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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)

Inside information

Profit warning

Cathay Pacific Airways Limited (“Cathay Pacific”)

On 17th July 2020, Cathay Pacific made an announcement which included the following statement. References in the statement to the Group are to the Cathay Pacific group.

“In its 2019 annual results announcement dated 11 March 2020, the Group had disclosed that it expected to incur a substantial loss for the first half of 2020. Based on the unaudited results of the Group for the six months ended 30 June 2020, and on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report for the year ended 31 December 2019, the Directors of Cathay Pacific Airways Limited estimate that for the six months ended 30 June 2020, the Group will record a net loss attributable to shareholders of approximately HK\$9.9 billion, which compares to a net profit to shareholders of HK\$1.3 billion for the same period in 2019. This includes impairment charges amounting to approximately HK\$2.4 billion, which mainly relate to 16 aircraft that are unlikely to re-enter meaningful economic service again before the 2021 summer season together with certain airline service subsidiaries assets. This estimated interim net loss is in the process of being reviewed by our auditors and may be subject to adjustments.”

Swire Pacific Limited (“Swire Pacific”) holds 45% of the shares in Cathay Pacific. The share of the estimated net loss of Cathay Pacific referred to in the above statement which is attributable to the shareholders of Swire Pacific is accordingly approximately HK\$4.5 billion. The final amount of such attributable share will be included in the consolidated results of Swire Pacific for the first half of 2020.

Previous announcements

Shareholders of Swire Pacific are reminded (i) that, on 12th March 2020, it was stated in the 2019 annual results announcement of Swire Pacific that Swire Pacific expected to incur a recurring loss in the first half of 2020 and (ii) of the announcement made by Swire Pacific on 15th June 2020, which referred to Cathay Pacific's expectation of a substantial loss in the first half of 2020, to a revaluation loss at Swire Properties Limited and to an impairment charge at Swire Pacific Offshore Holdings Limited.

General

It is considered that the information in this announcement may constitute inside information. This announcement is accordingly being made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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.

At the date of this announcement, the directors of Swire Pacific are:

Executive Directors: M.B. Swire (Chairman), D.P. Cogman, M.M.S. Low, Z.P. Zhang;
Non-Executive Directors: M. Cubbon, S.C. Swire; and
Independent Non-Executive Directors: P.K. Etchells, T.G. Freshwater, C. Lee, R.W.M. Lee and G.R.H. Orr.

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

Hong Kong, 17th July 2020