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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)

SWIRE PROPERTIES LIMITED**太古地產有限公司**

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

Discloseable Transaction**Acceptance of the Land Exchange Offer****Acceptance of the Land Exchange Offer**

On the date of this announcement, the Project Company, which is a subsidiary of Swire Properties, accepted the Land Exchange Offer under the Offer Letter, pursuant to which the Project Company will surrender the Surrendered Lot to the Government and the Government will grant the Re-granted Lot to the Project Company for a premium of HK\$4,540,210,000 subject to the terms and conditions of the Memorandum of Agreement.

Listing Rules Implications

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

LAND EXCHANGE

On the date of this announcement, the Project Company, which is a subsidiary of Swire Properties, accepted the Land Exchange Offer under the Offer Letter, pursuant to which the Project Company will surrender the Surrendered Lot to the Government and the Government will grant the Regranted Lot to the Project Company for a premium of HK\$4,540,210,000 subject to the terms and conditions of the Memorandum of Agreement.

The principal terms of the Land Exchange are summarised as follows.

The Surrendered Lot

The Surrendered Lot is located at No.391 Chai Wan Road, Chai Wan, Hong Kong and has a total site area of about 102,420 square feet. The Surrendered Lot is primarily restricted to industrial purposes only.

The Regranted Lot

The Regranted Lot is to be known and registered at the Land Registry as Chai Wan Inland Lot No. 178 and has a total site area of about 9,000 square metres.

Lease Term

The lease term of the Regranted Lot is 50 years from the date of the Memorandum of Agreement.

User and Gross Floor Area

The permitted user of the Regranted Lot is non-industrial (excluding office, godown, hotel and petrol filling station) purposes. The total gross floor area shall not be less than 38,700 square metres and shall not exceed 64,500 square metres provided that:

- (i) the total gross floor area of any building(s) for private residential purposes shall not exceed 64,314 square metres; and
- (ii) the total gross floor area of any building(s) for non-industrial (excluding private residential, office, godown, hotel and petrol filling station) purposes shall not exceed 186 square metres.

Land Premium

The amount of the land premium payable for the Land Exchange is HK\$4,540,210,000, which shall be paid in the following manner:

- (i) 10% of the land premium shall be paid as deposit upon the Project Company's acceptance of the Land Exchange Offer under the Offer Letter on or before 30th September 2021. Such payment was made upon the Project Company's acceptance of the Land Exchange Offer under the Offer Letter; and

- (ii) the balance shall be paid within 28 days from the date upon which the relevant document relating to the Land Exchange is sent by the Government to the Project Company for execution or within 3 months from the date of receipt by the Government of the Project Company's acceptance of the Land Exchange Offer under the Offer Letter, whichever is earlier.

The Project Company's payment of the land premium has been (in the case of the deposit) and will be (in the case of the balance) funded by the respective wholly-owned subsidiaries of Swire Properties and CMB which hold 80% and 20% respectively of the shares in the JV Company in proportion to their shareholdings in the JV Company. Swire Properties will fund its 80% share of the land premium by its internal resources.

DEVELOPMENT

The Re-granted Lot is expected to be developed into a development comprising three residential towers, retail space and a covered public transport terminus.

REASONS FOR AND BENEFITS OF THE LAND EXCHANGE

The Land Exchange is in line with Swire Properties' key strategies to continue with its high quality residential property activities, and is expected to enhance long-term shareholder returns.

The directors of each Company consider that the Land Exchange is entered into in the ordinary and usual course of its business and that the terms of the Land Exchange are on normal commercial terms, fair and reasonable, in its interests and in the interests of its shareholders as a whole.

COMPLIANCE WITH THE LISTING RULES

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

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: M. Cubbon, M.B. Swire, S.C. Swire; and

Independent Non-Executive Directors: P.K. Etchells, T.G. Freshwater, C. Lee, R.W.M. Lee, G.R.H. Orr and Y. Xu.

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, J.L. Wang, and M.Y. Wu.

DEFINITIONS

“CMB”	China Motor Bus Company, Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange. The principal activities of CMB are property development and investment.
“Companies”	Swire Pacific and Swire Properties.
“Government”	The Government of the Hong Kong Special Administrative Region.
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong.
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China.
“JV Company”	Windcharm Investments Limited, a company incorporated in the British Virgin Islands which is owned by Swire Properties and CMB, through their respective wholly-owned subsidiaries, as to 80% and 20%, respectively. The business of the JV Company is to hold all the shares in the Project Company.
“Land Exchange”	The surrender of the Surrendered Lot and the grant of the Regranted Lot for a premium of HK\$4,540,210,000. The amount of the premium was determined by the Government.
“Land Exchange Offer”	The Government’s offer of the Land Exchange.
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Memorandum of Agreement”	The Memorandum of Agreement for the Particulars and Conditions of Exchange of the Regranted Lot attached to the Offer Letter setting out the general and special conditions on which the Regranted Lot will be granted, which shall be executed by the Project Company within 28 days from the date upon which the relevant document relating to the Land Exchange is sent by the Government to the Project Company for execution or within 3 months from the date of receipt by the

Government of the Project Company's acceptance of the Land Exchange Offer under the Offer Letter, whichever is earlier.

- “Offer Letter”** The letter dated 2nd September 2021 from the Government to the Project Company containing the Land Exchange Offer.
- “Project Company”** Joyful Sincere Limited, a company incorporated in Hong Kong with limited liability. The business of the Project Company is to own and develop the Surrendered Lot or, after the Land Exchange, the Regranted Lot.
- “Regranted Lot”** A lot to be known and registered at the Land Registry as Chai Wan Inland Lot No. 178.
- “Stock Exchange”** The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司.
- “Surrendered Lot”** Chai Wan Inland Lot No.88.
- “Swire Pacific”** Swire Pacific Limited 太古股份有限公司, an investment holding company incorporated in Hong Kong with limited liability and listed on the Stock Exchange, the subsidiaries, associates and joint ventures of which are engaged principally in property, aviation, beverages, marine services and trading and industrial businesses. 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.

By Order of the Board
SWIRE PACIFIC LIMITED
太古股份有限公司
St.John Flaherty
Company Secretary

Hong Kong, 29th September 2021

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SWIRE PROPERTIES LIMITED
太古地產有限公司
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