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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)

Trading Statement Marine Services Division

The Marine Services Division of Swire Pacific Limited (“**Swire Pacific**”) is expected to make an attributable loss of the order of HK\$1 billion in 2015, compared with an attributable profit of HK\$1.1 billion in 2014. This will have an adverse effect on the consolidated profit attributable to the shareholders of Swire Pacific for 2015. The consolidated profit for 2014 attributable to the shareholders of Swire Pacific was HK\$11,969 million. The underlying 2014 profit attributable to shareholders (which principally adjusts for changes in the valuation of investment properties) was HK\$9,739 million. The 2015 outlook for the remainder of the Swire Pacific group remains generally positive.

Background

Oil prices declined substantially in the second half of 2014 and have remained low since then. This has adversely affected the offshore oil exploration market. Oil majors and national oil companies have cut back their exploration and production plans. Projects have been delayed or abandoned. All this, and an oversupply of tonnage seeking work in this weak market, has adversely affected the business of the Swire Pacific Offshore group (“**SPO**”). SPO operates offshore support vessels servicing the energy industry and is the principal component of the Swire Pacific Marine Services Division. SPO’s business remained profitable in the second half of 2014. The business started to make losses in the first half of 2015, when results were also adversely affected by an impairment charge arising from cancellation of contracts with a Brazilian shipyard for the construction four platform supply vessels. SPO’s attributable loss in the first half of 2015 was HK\$169 million. The Marine Services Division as a whole made an attributable loss of HK\$156 million in the period.

Review of the SPO Business

Since publication of the Swire Pacific interim report for 2015 in August (in which it was indicated that trading conditions for SPO were expected to be similar in the second half of 2015 to the difficult conditions seen in the first half), a review of the SPO business has been undertaken. As a result of that review and having regard in

particular to the outlook for the offshore oil services industry assuming that oil prices will not recover for some time, it has been concluded that the book value of SPO's fleet will be subject to significant impairment charges. The trading outlook for the remainder of 2015 has also deteriorated more than was expected in August and further impairment charges are expected arising from cancellation of the shipbuilding contracts referred to under "Background" above. Taking all these factors into account, it is expected that the Marine Services Division will make an attributable loss of the order of HK\$1 billion in 2015.

Effect on the Swire Pacific group

The consolidated profit for 2014 attributable to the shareholders of Swire Pacific was HK\$11,969 million. The underlying 2014 profit attributable to shareholders (which principally adjusts for changes in the valuation of investment properties) was HK\$9,739 million. The Marine Services Division contributed HK\$1,017 million to the 2014 underlying profit attributable to shareholders. The attributable loss of the Marine Services Division in 2015 (which is expected to be of the order of HK\$1 billion as indicated above) will have an adverse effect on the consolidated profit attributable to the shareholders of Swire Pacific for 2015.

The 2015 outlook for the remainder of the Swire Pacific group remains generally positive.

General

It is considered that the information in this announcement may constitute inside information for Swire Pacific. This announcement is accordingly being made by Swire Pacific pursuant to Rule 13.09(2) of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Shareholders and potential investors are advised to exercise caution in dealing in shares of Swire Pacific.

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, G.R.H. Orr, 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, 16th October 2015