214,006.35 per Share, amounting in aggregate to about HK\$2,900 million:

- (1) agreement with Wharf Subsidiary, pursuant to which Wharf Subsidiary will purchase from the Company 9,683 Shares representing approximately 12.59% of the MTL Capital for a total consideration of about HK\$2,072 million; and
- (2) agreement with CMH Subsidiary, pursuant to which CMH Subsidiary will purchase from the Company 3,868 Shares representing approximately 5.03% of the MTL Capital for a total consideration of about HK\$828 million.

The transactions pursuant to the Agreements are collectively referred to hereafter as “Transactions”.

Consideration

The consideration for the Sale Shares has been arrived at after negotiations on an arm’s length basis, taking into consideration past transactions in the Shares of MTL, and shall be payable in cash in full on Completion.

The net book value of the Sale Shares as at 30th June 2005 was HK\$605 million. On Completion, the Company will realise a profit on disposal of approximately HK\$2,300 million.

The net proceeds from the Transactions will be used for general working capital purposes.

Completion

Completion of the Agreements is not subject to any condition and shall take place on or before 15th August 2005 (or such other date as may be agreed in writing between the parties to the Agreements).

Following Completion, the Company will cease to have any equity interest in MTL.

Reasons for the Transactions

The Directors are of the view that the terms of the Agreements are on normal commercial, fair and reasonable terms. This has been a good but passive investment. Accordingly the Company is pleased to take this opportunity to realise a reasonable profit on sale, which the Directors view as being in the best interests of the Company and its shareholders as a whole.

General

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Purchasers and their respective ultimate beneficial owners is a connected person (as defined in the Listing Rules) of the Company.

DEFINITIONS

“CMH Subsidiary”	A wholly-owned subsidiary of China Merchants Holdings (International) Company Limited holding approximately 22.11% of the MTL Capital.
“Company”	Swire Pacific Limited, an investment holding company.
“Directors”	The Directors of the Company.
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“MTL Capital”	The entire issued capital of MTL as at 30 th July 2005.
“MTL”	Modern Terminals Limited, the principal activity of which is the operation of container terminals.
“Purchasers” or “Purchaser”	Wharf Subsidiary and CMH Subsidiary or each of them.
“Shares”	Ordinary shares of HK\$1,000 each in the issued share capital of MTL.
“Wharf Subsidiary”	A wholly-owned subsidiary of Wharf holding approximately 55.34% of the MTL Capital.
“Wharf”	The Wharf (Holdings) Limited, the principal activities of which are property development and investment, container terminals, communications, media and entertainment.

As at the date of this announcement, the Directors of the Company are: Executive Directors: D M Turnbull, P N L Chen, M Cubbon, D Ho and K G Kerr; Non-Executive Directors: Baroness Dunn, J W J Hughes-Hallett, P A Johansen and Sir Adrian Swire; and Independent Non-Executive Directors: V H C Cheng, C K M Kwok, C Lee, M M T Yang and M C C Sze.

Margaret Yu

Secretary

Hong Kong, 1st August 2005