

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

SWIRE PACIFIC LIMITED**太古股份有限公司**

(Incorporated in Hong Kong with limited liability)
(Stock Codes: 00019 and 00087)

SWIRE PROPERTIES LIMITED**太古地產有限公司**

(Incorporated in Hong Kong with limited liability)
(Stock Code: 01972)

Discloseable Transaction**Investment in Property Development in the Pudong New Area
in Shanghai**

Reference is made to the joint announcement of the Companies dated 4th September 2023.

The Companies are pleased to announce that on the date of this joint announcement, Elegant Ocean and United Hill (each a wholly-owned subsidiary of Swire Properties) entered into the respective Equity Transfer Agreements for the Target Shares and the respective JV Agreements for the Target Companies. The principal assets of the Target Companies comprise the Yangjing Plot and the New Bund Plot.

The Transaction constitutes a discloseable transaction for each of the Companies under the Listing Rules and is subject to the announcement requirement but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

BACKGROUND

Reference is made to the joint announcement of the Companies dated 4th September 2023. Unless the context otherwise requires, terms defined in such joint announcement have the same meanings in this joint announcement.

The Companies are pleased to announce that the Bids for the Target Shares submitted by Elegant Ocean and United Hill were successful and that the Equity Transfer Agreements for their respective acquisitions of the Target Shares and the JV Agreements for the respective Target Companies were entered into on the date of this joint announcement. Completion of the Transaction is subject to the satisfaction of certain conditions. Upon

completion, Elegant Ocean and United Hill will each hold 40% of the equity interests in the respective Target Companies.

The JV Agreements will govern Elegant Ocean and United Hill's relationship with Lujiazui Development, being the other shareholder of the Target Companies, and the management of the Target Companies, after completion of the Transaction.

DONGMAO TRANSACTION

The principal terms of the Dongmao Transaction are summarised as follows:

Dongmao Equity Transfer Agreement

- Parties : Shanghai Lujiazui and Elegant Ocean.
- Equity interest being sold : The Target Shares in Dongmao, representing a 40% equity interest in Dongmao.
- Consideration and payment terms : The total consideration for the Target Shares in Dongmao is RMB6,594.23 million, which was disclosed in the announcement in respect of the Listing-for-sale to have been determined with reference to the total appraised net asset value of Dongmao as at 30th April 2023, being RMB16,485.573 million.
- Elegant Ocean has paid a deposit in the amount of RMB659.42 million and will pay the balance of the consideration in cash, in each case, to SUAEE in accordance with the rules of SUAEE for release to Shanghai Lujiazui as payment of the consideration after anti-trust approval of the Dongmao Transaction has been obtained. Elegant Ocean's payment of the consideration for the Dongmao Shares will be funded by Swire Properties' internal resources.
- Conditions : Completion of the Dongmao Transaction is subject to, among other conditions, anti-trust approval.

Dongmao JV Agreement

- Parties : Lujiazui Development and Elegant Ocean.
- Business of Dongmao : The principal asset of Dongmao comprises the Yangjing Plot. Dongmao will be principally engaged in the construction and development of the Yangjing Plot and the sales, leasing, operation and management of the property development on the Yangjing Plot.
- Funding of Dongmao : The registered capital of Dongmao, being RMB 16 billion, has been fully paid up. The registered capital of Dongmao is attributable to its shareholders in proportion to their equity

interests in Dongmao. Accordingly, upon completion of the Dongmao Transaction, the amount of the registered capital of Dongmao attributable to Lujiazui Development and Elegant Ocean will be RMB 9.6 billion and RMB 6.4 billion, respectively, on a 60:40 basis.

Any further funding need (as determined by management appointed by Lujiazui Development and Elegant Ocean) is intended to be first satisfied by Dongmao securing external debt financing, failing which, Lujiazui Development and Elegant Ocean will provide such further funding (including by way of loans in proportion to their equity interests in Dongmao).

- Governance structure : The board of Dongmao shall comprise five directors. Lujiazui Development is entitled to nominate three directors and Elegant Ocean is entitled to nominate two directors. Dongmao will have two supervisors - each of Lujiazui Development and Elegant Ocean is entitled to nominate one supervisor.
- Pre-emptive right : Transfer of any equity interest in Dongmao (other than an intra-group transfer) is subject to the other shareholder's pre-emptive right.

YAOLONG TRANSACTION

The principal terms of the Yaolong Transaction are summarised as follows:

Yaolong Equity Transfer Agreement

- Parties : Qiantan Investment and United Hill.
- Equity interest being sold : The Target Shares in Yaolong, representing a 40% equity interest in Yaolong.
- Consideration and payment terms : The total consideration for the Target Shares in United Hill is RMB3,115.74 million, which was disclosed in the announcement in respect of the Listing-for-sale to have been determined with reference to the total appraised net asset value of Yaolong as at 30th April 2023, being RMB7,789.3385 million.

United Hill has paid a deposit in the amount of RMB311.58 million and will pay the balance of the consideration in cash, in each case, to SUAEE in accordance with the rules of SUAEE for release to Qiantan Investment as payment of the consideration after anti-trust approval of the Yaolong Transaction is obtained. United Hill's payment of the consideration for the Yaolong Shares will be funded by Swire Properties' internal resources.

Conditions : Completion of the Yaolong Transaction is subject to, among other conditions, anti-trust approval.

Yaolong JV Agreement

Parties : Lujiazui Development and United Hill.

Business of Yaolong : The principal asset of Yaolong comprises the New Bund Plot. Yaolong will be principally engaged in the construction and development of the New Bund Plot and the sales, leasing, operation and management of the property development on the New Bund Plot.

Funding of Yaolong : The registered capital of Yaolong, being RMB 2.2 billion, has been fully paid up. The registered capital of Yaolong is attributable to its shareholders in proportion to their equity interests in Yaolong. Accordingly, upon completion of the Yaolong Transaction, the amount of the registered capital of Yaolong attributable to Lujiazui Development and United Hill will be RMB 1.32 billion and RMB 0.88 billion, respectively, on a 60:40 basis.

Any further funding need (as determined by management appointed by Lujiazui Development and United Hill) is intended to be first satisfied by Yaolong securing external debt financing, failing which, Lujiazui Development and United Hill will provide such further funding (including by way of loans in proportion to their equity interests in Yaolong).

Governance structure : The board of Yaolong shall comprise five directors. Lujiazui Development is entitled to nominate three directors and United Hill is entitled to nominate two directors. Yaolong will have two supervisors - each of Lujiazui Development and United Hill is entitled to nominate one supervisor.

Pre-emptive right : Transfer of any equity interest in Yaolong (other than an intra-group transfer) is subject to the other shareholder's pre-emptive right.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Yangjing Plot and the New Bund Plot are located in the heart of Pudong New Area in Shanghai. It is currently envisaged that both plots will be developed for retail, office and residential uses and, in the case of the Yangjing Plot, cultural use as well. The Transaction is in line with Swire Properties' key strategies to continue to focus on development in the Chinese Mainland and transformational mixed-use projects in urban areas and is expected to enhance the long-term value of Swire Properties' overall portfolio.

The directors of Swire Pacific consider that the Transaction is entered into in the ordinary and usual course of Swire Pacific's business and that the terms of the Transaction are on normal commercial terms, fair and reasonable and in the interests of Swire Pacific and its shareholders as a whole.

The directors of Swire Properties consider that the Transaction is entered into in the ordinary and usual course of Swire Properties' business and that the terms of the Transaction are on normal commercial terms, fair and reasonable and in the interests of Swire Properties and its shareholders as a whole.

INFORMATION ABOUT THE SELLERS AND LUJIAZUI DEVELOPMENT

Shanghai Lujiazui is a state-owned enterprise incorporated in the PRC and wholly-owned by the Shanghai Pudong New Area State-owned Assets Supervision and Administration Commission* (上海市浦東新區國有資產監督管理委員會). Its principal businesses are real estate development, operation, construction and investment and related businesses.

Qiantan Investment is a limited liability company incorporated in the PRC, and is held as to 70% by Shanghai Lujiazui and 30% by Shanghai Pudong Land Holding (Group) Co., Ltd.* (上海浦東土地控股(集團)有限公司). Its principal businesses are real estate development, operation, construction and investment and related businesses.

Lujiazui Development is a company incorporated in the PRC. Its holding company is Shanghai Lujiazui, and the rest of its shares are held by public shareholders. It is principally engaged in real estate development, construction, operation and sales and related businesses.

Each of the Companies confirms that, to the best of its directors' knowledge, information and belief having made all reasonable enquiries, the Sellers, Lujiazui Development and their respective ultimate beneficial owners are third parties independent of and not connected with that Company and its connected persons.

INFORMATION ABOUT THE TARGET COMPANIES

Based on the respective audited annual financial statements of Dongmao for the two years ended 31st December 2022:

	For the year ended 31st December 2021	For the year ended 31st December 2022
	(audited) RMB' million	(audited) RMB' million
Net loss/profit before taxation and extraordinary items	-1.5102	10.6851
Net loss/profit after taxation and extraordinary items	-1.5102	8.3914

Based on the respective audited annual financial statements of Yaolong for the two years ended 31st December 2022:

	For the year ended 31st December 2021	For the year ended 31st December 2022
	(audited) RMB' million	(audited) RMB' million
Net loss/profit before taxation and extraordinary items	-0.3254	-0.3137
Net loss/profit after taxation and extraordinary items	-0.3254	-0.3137

LISTING RULES IMPLICATIONS

As the highest percentage ratio under Rule 14.07 of the Listing Rules in respect of the Transaction for each of the Companies is more than 5% and less than 25%, the Transaction constitutes a discloseable transaction for each of the Companies under the Listing Rules. Accordingly, the Transaction is subject to the announcement requirement but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Shareholders of Swire Pacific and Swire Properties and potential investors should note that the completion of each Transaction is subject to conditions. Therefore, there is no assurance that the Transaction will be completed. Shareholders and potential investors should, accordingly, exercise caution when dealing in shares in each of Swire Pacific and Swire Properties.

DIRECTORS

As at the date of this announcement, the directors of Swire Pacific are:

Executive Directors: G.M.C. Bradley (Chairman), D.P. Cogman, P. Healy, M.J. Murray, Z.P. Zhang;

Non-Executive Directors: G.D. McCallum, M.B. Swire; and

Independent Non-Executive Directors: P.K. Etchells, R.W.M. Lee, E.M. Ngan, G.R.H. Orr, Y. Xu and B.Y. Zhang.

As at the date of this announcement, the directors of Swire Properties are:

Executive Directors: G.M.C. Bradley (Chairman), T.J. Blackburn, F.N.Y. Lung, M.S.C. Ma;

Non-Executive Directors: N.A.H. Fenwick, R.S.K. Lim, M.J. Murray, M.B. Swire; and

Independent Non-Executive Directors: L.K.L. Cheng, T.T.K. Choi, S.T. Fung, M.Y. Wu and A.C.L. Zhu.

DEFINITIONS

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

“Dongmao Equity Transfer Agreement”	The equity transfer agreement entered into between Elegant Ocean and Shanghai Lujiazui on the date of this joint announcement in respect of the Dongmao Transaction.
“Dongmao JV Agreement”	The joint venture agreement entered into between Elegant Ocean and Lujiazui Development on the date of this joint announcement in respect of Dongmao.
“Dongmao Transaction”	The acquisition of the Dongmao Shares by Elegant Ocean, which will result in Dongmao becoming a 60:40 joint venture between Lujiazui Development and Elegant Ocean.
“Equity Transfer Agreements”	The Dongmao Equity Transfer Agreement and the Yaolong Equity Transfer Agreement.
“JV Agreements”	The Dongmao JV Agreement and the Yaolong JV Agreement.
“PRC”	The People’s Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region.
“SUAAE”	Shanghai United Assets and Equity Exchange* (上海聯合產權交易所).
“Swire Pacific”	Swire Pacific Limited 太古股份有限公司, an investment holding company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange, the subsidiaries, associates and joint ventures of which are engaged principally in the property, beverages and aviation businesses, as well as new areas of growth in healthcare and sustainable foods. Swire Pacific is the listed parent company of Swire Properties and holds approximately 82% of the issued shares in Swire Properties.
“Swire Properties”	Swire Properties Limited 太古地產有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange. The principal activities of Swire Properties and its subsidiaries are: (i) property investment, that is the development, leasing and management of commercial, retail and some residential properties; (ii) property trading, that is the development and construction of properties, principally residential apartments, for sale; and (iii) investment in and operation of hotels.

“Target Companies”	Dongmao and Yaolong.
“Transaction”	The Dongmao Transaction and the Yaolong Transaction.
“Yaolong Equity Transfer Agreement”	The equity transfer agreement entered into between United Hill and Qiantan Investment on the date of this joint announcement in respect of the Yaolong Transaction.
“Yaolong JV Agreement”	The joint venture agreement entered into between United Hill and Lujiazui Development on the date of this joint announcement in respect of Yaolong.
“Yaolong Transaction”	The acquisition of the Yaolong Shares by United Hill, which will result in Yaolong becoming a 60:40 joint venture between Lujiazui Development and United Hill.

** For identification purpose only*

By Order of the Board
SWIRE PACIFIC LIMITED
太古股份有限公司
Bernadette M. Lomas
Company Secretary

Hong Kong, 28th September 2023

By Order of the Board
SWIRE PROPERTIES LIMITED
太古地產有限公司
Bernadette M. Lomas
Company Secretary

Hong Kong, 28th September 2023