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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**Acquisitions of Further Interests in Sino-Ocean Taikoo Li Chengdu**

As at the date of this announcement:

- (a) the Target Group (which comprises the PH Group and the PM Group) is owned by (i) the Purchasers (which are subsidiaries of Swire Properties and comprise the PH Purchasers and the PM Purchaser) and (ii) the Sellers (which are subsidiaries of Sino-Ocean Group and comprise the PH Sellers and the PM Seller) on a 50:50 basis; and
- (b) Sino-Ocean Taikoo Li Chengdu is owned by the PH Group and operated by the PM Group.

On the date of this announcement:

- (1) the Purchasers, the Sellers and the Seller Guarantors (being Sino-Ocean Group and its subsidiary, Sino-Ocean Service) entered into the First Master Agreement for the sales and purchases of the First PH & PM Sale Stakes (which represent a 15% interest in the Target Group) for a total cash consideration of RMB1,000,000,000;
- (2) the PM Purchaser, the PM Seller and the Seller Guarantors entered into the Second Master Agreement for the sale and purchase of the Remaining PM Sale Stake (which represents a 35% interest in the PM Group) for a cash consideration of RMB59,000,000; and
- (3) the PH Purchasers, the PH Sellers and Sino-Ocean Group entered into the Third Master Agreement for the sales and purchases of the Remaining PH Sale Stakes (which represent a 35% interest in the PH Group) for a total cash consideration of RMB4,491,000,000.

The SPROPS Group's interest in the Target Group will increase from 50% to 65% upon the First Closing and will increase further to 100% with respect to the PM Group upon the Second Closing and 100% with respect to the PH Group upon the Third Closing.

The Aggregated Transaction constitutes a discloseable transaction of 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.

Shareholders of the Companies and potential investors should note that each of the Closings is subject to conditions, including (in the case of the Second Closing and the Third Closing) the Anti-Trust Clearance. Therefore, there is no assurance that any of the Closings will take place. Shareholders of the Companies and potential investors should, accordingly, exercise caution when dealing in the shares in the Companies.

THE MASTER AGREEMENTS

First Master Agreement in relation to a 15% interest in the Target Group

On the date of this announcement, the Purchasers (which are subsidiaries of Swire Properties), the Sellers (which are subsidiaries of Sino-Ocean Group) and the Seller Guarantors (being Sino-Ocean Group and its subsidiary, Sino-Ocean Service) entered into the First Master Agreement for the sales and purchases of the First PH & PM Sale Stakes, comprising:

- (a) the Offshore PH Seller's sale and the Offshore PH Purchaser's purchase of the First Offshore PH Sale Stake;
- (b) the Onshore PH Seller's sale and the Onshore PH Purchaser's purchase of the First Onshore PH Sale Stake; and
- (c) the PM Seller's sale and the PM Purchaser's purchase of the First PM Sale Stake.

Second Master Agreement in relation to a 35% interest in the PM Group

On the same date, the PM Purchaser, the PM Seller and the Seller Guarantors entered into the Second Master Agreement for the PM Seller's sale and the PM Purchaser's purchase of the Remaining PM Sale Stake.

Third Master Agreement in relation to a 35% interest in the PH Group

On the same date, the PH Purchasers, the PH Sellers and Sino-Ocean Group entered into the Third Master Agreement for the sales and purchases of the Remaining PH Sale Stakes, comprising:

- (a) the Offshore PH Seller's sale and the Offshore PH Purchaser's purchase of the Remaining Offshore PH Sale Stake; and
- (b) the Onshore PH Seller's sale and the Onshore PH Purchaser's purchase of the Remaining Onshore PH Sale Stake.

The Sale Stakes

The Sale Stakes comprise the SOG Group's entire interest in the Target Group.

The SPROPS Group's interest in the Target Group will increase from 50% to 65% upon the First Closing and will increase further to 100% with respect to the PM Group upon the Second Closing and 100% with respect to the PH Group upon the Third Closing.

Consideration for the Sale Stakes

The consideration for the First PH & PM Sale Stakes is as follows and is to be paid in cash at the First Closing:

First PH & PM Sale Stakes	Consideration
(1) First Offshore PH Sale Stake	RMB779,000,000
(2) First Onshore PH Sale Stake	RMB195,000,000
(3) First PM Sale Stake	RMB26,000,000
Total	RMB1,000,000,000

The consideration for the Remaining PM Sale Stake is RMB59,000,000 and is to be paid in cash at the Second Closing.

The consideration for the Remaining PH Sale Stakes is as follows:

Remaining PH Sale Stakes	
(1) Remaining Offshore PH Sale Stake	RMB3,593,000,000
(2) Remaining Onshore PH Sale Stake	RMB898,000,000
Total	RMB4,491,000,000

The consideration for the Remaining PH Sale Stakes is to be paid in cash at the Third Closing subject to deductions, including deductions of the following:

- (a) the amounts of the shareholder loans which any member of the SOG Group fails to provide to any JV Company when such JV Company has funding requirements but is unable to obtain bank financing on acceptable terms; and
- (b) any amount owed by any member of the SOG Group or any JV Company (as attributable to the SOG Group) to any member of the Target Group, any member of the SPROPS Group or any JV Company.

The consideration for the PM Sale Stakes was determined after arm's length negotiations between the PM Seller and the PM Purchaser and having regard to the net asset value of the PM Company based on its unaudited balance sheet as at 30th September 2022.

The consideration for the PH Sale Stakes was determined after arm's length negotiations between the PH Sellers and the PH Purchasers and having regard to the net asset value of the Offshore PH Company and the Onshore PH Company based on their respective unaudited balance sheet as at 30th September 2022 and an independent valuation of Sino-Ocean Taikoo Li Chengdu as at 30th June 2022.

Guarantee

Sino-Ocean Group has agreed to guarantee the performance of each Seller's obligations, and Sino-Ocean Service has agreed to guarantee the performance of the PM Seller's obligations, under the Master Agreements.

Completion

The First Closing

The First Closing is subject to certain conditions being satisfied (or waived), including the following:

- (a) any approval by the shareholders of Sino-Ocean Group which is required under the Listing Rules;
- (b) any consent required under any financing arrangement of the PH Group; and
- (c) the SAMR Registration with respect to the First Onshore PH Sale Stake and the First PM Sale Stake.

If any of the conditions is not satisfied (or waived) on or before 3rd January 2023 (or such later date as may be agreed between the parties or determined by the Purchasers), any party may terminate the First Master Agreement.

The Second Closing

The Second Closing is subject to certain conditions being satisfied (or waived), including the following:

- (a) any approval by the shareholders of Sino-Ocean Group which is required under the Listing Rules;
- (b) the Anti-Trust Clearance; and
- (c) the SAMR Registration with respect to the Remaining PM Sale Stake.

If any of the conditions is not satisfied (or waived) on or before 31st March 2023 (or such later date as may be agreed between the parties or determined by the PM Purchaser), any party may terminate the Second Master Agreement.

The Third Closing

The Third Closing is subject to certain conditions being satisfied (or waived), including the following:

- (a) any approval by the shareholders of Sino-Ocean Group which is required under the Listing Rules;
- (b) any consent required under any financing arrangement of the PH Group;
- (c) the Second Closing;
- (d) the Anti-Trust Clearance;
- (e) the SAMR Registration with respect to the Remaining Onshore PH Sale Stake; and
- (f) the repayment of all interest-bearing amounts owed:
 - (i) by any member of the Target Group to any member of the SOG Group or any JV Company (other than any loan which forms part of the Remaining PH Sale Stakes); and
 - (ii) by any member of the SOG Group or any JV Company to any member of the Target Group.

If any of the conditions is not satisfied (or waived) on or before 30th April 2023 (or such later date as may be agreed between the parties or determined by the PH Purchasers), any party may terminate the Third Master Agreement.

Status of the conditions to Closings

According to the joint announcement issued by Sino-Ocean Group and Sino-Ocean Service on the date of this announcement, (i) the Aggregated Transaction constitutes a major transaction of Sino-Ocean Group and the disposal of the PM Sale Stakes under the First Transaction and the Second Transaction constitutes a discloseable transaction of Sino-Ocean Service and (ii) Sino-Ocean Group has obtained the written approval in respect of the Aggregated Transaction from the SOG Substantial Shareholders (who hold or control more than 50% of the shares in Sino-Ocean Group) in compliance with the Listing Rules. On this basis, condition (a) to each Closing has been satisfied.

Condition (b) to each of the First Closing and the Third Closing has been satisfied.

The other conditions to each Closing are yet to be satisfied and may be waived in whole or in part by the Purchaser(s) under the relevant Master Agreement.

Failure to close the Master Agreements

In the event that any obligation of any of the SOG Parties under any Master Agreement is breached, Closing under that Master Agreement does not take place and the Sale Stakes under that Master Agreement (or any of them) are to be purchased by another person at a price exceeding the consideration for the same under that Master Agreement at any time within nine months after the date of that Master Agreement, the Seller(s) under that Master Agreement have agreed to pay a sum equal to such excess to the Purchaser(s) under that Master Agreement (without limiting such Purchaser(s)' rights and remedies in respect of such breach). Such sum represents the additional amount that such Purchaser(s) would be required to pay for such Sale Stakes (or the relevant part of such Sale Stakes) pursuant to the exercise of the Purchaser(s)' rights of first refusal or, as the case may be, rights of first offer under the respective articles of association of the Target Companies and the related shareholders' agreements and is agreed by the parties to that Master Agreement to be a genuine and reasonable pre-estimate of the losses which the Purchaser(s) under that Master Agreement may suffer as a result of such breach.

Dividends

Dividends in the amount of RMB60,000,000 have been declared by the PM Company and will be paid to its existing shareholders (which are the PM Purchaser and the PM Seller).

FURTHER INFORMATION RELATING TO THE SALE STAKES

Sino-Ocean Taikoo Li Chengdu is a retail-led mixed-use development located in Jinjiang District in Chengdu, having a gross floor area of approximately 1,600,000 square feet and primarily consisting of an open-plan, lane-driven mall and a boutique hotel with serviced apartments.

As at 30th June 2022, Sino-Ocean Taikoo Li Chengdu was valued at approximately RMB12,300,000,000 by an independent valuer. Based on the unaudited combined financial information of the Target Group prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants:

- (a) as at 30th September 2022, the net asset value of the Target Group was approximately HK\$6,728,000,000;
- (b) for the year ended 31st December 2020, the net profits before and after taxation attributable to the Target Group was approximately HK\$1,439,000,000 and HK\$1,078,000,000, respectively; and
- (c) for the year ended 31st December 2021, the net profits before and after taxation attributable to the Target Group was approximately HK\$2,114,000,000 and HK\$1,616,000,000, respectively.

REASONS FOR AND BENEFITS OF THE AGGREGATED TRANSACTION

The SPROPS Group has a 50% interest in the Target Group. The Target Group owns and operates Sino-Ocean Taikoo Li Chengdu, which is a retail-led mixed-use development undergoing a strategic upgrade with respect to the mix of the luxury brands stationed therein and continuously reinforcing its position as a premium shopping and leisure destination in Chengdu and the western part of the Chinese Mainland. The Aggregated Transaction will be an opportunity for the SPROPS Group to acquire the remaining interest in Sino-Ocean Taikoo Li Chengdu, which is expected to make immediate income contribution to Swire Properties and create long term value for Swire Properties and its shareholders.

The directors of Swire Pacific consider that the terms of the Aggregated Transaction are fair and reasonable and in the interests of Swire Pacific and its shareholders as a whole.

The directors of Swire Properties consider that the terms of the Aggregated Transaction are fair and reasonable and in the interests of Swire Properties and its shareholders as a whole.

COMPLIANCE WITH THE LISTING RULES

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

As the highest of the relevant percentage ratios under Rule 14.07 of the Listing Rules for the Aggregated Transaction for each of the Companies is more than 5% but less than 25%, the Aggregated Transaction constitutes a discloseable transaction for each of the Companies under the Listing Rules. Accordingly, the Aggregated 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 the Companies and potential investors should note that each of the Closings is subject to conditions, including (in the case of the Second Closing and the Third Closing) the Anti-Trust Clearance. Therefore, there is no assurance that any of the Closings will take place. Shareholders of the Companies and potential investors should, accordingly, exercise caution when dealing in the shares in the Companies.

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, S.C. Swire; and

Independent Non-Executive Directors: P.K. Etchells, C. Lee, 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, J.L. Wang and M.Y. Wu.

DEFINITIONS

“Aggregated Transaction”	The First Transaction, the Second Transaction and the Third Transaction.
“Anti-Trust Clearance”	The anti-trust clearance required under the PRC Anti-Monopoly Law in respect of the Second Transaction and the Third Transaction.
“Closings”	The First Closing, the Second Closing and the Third Closing.
“Companies”	Swire Pacific and Swire Properties.
“First Closing”	Completion of the First Transaction.
“First Master Agreement”	The master agreement entered into between the Purchasers, the Sellers and the Seller Guarantors on the date of this announcement for the First Transaction.
“First Offshore PH Sale Stake”	15 shares in the capital of the Offshore PH Company (which represent 15% of the issued share capital of the Offshore PH Company), together with 30% of the amounts owed by the Offshore PH Company (or any of its subsidiaries) to any member of the SOG Group as at First Closing.
“First Onshore PH Sale Stake”	A 15% equity interest in the Onshore PH Company, together with 30% of the amounts owed by the Onshore PH Company (or any of its subsidiaries) to any member of the SOG Group as at First Closing.
“First PH & PM Sale Stakes”	The First Offshore PH Sale Stake, the First Onshore PH Sale Stake and the First PM Sale Stake.
“First PM Sale Stake”	A 15% equity interest in the PM Company.
“First Transaction”	The sales and purchases of the First PH & PM Sale Stakes, respectively.
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong.
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC.
“INDIGO Beijing”	Beijing Linlian Real Estate Company Limited* 北京麟聯置業有限公司, a company incorporated in the PRC and owned as to 50% by each of (i) the SPROPS Group and (ii) a joint venture

of the SOG Group, the principal activities of which are investment property development and operation.

“JV Company”	INDIGO Beijing or any joint venture between any member of the SOG Group and any member of the SPROPS Group (other than any member of the Target Group).
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Master Agreements”	The First Master Agreement, the Second Master Agreement and the Third Master Agreement.
“Offshore PH Company”	Great City China Holdings Limited 乾林中國控股有限公司, a company incorporated in the British Virgin Islands and owned as to 50% by each of the Offshore PH Seller and the Offshore PH Purchaser, the principal activities of which are property and hotel investments.
“Offshore PH Purchaser”	Swire Properties (Chengdu) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Swire Properties, the principal activity of which is investment holding.
“Offshore PH Seller”	Neo Origin Limited 穎源有限公司, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Sino-Ocean Group, the principal activity of which is investment holding.
“Onshore PH Company”	Chengdu Yingang Real Estate Company Limited* 成都銀港置業有限公司, a company incorporated in the PRC and owned as to 50% by each of the Onshore PH Seller and the Onshore PH Purchaser, the principal activity of which is property investment.
“Onshore PH Purchaser”	Tianjin Linsong City Facilities Development Company Limited* 天津麟松城市建設開發有限公司, a company incorporated in the PRC and a wholly-owned subsidiary of Swire Properties, the principal activity of which is investment holding.
“Onshore PH Seller”	Beijing Yingang Real Estate Development Company Limited* 北京銀港房地產開發有限公司, a company incorporated in the PRC and a wholly-owned subsidiary of Sino-Ocean Group, the principal activity of which is investment holding.
“PH Group”	The Offshore PH Company and the Onshore PH Company and their respective subsidiaries.
“PH Purchasers”	The Offshore PH Purchaser and the Onshore PH Purchaser.
“PH Sale Stakes”	The First Offshore PH Sale Stake, the Remaining Offshore PH Sale Stake, the First Onshore PH Sale Stake and the Remaining Onshore PH Sale Stake.

“PH Sellers”	The Offshore PH Seller and the Onshore PH Seller.
“PM Company”	Chengdu Qianhao Property Services Company Limited* 成都乾豪物業服務有限公司, a company incorporated in the PRC and owned as to 50% by each of the PM Seller and the PM Purchaser, the principal activity of which is property management.
“PM Group”	The PM Company and its subsidiaries.
“PM Purchaser”	Beijing Great Well Consultancy Company Limited* 北京浩倡諮詢有限公司, a company incorporated in the PRC and a wholly-owned subsidiary of Swire Properties, the principal activity of which is investment holding.
“PM Sale Stakes”	The First PM Sale Stake and the Remaining PM Sale Stake.
“PM Seller”	Beijing Yichi Property Services Company Limited* 北京億馳物業服務有限公司, a company incorporated in the PRC and a wholly-owned subsidiary of Sino-Ocean Service, the principal activity of which is investment holding.
“PRC”	The People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region for the purpose of this announcement.
“Purchasers”	The Offshore PH Purchaser, the Onshore PH Purchaser and the PM Purchaser.
“Remaining Offshore PH Sale Stake”	35 shares in the capital of the Offshore PH Company (which represent 35% of the issued share capital of the Offshore PH Company), together with the entire amount owed by the Offshore PH Company (or any of its subsidiaries) to any member of the SOG Group as at the Third Closing.
“Remaining Onshore PH Sale Stake”	A 35% equity interest in the Onshore PH Company, together with the entire amount owed by the Onshore PH Company (or any of its subsidiaries) to any member of the SOG Group as at the Third Closing.
“Remaining PH Sale Stakes”	The Remaining Offshore PH Sale Stake and the Remaining Onshore PH Sale Stake.
“Remaining PM Sale Stake”	A 35% equity interest in the PM Company.
“RMB”	Renminbi, the lawful currency of the PRC.
“Sale Stakes”	The First PH & PM Sale Stakes, the Remaining PH Sale Stakes and the Remaining PM Sale Stake.
“SAMR Registration”	The registration of the transfer of the Sale Stakes with respect to the Onshore PH Company and/or the PM Company in the First Transaction, the Second Transaction or the Third

	Transaction (as the case may be) with the State Administration for Market Regulation of China or its local counterpart.
“Second Closing”	Completion of the Second Transaction.
“Second Master Agreement”	The master agreement entered into between the PM Purchaser, the PM Seller and the Seller Guarantors on the date of this announcement for the Second Transaction.
“Second Transaction”	The sale and purchase of the Remaining PM Sale Stake.
“Seller Guarantors”	Sino-Ocean Group and Sino-Ocean Service.
“Sellers”	The Offshore PH Seller, the Onshore PH Seller and the PM Seller.
“Sino-Ocean Group”	Sino-Ocean Group Holding Limited 遠洋集團控股有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 3377). The principal activities of Sino-Ocean Group and its subsidiaries include development of residential property, investment property development and operation, property services and whole-industrial chain construction services, along with synergic businesses in real estate financing, senior living service, logistics real estate and internet data centre, etc.
“Sino-Ocean Service”	Sino-Ocean Service Holding Limited 遠洋服務控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability and a subsidiary of Sino-Ocean Group, the shares of which are listed on the Stock Exchange (stock code: 6677). The principal activity of Sino-Ocean Service and its subsidiaries is the provision of property management services covering a wide range of property types, commercial operational services to shopping malls and office buildings and a variety of community value-added services to property owners and residents of the properties under their management.
“Sino-Ocean Taikoo Li Chengdu”	A retail-led mixed-use development located in Jinjiang District in Chengdu, owned by the PH Group and operated by the PM Group.
“SOG Group”	Sino-Ocean Group and Sino-Ocean Service and their respective subsidiaries.
“SOG Parties”	The Sellers and the Seller Guarantors.
“SOG Substantial Shareholders”	China Life Insurance Company Limited 中國人壽保險股份有限公司 and Dajia Life Insurance Co., Ltd.* 大家人壽保險股份有限公司, which own approximately 29.59% and 29.58% of the total issued share capital of Sino-Ocean Group, respectively, as at the date of this announcement.

“SPROPS Group”	Swire Properties and its subsidiaries.
“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 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 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”	The Offshore PH Company, the Onshore PH Company and the PM Company.
“Target Group”	The PH Group and the PM Group.
“Third Closing”	Completion of the Third Transaction.
“Third Master Agreement”	The master agreement entered into between the PH Purchasers, the PH Sellers and Sino-Ocean Group on the date of this announcement for the Third Transaction.
“Third Transaction”	The sales and purchases of the Remaining PH Sale Stakes, respectively.

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

Hong Kong, 15th December 2022

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

Hong Kong, 15th December 2022

** For identification purposes only.*