SWIRE PROPERTIES

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SWIRE PROPERTIES LIMITED
太古地產有限公司

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

Announcement

Continuing Connected Transactions with JS&SHK

Reference is made to the Company's listing document dated 21st December 2011 and announcements dated 14th November 2013, 19th August 2016, 9th August 2019 and 11th August 2022 in connection with, among other things, the Services Agreement dated 1st December 2004 entered into by the Company with JS&SHK. The Services Agreement will be renewed on 1st October 2025 for a term of three years from 1st January 2026 to 31st December 2028. As JS&SHK is a connected person of the Company, the Transactions contemplated under the Services Agreement constitute continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules and are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

Services Agreement dated 1st December 2004, as amended and restated on 1st January 2010 and as further amended and restated on 9th August 2019, and to be renewed on 1st October 2025

Parties: (1) Swire Properties
(2) JS&SHK

Particulars

Pursuant to the Services Agreement, JS&SHK provides the Services to members of the Swire Properties Group. The Services comprise advice and expertise of the directors and senior officers of the Swire Group including (but not limited to) assistance in negotiating with regulatory and other governmental or official bodies, full or part time services of members of the staff of the Swire Group, certain staff and central services and such other services as may be agreed from time to time. The Services Agreement also provides for procuration by JS&SHK for the Swire Properties Group of the use of relevant trademarks owned by JS&SL. In return for the Services, JS&SHK receives

annual service fees. The Company also reimburses the Swire Group at cost for most of the expenses incurred in the provision of the Services.

Upon renewal of the Services Agreement, the basis for calculation of the annual service fees will remain unchanged. Annual service fees are calculated as 2.5% of the Company's consolidated profit before taxation and non-controlling interests, adjusted by (a) adding back the annual service fee, (b) excluding any gain or loss on the realisation, change in fair value or other revaluation of fixed assets, (c)(i) disregarding any impairment provision in respect of goodwill and (ii) calculating the overall gain or loss on the subsequent realisation of any related investment by reference to its cost, (d) subtracting any profits and losses from associates and joint ventures, but adding back the dividends receivable from these companies, and (e) excluding any dividend or profit in respect of which service fee is payable under any other profit related services agreement with the Swire Group to avoid duplication of payment.

Service fees for each year are payable in cash from the Company's internal resources in arrears in two instalments, an interim payment by the end of October and a final payment by the end of April of the following year, adjusted to take account of the interim payment.

The Services Agreement will be renewed automatically on 1st October 2025 for the three years from 1st January 2026 to 31st December 2028. The Services Agreement will be renewed automatically under its terms for successive periods of three years thereafter unless either party to it gives to the other notice of termination of not less than three months expiring on any 31st December.

A party to the Services Agreement may terminate it with immediate effect by notice to the other party in the event of default by that other party. In the event of termination of the Services Agreement, all the rights and obligations of the parties shall forthwith cease, but any rights, liabilities or remedies arising prior to such termination shall not be affected.

The annual caps

The annual caps for the Transactions have been determined by reference to the actual amounts of service fees (excluding reimbursement of costs in respect of seconded staff and shared administrative services) in the four years ended 31st December 2024 set out below. In addition, a cushion has been added to cater for the growth of the Company's business operations and to provide flexibility for possible changes in the level of profit by reference to which service fees are charged.

Reimbursement of costs by Swire Properties to JS&SHK mainly covers the employment costs of the directors and senior officers of the Swire Group who are seconded to Swire Properties under the Services Agreement and the sharing of administrative services, including company secretarial services, which constitutes exempt continuing connected transactions under Listing Rule 14A.98 and the reimbursement of such costs accordingly does not form part of the Transactions or the annual caps under the Services Agreement.

The annual caps represent the maximum aggregate annual amounts of the service fees except for the costs reimbursed to the Swire Group in respect of seconded staff and shared administrative services.

	2021	2022	2023	2024
(HK$ million)	Actual	Actual	Actual	Actual
Service fees	200	186	205	182

	2025	2026	2027	2028
(HK$ million)	Cap	Cap	Cap	Cap
Service fees	380	380	380	380

Reasons for, and benefits of, the Transactions

For many years, the Company has had agreements with members of the Swire Group for the provision of management support services. The Company has considerably benefited from the management expertise and other services provided by the Swire Group.

Connection between the parties

JS&SL is a holding company of the Company. JS&SHK, a wholly-owned subsidiary of JS&SL, is therefore a connected person of the Company under the Listing Rules.

Compliance with Listing Rules

As the highest of the relevant percentage ratios as defined under Rule 14.07 of the Listing Rules (other than the profits ratio) in respect of the annual caps of the Transactions will, on an annual basis, be more than 0.1% but less than 5%, the Transactions constitute continuing connected transactions for the Company and are subject to the announcement, annual review and annual reporting requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will comply with the continuing obligations under Rules 14A.55-59 of the Listing Rules and will re-comply with the relevant Listing Rules if the annual caps are exceeded, when the Services Agreement is renewed or when there is a material change to its terms.

Opinion of the Directors

In view of the benefits of the Services to the Swire Properties Group, the Directors (including the Independent Non-Executive Directors) consider that the terms of the Services Agreement are fair and reasonable and that the Services Agreement is on normal commercial terms or better and in the ordinary and usual course of business of the Swire Properties Group and is in the interests of the Company and its shareholders as

a whole.

Guy Bradley, Tim Blackburn, Adam Fenwick, Raymond Lim, Fanny Lung, Martin Murray, Richard Sell and Merlin Swire being directors and/or employees and/or adviser (and also shareholders of JS&SL in the case of Adam Fenwick and Merlin Swire) of the Swire Group, which is a substantial shareholder of the Company, have declared their interests in the Transactions and have abstained from voting on the relevant board resolutions of the Company in respect of the Transactions.

Directors

As at the date of this announcement, the Directors of the Company are:

Executive Directors: Guy Bradley (Chairman), Tim Blackburn, Fanny Lung, Mabelle Ma;
Non-Executive Directors: Adam Fenwick, Raymond Lim, Martin Murray, Richard Sell, Merlin Swire; and
Independent Non-Executive Directors: Thomas Choi, Spencer Fung, May Wu, Yan Yan and Angela Zhu.

Definitions

"Company" or "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.
"Directors"	The directors of the Company.
"JS&SHK"	John Swire & Sons (H.K.) Limited 香港太古集團有限公司, a private investment holding company incorporated in Hong Kong and wholly owned by JS&SL.
"JS&SL"	John Swire & Sons Limited, a private investment holding company incorporated in England.
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
"Services"	The services provided by JS&SHK to the Swire Properties Group under the Services Agreement.

"Services Agreement"	The services agreement entered into by the Company with JS&SHK on 1st December 2004, as amended and restated on 1st January 2010 and as further amended and restated on 9th August 2019.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司.
"Swire Group"	JS&SL and its subsidiaries.
"Swire Properties Group"	The Company and its subsidiaries.
"Transactions"	The continuing connected transactions contemplated under the Services Agreement.

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

Hong Kong, 7th August 2025