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## **SWIRE PACIFIC LIMITED**

(Incorporated in Hong Kong with limited liability)

(Stock Codes: 00019 and 00087)

### **PROPOSED SPIN-OFF AND SEPARATE LISTING OF SWIRE PROPERTIES LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

This announcement is made pursuant to Rule 13.09 and Practice Note 15 of the Listing Rules.

The Board announces that on 20 January 2010, the Company submitted a spin-off proposal to the Stock Exchange pursuant to PN15 in relation to the Proposed Spin-off of Swire Properties. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

On 11 February 2010, Swire Properties submitted a listing application form (Form A1) to the Stock Exchange for an application for the listing of, and permission to deal in, the Swire Properties Shares on the Main Board of the Stock Exchange.

Swire Properties is a wholly-owned subsidiary of the Company. It is a leading developer, owner and operator of mixed use, principally commercial, properties in Hong Kong and the PRC. The business of Swire Properties comprises three main areas: (i) property investment, that is the development, leasing and management of commercial, retail and some residential properties as a long-term investment; (ii) property trading, that is the development and construction of properties, principally residential apartments, for sale; and (iii) investment in and operation of hotels.

It is currently proposed that pursuant to the Global Offering, Swire Properties Shares will be offered for subscription by the public in Hong Kong and will be placed with professional and institutional investors.

In accordance with the requirements of PN15, the Board proposes to give due regard to the interests of Shareholders by providing qualifying Shareholders with an assured entitlement to Swire Properties Shares by way of a distribution in specie of Swire Properties Shares if the Proposed Spin-off proceeds. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

Following completion of the Proposed Spin-off, the Company's percentage holding in the issued share capital of Swire Properties will be reduced although it is intended that Swire Properties will remain a subsidiary of the Company. Such reduction of the Company's shareholding interest in Swire Properties is expected to constitute a discloseable transaction of the Company under the Listing Rules and accordingly no approval of the Shareholders is expected to be required. The Company will comply with the applicable requirements of Chapter 14 of the Listing Rules as and when necessary.

**The listing of the Swire Properties Shares pursuant to the Proposed Spin-off is subject to, among other things, the Listing Approval and the final decisions of the Board and of the board of directors of Swire Properties. Accordingly, Shareholders and potential investors in the Company should be aware that there is no assurance that the Proposed Spin-off and the separate listing of the Swire Properties Shares will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the proposed distribution in specie of Swire Properties Shares will not be made. Shareholders and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.**

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off if and when appropriate.

## INTRODUCTION

This announcement is made pursuant to Rule 13.09 and Practice Note 15 of the Listing Rules.

The Board announces that on 20 January 2010, the Company submitted a spin-off proposal to the Stock Exchange pursuant to PN15 in relation to the Proposed Spin-off of Swire Properties. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

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## **SWIRE PROPERTIES LIMITED**

Swire Properties is a wholly-owned subsidiary of the Company. It is a leading developer, owner and operator of mixed use, principally commercial, properties in Hong Kong and the PRC. The business of Swire Properties comprises three main areas: (i) property investment, that is the development, leasing and management of commercial, retail and some residential properties as a long-term investment; (ii) property trading, that is the development and construction of properties, principally residential apartments, for sale; and (iii) investment in and operation of hotels.

## **PROPOSED SPIN-OFF**

It is currently proposed that, pursuant to the Global Offering, Swire Properties Shares will be offered for subscription by the public in Hong Kong and will be placed with professional and institutional investors.

Following completion of the Proposed Spin-off, the Company's percentage holding in the issued share capital of Swire Properties will be reduced although it is intended that Swire Properties will remain a subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF**

The Board considers that the Proposed Spin-off is in the interests of the Group and the Shareholders taken as a whole as:

- (1) the Proposed Spin-off will enable Swire Properties to raise capital through the Global Offering. Part of such capital is expected to be used to fund the investments of Swire Properties in property projects in Hong Kong and the PRC. Another part of such capital will be used to repay indebtedness owed by Swire Properties to a financing subsidiary of the Company and will be available for investment by the Company in its non-property businesses;
- (2) following the listing of the shares in Swire Properties, Swire Properties will be able to raise further capital from the equity capital market in the future should the need arise; and
- (3) the expansion of the business of Swire Properties will in turn benefit the Company as the Company will remain a holding company of Swire Properties after the listing of the Swire Properties Shares.

## **ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT**

In accordance with the requirements of PN15, the Board proposes to give due regard to the interests of Shareholders by providing qualifying Shareholders with an assured entitlement to Swire Properties Shares by way of a distribution in specie of Swire

Properties Shares if the Proposed Spin-off proceeds. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

## **POSSIBLE DISCLOSEABLE TRANSACTION**

Following completion of the Proposed Spin-off, the Company's percentage holding in the issued share capital of Swire Properties will be reduced although it is intended that Swire Properties will remain a subsidiary of the Company. Such reduction of the Company's shareholding interest in Swire Properties is expected to constitute a discloseable transaction of the Company under the Listing Rules and accordingly no approval of the Shareholders is expected to be required. The Company will comply with the applicable requirements of Chapter 14 of the Listing Rules as and when necessary.

## **GENERAL**

The Group is principally engaged in the property, aviation (through associated companies), beverages, marine services and trading and industrial businesses.

In connection with the Global Offering, the price of Swire Properties Shares may be stabilised in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be contained in the prospectus which is proposed to be issued in connection with the Hong Kong Public Offering.

**The listing of the Swire Properties Shares pursuant to the Proposed Spin-off is subject to, among other things, the Listing Approval and the final decisions of the Board and of the board of directors of Swire Properties. Accordingly, Shareholders and potential investors in the Company should be aware that there is no assurance that the Proposed Spin-off and the separate listing of the Swire Properties Shares will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the proposed distribution in specie of Swire Properties Shares will not be made. Shareholders and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.**

**This announcement is not an offer for sale of any securities in the United States. No securities can be offered or sold in the United States unless registered or exempted from registration. Any public offering of securities in the United States will be done by means of a prospectus. The proposed spin-off of Swire Properties Limited will not be registered in the United States.**

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off if and when appropriate.

**DEFINITIONS**

<b>“Board”</b>	the board of directors of the Company
<b>“Company”</b>	Swire Pacific Limited, a company incorporated in Hong Kong whose shares are listed on the Main Board of the Stock Exchange, the principal activity of which is investment holding
<b>“Global Offering”</b>	the Hong Kong Public Offering and the International Offering
<b>“Group”</b>	the Company and its subsidiaries (including the Swire Properties Group)
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Hong Kong Public Offering”</b>	the proposed issue and offer for subscription of Swire Properties Shares to the public in Hong Kong
<b>“International Offering”</b>	the proposed placing of Swire Properties Shares with professional and institutional investors
<b>“Listing Approval”</b>	the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Swire Properties Shares on the Main Board of the Stock Exchange
<b>“Listing Rules”</b>	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“PN15”</b>	Practice Note 15 of the Listing Rules
<b>“PRC”</b>	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
<b>“Proposed Spin-off”</b>	the proposed disposal of part of the Company’s interest in Swire Properties by way of a separate listing of Swire Properties Shares on the Main Board of the Stock Exchange
<b>“Shareholders”</b>	the shareholders of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Swire Properties”</b>	Swire Properties Limited, a company incorporated in Hong Kong on 3 November 1972



**“Swire Properties Group”** Swire Properties and its subsidiaries

**“Swire Properties Shares”** ordinary shares of HK\$1.00 each in the share capital of Swire Properties

The directors of the Company as at the date of this announcement are:

Executive Directors: C.D. Pratt (Chairman), P.N.L. Chen, M. Cubbon, D. Ho, P.A. Kilgour, J.R. Slosar and A.N. Tyler;

Non-Executive Directors: Baroness Dunn, J.W.J. Hughes-Hallett, P.A. Johansen and M.B. Swire; and

Independent Non-Executive Directors: T.G. Freshwater, C.K.M. Kwok, C. Lee, M. Leung, M.C.C. Sze and M.M.T. Yang.

By Order of the Board  
**Swire Pacific Limited**  
**David Fu**  
Company Secretary

Hong Kong, 11 February 2010