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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**  
**Sale of Certain Office Floors of One Island East**

On the date of this announcement, the Vendor (a wholly-owned subsidiary of Swire Properties) and the Purchaser entered into the Sale and Purchase Agreements for the sale of the 42nd to 54th floors (excluding the 49th floor) of One Island East for a total cash consideration of HK\$5.4 billion.

The Disposal constitutes a discloseable transaction of each of Swire Pacific and Swire Properties 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.

**THE SALE AND PURCHASE AGREEMENTS**

On the date of this announcement, the Vendor (a wholly-owned subsidiary of Swire Properties) and the Purchaser entered into the following agreements:

- (a) the 45/F-54/F SPA, for the sale and purchase of the whole floor of each of the 45th to 48th floors and the 50th to 54th floors of One Island East (the "45/F-54/F"); and
- (b) three sale and purchase agreements, each for the sale and purchase of the whole floor of each of the 42nd, 43rd and 44th floors, respectively, of One Island East.

**Purchase Price**

The purchase price for the Property is HK\$5,400,000,000, comprising the following:

- (a) HK\$4,058,319,356, being the purchase price for the 45/F-54/F;

- (b) HK\$439,595,478, being the purchase price for the 42/F;
- (c) HK\$451,042,583, being the purchase price for the 43/F; and
- (d) HK\$451,042,583, being the purchase price for the 44/F.

The purchase price of the Property was determined after arm's length negotiations between the parties and having regard to the independent valuation of the Property as at 30th June 2023.

### Payment of the Purchase Price

The purchase price will be paid by the Purchaser in cash as follows.

<b>Floors</b>	<b>Deposits<sup>(1)</sup></b>	<b>Further Part-payments<sup>(2)</sup></b>	<b>Balance</b>
<b>45/F-54/F</b>	A deposit equal to 10% of the purchase price has been paid.	Nil	The balance of the purchase price, equal to 90% of the purchase price, will be payable upon the 45/F-54/F Completion.
<b>42/F</b>	A deposit equal to 10% of the purchase price has been paid.	Four equal part-payments, each equal to 10% of the purchase price, will be payable on the following dates, respectively:  (i) the 45/F-54/F Completion Date; and  (ii) each of the first three anniversaries of the 45/F-54/F Completion Date.	The balance of the purchase price, equal to 50% of the purchase price, will be payable upon completion of the sale and purchase of the 42/F.
<b>43/F</b>	A deposit equal to 10% of the purchase price has been paid.	Two equal part-payments, each equal to 10% of the purchase price, will be payable on the following dates, respectively:  (i) the 45/F-54/F Completion Date; and  (ii) the first anniversary of the 45/F-54/F Completion Date.	The balance of the purchase price, equal to 70% of the purchase price, will be payable upon completion of the sale and purchase of the 43/F.

<b>Floors</b>	<b>Deposits<sup>(1)</sup></b>	<b>Further Part-payments<sup>(2)</sup></b>	<b>Balance</b>
<b>44/F</b>	A deposit equal to 10% of the purchase price has been paid.	Three equal part-payments, each equal to 10% of the purchase price, will be payable on the following dates, respectively:  (i) the 45/F-54/F Completion Date; and  (ii) each of the first two anniversaries of the 45/F-54/F Completion Date.	The balance of the purchase price, equal to 60% of the purchase price, will be payable upon completion of the sale and purchase of the 44/F.

*Notes:*

- (1) *All the deposits were paid upon signing of the Sale and Purchase Agreements.*
- (2) *No part-payment will be payable under the 45/F-54/F SPA between signing and completion.*

## **Completion**

### *The 45/F-54/F Completion*

Under the 45/F-54/F SPA, the 45/F-54/F Completion will take place on or before 21st December 2023 (the “**45/F-54/F Completion Date**”).

Immediately after the 45/F-54/F Completion, the Ancillary Documents will be entered into.

### *Completion of the sale and purchase of the 42/F, the 43/F and the 44/F*

Completion of the sale and purchase of each of the 42/F, the 43/F and the 44/F is subject to the 45/F-54/F Completion having taken place.

Under each of the respective Sale and Purchase Agreements for the 42/F, the 43/F and the 44/F, the completion of the sale and purchase of each such floor will take place on a date to be stipulated by the Vendor’s giving not less than 6 months’ prior written notice to the Purchaser provided that such dates will fall within certain period as set out below:

<b>Floors</b>	<b>Completion Dates</b>
The 43/F	Not earlier than 31st December 2025 and not later than 31st December 2026.
The 44/F	Not earlier than 31st December 2026 and not later than 31st December 2027.
The 42/F	Not earlier than 31st December 2027 and not later than 31st December 2028.

## **Termination**

If the Purchaser (other than due to the Vendor's default) fails to complete the purchase contemplated in any of the Sale and Purchase Agreements in accordance with the terms thereof, the Vendor shall be entitled to terminate such Sale and Purchase Agreement and forfeit the deposit (which has already been paid under such Sale and Purchase Agreement).

If the Vendor (other than due to the Purchaser's default) fails to complete the sale contemplated in any of the Sale and Purchase Agreements, the Vendor shall return to the Purchaser the deposit and any part-payments which have already been paid under such Sale and Purchase Agreement.

If any default on the part of either party under the 45/F-54/F SPA results in the termination of the 45/F-54/F SPA, then the Sale and Purchase Agreements in respect of each of the 42/F, the 43/F and the 44/F will also terminate automatically and the deposits paid under such Sale and Purchase Agreements will be forfeited by the Vendor (in the case of a default by the Purchaser) or refunded to the Purchaser (in the case of a default by the Vendor).

## **THE ANCILLARY DOCUMENTS**

Under the 45/F-54/F SPA, the Ancillary Documents will be entered into immediately after the 45/F-54/F Completion. The material terms of the Ancillary Documents are summarised below:

- (a) During the Restriction Period, neither the Vendor Group nor the Purchaser Group shall dispose of or otherwise part with possession of (including by way of a licence or lease) any part of its portion of the Building except by way of:
  - (i) any leases or tenancies granted by the Vendor Group (1) for a term not exceeding 15 years (including any renewal term under any option to renew) or (2) for a term exceeding 15 years (including any renewal term under any option to renew) with the Purchaser's prior approval (which approval shall not be unreasonably withheld or delayed);
  - (ii) any leases or tenancies granted by the Purchaser Group (1) at market rental rates (where the lessee or tenant is not the Purchaser Group, the Hong Kong Government or a statutory body) for a term of not more than 15 years (including any renewal term under any option to renew); or (2) for a term exceeding 15 years (including any renewal term under any option to renew) with the Vendor's prior approval (which approval shall not be unreasonably withheld or delayed);
  - (iii) any intra-group transfers between members of the Vendor Group (in the case of the Vendor) or the Purchaser Group (in the case of the Purchaser); and
  - (iv) any creation of charge or mortgage over any part of the Building in favour of a licensed bank in Hong Kong.
- (b) During the Restriction Period, the portion of the Building which is not sold by the Vendor under the Disposal shall continue to be owned by the Vendor Group.

- (c) After the Restriction Period, the Purchaser Group shall not underlet or part with possession of the Property except by way of any leases or tenancies referred to in paragraph (a)(ii) above.
- (d) With effect from and including the 45/F-54/F Completion Date, for so long as the Purchaser Group holds the Purchaser's Relevant Interests:
  - (i) the Vendor will grant, or procure the grant of, the Licences to the Purchaser (or the Purchaser Group); and
  - (ii) the written approval by the Purchaser Group as an owner of part of the Building (which approval shall not be unreasonably withheld) is required for certain material matters insofar as such matters relate to the Purchaser Group as an owner, such as a material increase in the financial contribution relating to the management and maintenance of the Building and any major repair and upgrading works (other than works required to be carried out for emergency cases) to the floor slabs of the Property.

#### **FURTHER INFORMATION RELATING TO THE PROPERTY**

As part of Swire Properties' investment properties portfolio, One Island East is a Grade-A office building comprising 59 office floors. The Purchaser is the existing tenant of the 45th to 54th floors (excluding the 49th floor), the tenancy agreement of which will be terminated upon the 45/F-54/F Completion.

As at 30th June 2023, the carrying value attributable to, and the independent valuation of, the Property was HK\$5,281 million.

For the year ended 31st December 2022, the total net rental income before and after taxation attributable to the Property was approximately HK\$178.07 million and HK\$148.69 million respectively. For the year ended 31st December 2021, the total net rental income before and after taxation attributable to the Property was approximately HK\$177.07 million and HK\$147.85 million respectively. As the entire One Island East is owned by the Vendor, no separate financial statements have been prepared in respect of the Property. The total net rental income attributable to the Property disclosed above has been arrived at on the basis of the actual rental income derived from the Property, the actual stamp duty paid in respect of the Property and the operating expenditures attributable to the Property by reference to its share of the gross floor area of the Building.

#### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Disposal will enable Swire Properties to realise cash from its investment in the Property. The proceeds from the Disposal will be applied towards the general working capital requirements of Swire Properties.

Swire Properties is expected to record, over several financial years with reference to the actual dates of completion of the Sale and Purchase Agreements (the last of which is not expected to be later than the financial year ending 31st December 2028), (i) a total estimated loss of approximately HK\$31 million (on a statutory basis) calculated by

reference to the carrying value of the Property as at 30th June 2023 and related expenses for the Disposal or (ii) a total estimated gain of approximately HK\$4,362 million (on an underlying basis) calculated by reference to the historical cost of the Property as at 30th June 2023 and related expenses for the Disposal. Swire Pacific is expected to record, over several financial years with reference to the actual dates of completion of the Sale and Purchase Agreements (the last of which is not expected to be later than the financial year ending 31st December 2028), a total estimated loss of approximately HK\$25 million (on a statutory basis) or a total estimated gain of approximately HK\$3,577 million (on an underlying basis) from the Disposal in respect of its 82% interest in Swire Properties.

The directors of Swire Pacific consider that the terms of the Disposal 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 Disposal 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 Purchaser and its ultimate beneficial owner are third parties independent of that Company and its connected persons.

As the highest of the relevant percentage ratios under Rule 14.07 of the Listing Rules for the Disposal for each of the Companies is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for each of the Companies under the Listing Rules. Accordingly, the Disposal 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: 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, R.L. Sell, 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:

<b>“42/F”</b>	The whole floor of the 42nd floor of the Building.
<b>“43/F”</b>	The whole floor of the 43rd floor of the Building.
<b>“44/F”</b>	The whole floor of the 44th floor of the Building.
<b>“45/F-54/F”</b>	The whole floor of each of the 45th to 48th floors and the 50th to 54th floors of the Building. The whole 49th floor of the Building is used as a refuge floor and kept unoccupied for fire protection purposes and is not included in the sales under the Sale and Purchase Agreements.
<b>“45/F-54/F Completion”</b>	Completion of the sale and purchase of the 45/F-54/F pursuant to the 45/F-54/F SPA.
<b>“45/F-54/F Completion Date”</b>	The date on which the 45/F-54/F Completion takes place, being on or before 21st December 2023.
<b>“45/F-54/F SPA”</b>	The sale and purchase agreement entered into on the date of this announcement between the Vendor and the Purchaser for the sale and purchase of the 45/F-54/F.
<b>“Ancillary Documents”</b>	A deed of mutual covenant and management agreement, a deed of covenant, certain ancillary deed and the Licences, each of which will be entered into between the Vendor and the Purchaser (and/or, in the case of the deed of mutual covenant and management agreement and the Licences, others) immediately after the 45/F-54/F Completion.
<b>“Building” or “One Island East”</b>	The building known as “One Island East”, which is located at No. 18 Westlands Road, Quarry Bay, Hong Kong.
<b>“Companies”</b>	Swire Pacific and Swire Properties.
<b>“Disposal”</b>	The sale of the Property by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreements.
<b>“HK\$”</b>	Hong Kong Dollars, the lawful currency of Hong Kong.
<b>“Hong Kong”</b>	The Hong Kong Special Administrative Region of the People’s Republic of China.

<b>“Last Completion”</b>	Completion of the respective sales and purchases of the 45/F-54/F, the 42/F, the 43/F and the 44/F (whichever is the last), but if the sale and purchase of none of the 42/F, the 43/F and the 44/F shall proceed to completion in accordance with the terms of the respective Sale and Purchase Agreements, then the 45/F-54/F Completion shall be deemed to be the Last Completion.
<b>“Licences”</b>	Certain licences for the use of certain spaces, areas and facilities in the Building and/or in its vicinity to be granted to the Purchaser (or the Purchaser Group) immediately after the 45/F-54/F Completion pursuant to the other Ancillary Documents.
<b>“Listing Rules”</b>	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
<b>“Property”</b>	The following properties: <ul style="list-style-type: none"><li>(i) the 45/F-54/F;</li><li>(ii) the 42/F;</li><li>(iii) the 43/F; and</li><li>(iv) the 44/F.</li></ul>
<b>“Purchaser”</b>	Securities and Futures Commission, a statutory body established under section 3 of the repealed Securities and Futures Commission Ordinance (Cap. 24 of the Laws of Hong Kong) and continued in existence pursuant to section 3 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and the existing tenant of the 45/F-54/F.
<b>“Purchaser Group”</b>	The Purchaser and its related companies (meaning collectively: (a) Investor Compensation Company Limited 投資者賠償有限公司; (b) Investor and Financial Education Council 投資者及理財教育委員會; (c) any entity(ies) formed or established in connection with the performance of any function(s) or duty(ies) of the Purchaser under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) or other applicable legislation).
<b>“Purchaser’s Relevant Interests”</b>	The Purchaser Group remaining as the registered owner(s) and occupiers of at least nine whole floors of the Building.
<b>“Restriction Period”</b>	The period commencing on the 45/F-54/F Completion Date and expiring on the fifth anniversary of the date of the Last Completion.

**“Sale and Purchase Agreements”** The following agreements entered into between the Vendor and the Purchaser on the date of this announcement,

- (i) the 45/F-54/F SPA;
- (ii) the sale and purchase agreement for the sale and purchase of the 42/F;
- (iii) the sale and purchase agreement for the sale and purchase of the 43/F; and
- (iv) the sale and purchase agreement for the sale and purchase of the 44/F.

**“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.

**“Stock Exchange”** The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司.

**“Vendor”** Cityplaza Holdings Limited 太古城中心控股有限公司, an investment holding company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Swire Properties.

**“Vendor Group”** The members of the Swire Properties group.

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

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

Hong Kong, 17th November 2023

Hong Kong, 17th November 2023