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SWIRE PACIFIC LIMITED

太古股份有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Codes: 00019 and 00087)

Announcement

Sale of Property Connected Transaction

The Directors announce that on 31st July 2015 Swire Pacific and the Buyer entered into the Agreement. The Agreement is a preliminary agreement for sale and purchase which provides for the sale of the Property by Swire Pacific to the Buyer for a cash consideration of HK\$375,375,000. On completion of the Transaction, the Buyer is entitled to a cash benefit of HK\$28,153,000 subject to proof of due payment of ad valorem stamp duty payable on the Transaction.

As the Buyer is a Director of Swire Pacific, the Transaction constitutes a connected transaction for Swire Pacific and is subject to the applicable reporting and announcement requirements of Chapter 14A of the Listing Rules.

The Agreement

The Agreement was entered into on 31st July 2015 between Swire Pacific and the Buyer.

Under the Agreement, Swire Pacific has provisionally agreed to sell and the Buyer has provisionally agreed to purchase the Property for a cash consideration of HK\$375,375,000, with 5% paid on entry into the Agreement, 5% payable on entry into the formal agreement for sale and purchase referred to below and 90% payable on completion of the Transaction, which must take place on or before 29th October 2015. Each party to the Agreement will bear its own costs. The Buyer will pay all stamp duty on the sale and purchase of the Property. On completion of the Transaction, the Buyer will be entitled to a cash benefit of HK\$28,153,000 subject to proof of due payment of ad valorem stamp duty payable on the Transaction. As is customary in property transactions similar to the Transaction, the (preliminary) Agreement is intended to be superseded by a formal agreement for sale and purchase which will provide for the sale and purchase of the Property on the same terms as those described above and which the parties to the Agreement are required to sign.

Compliance with the Listing Rules

As the Buyer is a Director of Swire Pacific, the Transaction is a connected transaction for Swire Pacific. As the highest of the relevant percentage ratios as defined under Rule 14.07 of the Listing Rules (other than the profits ratio) in respect of the Transaction will be more than 0.1% but less than 2.5%, the Transaction is subject to announcement and reporting requirements under Rule 14A.35 of the Listing Rules.

Consideration for the Transaction

The consideration in respect of the Transaction (including the cash benefit described above) was fixed by Swire Pacific on an arm's length basis and such consideration (including such cash rebate) was as stated in the published price list applicable to the Property. The consideration is the same consideration as would have been payable by a buyer who is not a connected person of Swire Pacific under the Listing Rules.

The site for the development of which the Property is part was acquired in 1948 and the occupation permit for such development was obtained in 2011. The book cost of the Property (excluding revaluation gains) as at 31st December 2014 was HK\$132,629,000. There will be a loss (taking account of the cash rebate described above but disregarding the other expenses of sale) arising from the sale of the Property of HK\$10,778,000. This loss arises because the sale price is lower than the fair value of the Property included in Swire Pacific's consolidated financial statements for the year ended 31st December 2014.

Reasons for and benefits of the Transaction

The Transaction enables Swire Pacific to realise cash from its investment in the Property. Swire Pacific will apply the proceeds from the Transaction for general working capital purposes.

The Directors (including the independent non-executive Directors) consider that the Transaction is on normal commercial terms and in the ordinary and usual course of business of Swire Pacific, fair and reasonable and in the interests of Swire Pacific and its shareholders as a whole. The Buyer did not vote on the board resolution approving the Transaction.

Definitions

- “Agreement”** The preliminary agreement for sale and purchase dated 31st July 2015 entered into between Swire Pacific and the Buyer in respect of the Property.
- “Buyer”** Lee, Wai Mun Rose, JP, who is an independent non-executive director of Swire Pacific.

- “Listing Rules”** The Rules Governing the Listing of Securities on the Stock Exchange.
- “Percentage Ratios”** The percentage ratios set out in Rule 14.07 of the Listing Rules.
- “Property”** Residential Unit on 6th Floor (together with an A/C plant room on Lower Ground Floor) and Parking Spaces Nos.13 and 14 on Lower Ground Floor of OPUS HONG KONG (傲璇), No. 53 Stubbs Road, Hong Kong.
- “Stock Exchange”** The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司.
- “Swire Pacific”** Swire Pacific Limited 太古股份有限公司, an investment holding company incorporated in Hong Kong and listed on the Stock Exchange, the subsidiaries, joint venture companies and associated companies of which are engaged in property, aviation, beverages, marine services and trading and industrial businesses.
- “Transaction”** The sale and purchase of the Property pursuant to the (preliminary) Agreement and the formal agreement for sale and purchase which is intended to supersede the Agreement.

The Directors of Swire Pacific at the date of this announcement are:

Executive Directors: J.R. Slosar (Chairman), G.M.C. Bradley, I.K.L. Chu, M. Cubbon, J.B. Rae-Smith, I.S.C. Shiu, A.K.W. Tang;

Non-Executive Directors: P.A. Johansen, M.B. Swire, S.C. Swire; and

Independent Non-Executive Directors: T.G. Freshwater, C. Lee, R.W.M. Lee, M.C.C. Sze and M.M.T. Yang.

By Order of the Board

SWIRE PACIFIC LIMITED

太古股份有限公司

David Fu

Company Secretary

Hong Kong, 31st July 2015