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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 7th October 2011, 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 27th October 2011, Swire Properties submitted a listing application form (Form A1) to the Stock Exchange in order to apply for the listing of, and permission to deal in, the Swire Properties Shares on the Main Board of the Stock Exchange. The listing of the Swire Properties Shares will be by way of introduction achieved by a distribution in specie by the Company of approximately 18% of the Swire Properties Shares.

Swire Properties is a wholly-owned subsidiary of the Company. Swire Properties 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.

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 the Swire Properties Shares by way of a distribution in specie of approximately 18% of the 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 by approximately 18% and Swire Properties will remain a subsidiary of the Company. As such reduction of the Company's shareholding interest in Swire Properties will be by way of the distribution in specie alone, it will not be a transaction by the Company and accordingly there will be no requirement to comply with the notification or shareholders' approval requirements of Chapter 14 of the Listing Rules.

**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 7th October 2011, 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 27th October 2011, Swire Properties submitted a listing application form (Form A1) to the Stock Exchange in order to apply for the listing of, and permission to deal in, the Swire Properties Shares on the Main Board of the Stock Exchange. The listing

of the Swire Properties Shares will be by way of introduction achieved by a distribution in specie by the Company of approximately 18% of the Swire Properties Shares.

## **SWIRE PROPERTIES LIMITED**

Swire Properties is a wholly-owned subsidiary of the Company. Swire Properties 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**

Following completion of the Proposed Spin-off, the Company's percentage holding in the issued share capital of Swire Properties will be reduced by approximately 18% and 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) following completion of the Proposed Spin-off, Swire Properties will be able to raise capital from the equity capital market in the future should the need arise; and
- (2) the expansion of the business of Swire Properties which such capital raising will facilitate will in turn benefit the Company as the Company will remain a holding company of Swire Properties after completion of the Proposed Spin-off.

## **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 approximately 18% of the 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.

## CHAPTER 14 OF THE LISTING RULES

Following completion of the Proposed Spin-off, the Company's percentage holding in the issued share capital of Swire Properties will be reduced by approximately 18% and Swire Properties will remain a subsidiary of the Company. As such reduction of the Company's shareholding interest in Swire Properties will be by way of the distribution in specie alone, it will not be a transaction by the Company and accordingly there will be no requirement to comply with the notification or shareholders' approval requirements of Chapter 14 of the Listing Rules.

## DRAFT PROPERTY VALUATION

In connection with its application for listing, Swire Properties has received a draft valuation of its property portfolio as at 30th September 2011. The draft valuation indicates that the valuation of Swire Properties' investment property portfolio as at 30th September 2011 increased by approximately 1.1% from its valuation as at 30th June 2011 (as reflected in the Company's interim report) (net of capital expenditure and disposals in the three months ended 30th September 2011). **Shareholders and potential investors in the Company should be aware that the valuation at 30th September 2011 is a draft and is subject to change, which may be material.**

## GENERAL

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

**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. Securities may not be offered or sold in the United States absent registration or an exemption from such registration requirement. Any public offering of securities in the United States will be made by means of a prospectus that would be obtained from the issuer or selling security holder and that would contain detailed information regarding the company and management, as well as financial statements. The securities described herein have not been and 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>“Group”</b>	the Company and its subsidiaries (including Swire Properties and its subsidiaries)
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<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 spin-off of Swire Properties by way of a separate listing of the Swire Properties Shares on the Main Board of the Stock Exchange to be achieved by a distribution in specie by the Company of approximately 18% of the Swire Properties Shares
<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
<b>“Swire Properties Shares”</b>	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), M. Cubbon, G.L. Cundle, P.A. Kilgour, I.S.C. Shiu, J.R. Slosar, A.K.W. Tang;

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, 27th October 2011