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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**

#### **DECLARATION OF CONDITIONAL SPECIAL INTERIM DIVIDEND IN SPECIE**

Reference is made to (a) the Company's announcement dated 27th October 2011 (the "**Spin-off Announcement**") about the proposed spin-off and separate listing of Swire Properties on the Main Board of the Stock Exchange and (b) the Company's announcement dated 9th December 2011 about the date of the meeting of the Board Committee of the Company for considering the declaration of the Conditional Dividend.

**Proposed Spin-off**

As indicated in the Spin-off Announcement, 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. It was also announced in the Spin-off Announcement that 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 and that the listing of the Swire Properties Shares would be by way of introduction achieved by a distribution in specie by the Company of approximately 18% of the Swire Properties Shares.

**Condition of the Proposed Spin-off**

The Proposed Spin-off will be conditional upon the Listing Approval having been granted on or prior to 10th February 2012 (or such later date as the Board may decide as the long stop date for the satisfaction of the condition of the Proposed Spin-off) (the “**Long Stop Date**”). If the Proposed Spin-off does not become unconditional, the Proposed Spin-off will not proceed and a further announcement will be published by the Company.

**Declaration of Conditional Dividend**

The Board announces that on 21st December 2011, the Board Committee of the Company declared a conditional special interim dividend to Qualifying Swire Pacific Shareholders, being registered holders of Swire Pacific Shares whose names appear on one or both of the registers of members of the Company on the Record Date. The Conditional Dividend is conditional upon the Listing Approval having been granted on or prior to the Long Stop Date.

If the Conditional Dividend becomes unconditional, it will be satisfied wholly by way of a distribution in specie of the DIS Shares and Qualifying Swire Pacific Shareholders will be entitled to 7 Swire Properties Shares for every 10 ‘A’ Shares held and 7 Swire Properties Shares for every 50 ‘B’ Shares held as at the Record Date. Fractional entitlements will be disregarded.

**Issue of the Listing Document**

In connection with the Proposed Spin-off, the Listing Document was issued by Swire Properties on 21st December 2011 solely for the purpose of giving information with regard to Swire Properties and its business.

**General**

**The listing of the Swire Properties Shares (including, for the avoidance of doubt, the DIS 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 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 Conditional Dividend will not become unconditional and no distribution in specie of the DIS Shares would accordingly 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 as and when appropriate.

**INTRODUCTION**

Reference is made to (a) the Company's announcement dated 27th October 2011 (the "**Spin-off Announcement**") about the proposed spin-off and separate listing of Swire Properties on the Main Board of the Stock Exchange and (b) the Company's announcement dated 9th December 2011 about the date of the meeting of the Board Committee of the Company for considering the declaration of the Conditional Dividend.

**PROPOSED SPIN-OFF**

As indicated in the Spin-off Announcement, 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. It was also announced in the Spin-off Announcement that 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 and that the listing of the Swire Properties Shares would be by way of introduction achieved by a distribution in specie by the Company of approximately 18% of the Swire Properties Shares.



Completion of the Proposed Spin-off will not affect the listing of the Swire Pacific Shares on the Main Board of the Stock Exchange.

### **CONDITION OF THE PROPOSED SPIN-OFF**

The Proposed Spin-off will be conditional upon the Listing Approval having been granted on or prior to the Long Stop Date. If the Proposed Spin-off does not become unconditional, the Proposed Spin-off will not proceed and a further announcement will be published by the Company.

### **DECLARATION OF CONDITIONAL DIVIDEND**

The Board announces that on 21st December 2011, the Board Committee of the Company declared a conditional special interim dividend to Qualifying Swire Pacific Shareholders, being registered holders of Swire Pacific Shares whose names appear on one or both of the registers of members of the Company on the Record Date. The Conditional Dividend is conditional upon the Listing Approval having been granted on or prior to the Long Stop Date.

If the Conditional Dividend becomes unconditional, it will be satisfied wholly by way of a distribution in specie of the DIS Shares and Qualifying Swire Pacific Shareholders will be entitled to 7 Swire Properties Shares for every 10 'A' Shares held and 7 Swire Properties Shares for every 50 'B' Shares held as at the Record Date. Fractional entitlements will be disregarded.

As indicated in the Company's announcement dated 9th December 2011, the registers of members of the Company will be closed for one day on Friday, 6th January 2012, on which day no transfer of shares will be effected. In order to qualify for entitlement to the Conditional Dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 5th January 2012.

**Shareholders should note that the number of DIS Shares which they may receive may not be in a multiple of the board lot of Swire Properties Shares, and dealings in odd lots of the Swire Properties Shares may be at or below their prevailing market price.**



In order to facilitate the trading of odd lots (if any) of the Swire Properties Shares, the Company has appointed The Hongkong and Shanghai Banking Corporation Limited to provide matching services, on a best efforts basis, to those Qualifying Swire Pacific Shareholders who wish to acquire odd lots of the Swire Properties Shares to make up a full board lot or to dispose of their holdings of odd lots of the Swire Properties Shares during the period from 18 January 2012 to 16 February 2012 (both dates inclusive). Qualifying Swire Pacific Shareholders who wish to use this facility should contact Jack Yeung of The Hongkong and Shanghai Banking Corporation Limited at 1 Queen's Road Central, Hong Kong at telephone number 2822 1885 during office hours. Qualifying Swire Pacific Shareholders should note that the matching of the sale and purchase of odd lots of the Swire Properties Shares is not guaranteed and will depend on there being adequate amounts of odd lots of Swire Properties Shares available for such matching. Qualifying Swire Pacific Shareholders are advised to consult their own professional advisers if they are in doubt about the facility described above.

Overseas Swire Pacific Shareholders (if any) will be entitled to the Conditional Dividend but will not receive any DIS Shares. Instead, the DIS Shares which they would otherwise receive will be sold by the Company on their behalf as soon as reasonably practicable after commencement of dealings in the Swire Properties Shares on the Stock Exchange and they will receive a cash amount equal to the net proceeds of such sale. The proceeds of such sale, net of expenses, will be paid to the Overseas Swire Pacific Shareholders in Hong Kong dollars. Such payment is expected to be made on or around 10th February 2012.

The Excluded Territories other than the United States, if any, will be determined on the basis of the addresses of the Qualifying Swire Pacific Shareholders on the registers of members of Swire Pacific on the Record Date. In addition to the United States, by reference to the registers of members of the Company as at the Latest Practicable Date, the Excluded Territories would have also included Australia, Canada and Malaysia. If the Excluded Territories other than the United States turn out to be different, the Company will announce, after the Record Date, the Excluded Territories (in addition to the United States). Such announcement is expected to be made on or before 10th January 2012.

With respect to the Excluded Territories, the Company will send a letter to CCASS Participants (other than CCASS Investor Participants) notifying them that in light of applicable laws and regulations of the Excluded Territories, to the extent they hold any Swire Pacific Shares on behalf of any Underlying Overseas Swire Pacific Shareholders, they should sell the DIS Shares which they receive on behalf of the



Underlying Overseas Swire Pacific Shareholders and pay the net proceeds of such sale to such Underlying Overseas Swire Pacific Shareholders. None of the Company, Swire Properties, the joint sponsors of the proposed listing of Swire Properties, any of their respective directors, officers or representatives or any other person involved in the Proposed Spin-off takes any responsibility for the sale of such DIS Shares or the payment of the net proceeds of the sale of such DIS Shares to any Underlying Overseas Swire Pacific Shareholders.

The DIS Shares will rank *pari passu* in all respects with each other and with the other Swire Properties Shares currently in issue.

### **ISSUE OF THE LISTING DOCUMENT**

In connection with the Proposed Spin-off, the Listing Document was issued by Swire Properties on 21st December 2011 solely for the purpose of giving information with regard to Swire Properties and its business. The Listing Document contains, among other things, details of the number of DIS Shares, certain business and financial information relating to Swire Properties and the valuation of the properties of Swire Properties as at 30th September 2011.

The Listing Document is available on the Stock Exchange's website at **[www.hkexnews.hk](http://www.hkexnews.hk)** and on Swire Properties' website at **[www.swireproperties.com](http://www.swireproperties.com)** from 21st December 2011.

Copies of the Listing Document will also be available during normal business hours, from Wednesday, 21st December 2011 up to and including Wednesday, 18th January 2012 (both dates inclusive) at any one of the following addresses of the joint sponsors of the proposed listing of Swire Properties:

1. BOCI Asia Limited, 26/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong;
2. Goldman Sachs (Asia) L.L.C., 68th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong;
3. The Hongkong and Shanghai Banking Corporation Limited, Level 15, 1 Queen's Road Central, Hong Kong; and
4. Morgan Stanley Asia Limited, Level 46, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.



## **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.

## **RELATIONSHIP BETWEEN THE REMAINING GROUP AND THE SWIRE PROPERTIES GROUP**

Swire Properties is a leading property 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.

As at the date of this announcement, Swire Properties is a wholly-owned subsidiary of the Company. Following completion of the Proposed Spin-off, the Company's percentage shareholding in Swire Properties will be reduced by approximately 18%, Swire Properties will remain a subsidiary of the Company and the Remaining Group will continue to be engaged (through subsidiaries and associated companies) in its existing airline, aircraft engineering, beverages, marine services and trading and industrial businesses.

There is further information about the relationship between Swire Properties and the Company in the Listing Document.

## **CHAPTER 14 OF THE LISTING RULES**

As the 18% 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.



## UNAUDITED PRO-FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY

Please see the Appendix to this announcement.

As set out in that Appendix, as at 30th June 2011, the unaudited consolidated net tangible assets of the Company were equivalent to HK\$147.11 per 'A' Share and HK\$29.42 per 'B' Share. On the same date, the adjusted unaudited pro forma consolidated net tangible assets of the Company were equivalent to HK\$124.05 per 'A' Share and HK\$24.81 per 'B' Share. Of the reduction of HK\$23.06 per 'A' Share, HK\$2.46 per 'A' Share is attributable to the net effect of the special interim dividend of HK\$3.00 per 'A' Share paid on 4th October 2011 and the profit on the disposal of Festival Walk. The remainder of the reduction (HK\$20.60 per 'A' Share) is attributable to the effect of the distribution in specie and the transaction costs associated with the Proposed Spin-off. Of the reduction of HK\$4.61 per 'B' Share, HK\$0.49 per 'B' Share is attributable to the net effect of the special interim dividend of HK\$0.60 per 'B' Share paid on 4th October 2011 and the profit on the disposal of Festival Walk. The remainder of the reduction (HK\$4.12 per 'B' Share) is attributable to the effect of the distribution in specie and the transaction costs associated with the Proposed Spin-off.

### GENERAL

**The listing of the Swire Properties Shares (including, for the avoidance of doubt, the listing of the DIS 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 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 Conditional Dividend will not become unconditional and no distribution in specie of the DIS Shares would accordingly 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 as and when appropriate.

## **DEFINITIONS**

<b>‘A’ Shares</b>	‘A’ shares of HK\$0.60 each in the share capital of the Company
<b>Board</b>	the board of directors of the Company
<b>Board Committee</b>	a committee of the Board constituted at a meeting of the Board held on 10th November 2011
<b>‘B’ Shares</b>	‘B’ shares of HK\$0.12 each in the share capital of the Company
<b>CCASS</b>	the Central Clearing and Settlement System established and operated by HKSCC
<b>CCASS Clearing Participant</b>	a person admitted to participate in CCASS as a direct clearing or a general clearing participant
<b>CCASS Custodian Participant</b>	a person admitted to participate in CCASS as a custodian participant
<b>CCASS Investor Participant</b>	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
<b>CCASS Participant</b>	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
<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>Conditional Dividend</b>	the conditional special interim dividend in specie declared by the Board Committee of the Company on 21st December 2011
<b>Directors</b>	the directors of the Company
<b>DIS Shares</b>	the Swire Properties Shares proposed to be distributed by the Company in satisfaction of the Conditional Dividend
<b>Excluded Territory</b>	has the meaning given to it in the definition of “Overseas Swire Pacific Shareholder” below
<b>Group</b>	the Company and its subsidiaries (including the Swire Properties Group)
<b>HKSCC</b>	Hong Kong Securities Clearing Company Limited
<b>Hong Kong</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>Latest Practicable Date</b>	14th December 2011, being the latest practicable date for ascertaining certain information contained in the Listing Document prior to its publication
<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 Date</b>	the date on which the Swire Properties Shares are listed on the Stock Exchange and from which dealings in the Swire Properties Shares are permitted to commence on the Stock Exchange
<b>Listing Document</b>	the listing document issued by Swire Properties on 21st December 2011 in connection with the Proposed Spin-off



**Listing Rules**

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

**Overseas Swire Pacific Shareholder**

a Swire Pacific Shareholder whose address on one or both of the registers of members of Swire Pacific is in a jurisdiction outside Hong Kong on the Record Date whose exclusion from the entitlement to receive DIS Shares the Directors, having made relevant enquiries, consider to be necessary or expedient on account either of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction, each such jurisdiction being an “Excluded Territory”

**PN15**

Practice Note 15 of the Listing Rules

**PRC**

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

**Proposed Spin-off**

the proposed spin-off of Swire Properties by way 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

**Qualifying Swire Pacific Shareholders**

the registered holders of Swire Pacific Shares whose names appear on one or both of the registers of members of the Company on the Record Date

**Record Date**

the record date for ascertaining entitlements to the Conditional Dividend, being 6th January 2012

**Remaining Group**

the Group, excluding the Swire Properties Group



<b>Shareholders</b>	the shareholders of the Company
<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>Swire Pacific Shares</b>	‘A’ shares of HK\$0.60 each and ‘B’ shares of HK\$0.12 each in the share capital of the Company
<b>Swire Properties</b>	Swire Properties Limited, a company incorporated in Hong Kong on 3rd November 1972
<b>Swire Properties Group</b>	Swire Properties and its subsidiaries
<b>Swire Properties Shares</b>	ordinary shares of HK\$1.00 each in the share capital of Swire Properties
<b>Underlying Overseas Swire Pacific Shareholder</b>	a person (i) who holds Swire Pacific Share(s) directly through a CCASS Participant (other than a CCASS Investor Participant) on the Record Date and whose address is shown on the records of such CCASS Participant on the Record Date as being in an Excluded Territory or (ii) who, to the knowledge of a CCASS Participant (other than a CCASS Investor Participant), holds Swire Pacific Share(s) directly through such CCASS Participant on the Record Date on behalf of a person located in an Excluded Territory
<b>United States</b>	the United States of America



As at the date of this announcement, the Directors of the Company 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, 21st December 2011

**APPENDIX**
**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION  
OF SWIRE PACIFIC LIMITED**

The following unaudited pro forma consolidated net assets statement, for which the directors are solely responsible, has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Proposed Spin-off on the Group as if the Proposed Spin-off had taken place on 30th June 2011. The unaudited pro forma consolidated net assets statement has been prepared for illustrative purposes only and, because of its hypothetical nature, may not present a true picture of the financial position of the Group had the Proposed Spin-off been completed on 30th June 2011 or on any future date. The unaudited pro forma consolidated net assets statement should be read in conjunction with the unaudited consolidated interim financial statements of the Group for the six months ended 30th June 2011.

**Unaudited Pro Forma Consolidated Net Assets Statement of the Company  
as at 30th June 2011**

	Unaudited consolidated net assets of the Company as at 30th June 2011	Pro forma adjustments		Unaudited pro forma consolidated net assets of the Company as at 30th June 2011
	HK\$M	HK\$M	HK\$M	HK\$M
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	
<b>NET ASSETS</b> .....	230,463	(306)	—	230,157
<b>EQUITY</b>				
Share capital .....	903	—	—	903
Reserves .....	229,560	(306)	—	229,254
<b>Equity attributable to the</b>				
<b>Shareholders</b> .....	225,646	(263)	(31,623)	193,760
<b>Non-controlling interests</b> .....	4,817	(43)	31,623	36,397
<b>TOTAL EQUITY</b> .....	230,463	(306)	—	230,157

	Unaudited consolidated net tangible assets per share attributable to the Shareholders as at 30th June 2011	Pro forma adjustments		Unaudited pro forma consolidated net tangible assets per share attributable to the Shareholders as at 30th June 2011
	HK\$	HK\$	HK\$	HK\$M
	<i>Note 4</i>	<i>Note 2</i>	<i>Note 3</i>	
Net tangible assets per 'A' share .....	<u>147.11</u>	<u>(0.17)</u>	<u>(21.00)</u>	<u>125.94</u>
Net tangible assets per 'B' share .....	<u>29.42</u>	<u>(0.03)</u>	<u>(4.20)</u>	<u>25.19</u>

### Notes to the Unaudited Pro Forma Consolidated Net Assets Statement of the Company as at 30th June 2011

1. The unaudited consolidated net assets of the Company as at 30th June 2011 have been derived from the unaudited consolidated interim financial statements of the Group for the six months ended 30th June 2011.
2. The adjustment reflects the payment of the estimated transaction costs by the Group directly attributable to the Proposed Spin-off assuming settlement in full on 30th June 2011.
3. The adjustment reflects the dilution of the Company's interest in Swire Properties assuming that the Proposed Spin-off to be achieved by a distribution in specie of 18% of Swire Properties Shares had taken place on 30th June 2011.
4. The number of issued and fully paid shares as at 30th June 2011 and the unaudited consolidated net tangible assets attributable to the Shareholders as at 30th June 2011 have been extracted from the unaudited interim report of the Company. The number of issued and fully paid shares as at 30th June 2011 was 905,578,500 'A' shares and 2,995,220,000 'B' shares. Except for voting rights, which are equal, the entitlements of "A" and "B" Shareholders are in the proportion five to one. The unaudited consolidated net tangible assets attributable to the Shareholders as at 30th June 2011 are based on the unaudited consolidated net assets of the Group attributable to the Shareholders of HK\$225,646 million with an adjustment to exclude the intangible assets attributable to the Shareholders (of HK\$4,294 million out of the total intangible assets of HK\$4,441 million as at 30th June 2011).
5. No other adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to 30th June 2011.

6. (a) In July 2011, an agreement was entered into between Swire Properties and an independent third party for the disposal of Swire Properties' entire interest in Festival Walk. Completion took place on 18th August 2011. The profit on the sale, which excludes gains on revaluation of the property previously credited to the income statement up to 30th June 2011, was HK\$637 million.
- (b) A portion of the proceeds of the sale of Festival Walk was paid by Swire Properties to the Company by way of a special interim dividend of HK\$4,514 million on 30th September 2011. A further portion of the proceeds of the sale was paid by Swire Properties to the Company by way of a second special interim dividend of HK\$5,500 million on 8th November 2011.
- (c) The Company paid a special interim dividend in respect of the sale of Festival Walk of HK\$ 4,514 million on 4th October 2011.
- (d) On 30th November 2011, Swire Properties issued 160,000,000 Swire Properties Shares to the Company for a total cash consideration of HK\$4,500 million (being HK\$28.125 per share). Following this share issue, Swire Properties has a total of 5,850,000,000 fully paid shares in issue.

Given the significance of the transactions set out in 6(a), 6(b), 6(c) and 6(d) to the financial position of Company, the potential effects on the consolidated net assets of Company are illustrated below as if the transactions had taken place on 30th June 2011. These transactions occurred before the distribution in specie referred to in note 3 above. Accordingly certain adjustments are required to the non-controlling interests with corresponding entries against the equity attributable to the Shareholders, to reflect the impact of the transactions on that distribution in specie.



**Adjusted Unaudited Pro Forma Consolidated Net Assets Statement of the Company as at 30th June 2011**

	Unaudited pro forma consolidated net assets of the Company as at 30th June 2011	Adjustments to illustrate the profit from the disposal of Festival Walk	Adjustment to illustrate special interim dividend paid by Swire Pacific to the Shareholders occurring prior to the distribution in specie	Adjustment to illustrate the impact of the profit from the disposal of Festival Walk and the special interim dividends paid by Swire Properties on the distribution in specie	Adjustment to illustrate the impact of the issue of share capital by Swire Properties on the distribution in specie	Adjusted unaudited pro forma consolidated net assets of the Company as at 30th June 2011
	HK\$M	HK\$M	HK\$	HK\$	HK\$M	HK\$M
	<i>Note 7</i>	<i>Note 6(a)</i>	<i>Note 6(c)</i>	<i>Notes 6(a), 6(b)</i>	<i>Note 6(d)</i>	
<b>NET ASSETS</b> .....	230,157	637	(4,514)	—	—	226,280
<b>EQUITY</b> .....						
Share capital .....	903	—	—	—	—	903
Reserves .....	229,254	637	(4,514)	—	—	225,377
<b>Equity attributable to the</b>						
<b>Shareholders</b> .....	193,760	637	(4,514)	1,688	(810)	190,761
<b>Non-controlling interests</b> .....	36,397	—	—	(1,688)	810	35,519
<b>TOTAL EQUITY</b> .....	230,157	637	(4,514)	—	—	226,280

	Unaudited pro forma consolidated net tangible assets per Share attributable to the Shareholders as at 30th June 2011	Adjustments to illustrate the profit from the disposal of Festival Walk	Adjustment to illustrate special interim dividend paid by Swire Pacific to the Shareholders occurring prior to the distribution in specie	Adjustment to illustrate the impact of the profit from the disposal of Festival Walk and the special interim dividends paid by Swire Properties on the distribution in specie	Adjustment to illustrate the impact of the issue of share capital by Swire Properties on the distribution in specie	Adjusted unaudited pro forma consolidated net tangible assets per Share attributable to the Shareholders as at 30th June 2011
	HK\$M <i>Note 7</i>	HK\$M <i>Note 6(a)</i>	HK\$ <i>Note 6(c)</i>	HK\$ <i>Notes 6(a), 6(b)</i>	HK\$M <i>Note 6(d)</i>	HK\$M
Net tangible assets per 'A' share.....	<u>125.94</u>	<u>0.54</u>	<u>(3.00)</u>	<u>1.11</u>	<u>(0.54)</u>	<u>124.05</u>
Net tangible assets per 'B' share .....	<u>25.19</u>	<u>0.11</u>	<u>(0.60)</u>	<u>0.22</u>	<u>(0.11)</u>	<u>24.81</u>

7. The unaudited pro forma net tangible assets per share as at 30th June 2011 have been extracted from the unaudited pro forma net tangible assets per share as set out on page 15 in this Appendix. The number of issued and fully paid shares as at 30th June 2011 used to calculate the unaudited pro forma net tangible assets per share as at 30th June 2011 is 905,578,500 'A' shares and 2,995,220,000 'B' shares. Except for voting rights, which are equal, the entitlements of "A" and "B" Shareholders are in the proportion five to one. The unaudited pro forma consolidated net tangible assets attributable to shareholders as at 30th June 2011 are based on the unaudited pro forma consolidated net assets of the Company attributable to the Shareholders of HK\$193,760 million with an adjustment to exclude the unaudited pro forma intangible assets attributable to the shareholders of HK\$4,260 million.



*The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this announcement.*



羅兵咸永道

## **ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION TO THE DIRECTORS OF SWIRE PACIFIC LIMITED**

We report on the unaudited pro forma consolidated net assets statement set out under the heading of “Unaudited Pro Forma Consolidated Net Assets Statement” (the “Unaudited Pro Forma Consolidated Net Assets Statement”) in the announcement dated 21st December 2011 (the “Announcement”) of Swire Pacific Limited (the “Company”), in connection with the spin-off and listing of Shares of Swire Properties Limited on the Main Board of The Stock Exchange of Hong Kong Limited by way of introduction (the “Listing”). The Unaudited Pro Forma Consolidated Net Assets Statement has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the Listing might have affected the relevant financial information of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”). The basis of preparation of the Unaudited Pro Forma Consolidated Net Assets Statement is set out in the Announcement.

### **Respective Responsibilities of Directors of the Company and the Reporting Accountant**

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Consolidated Net Assets Statement in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

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It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Consolidated Net Assets Statement and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Consolidated Net Assets Statement beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

### **Basis of Opinion**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the income statement of the Group for the six months ended 30 June 2011 and the consolidated statement of financial position as at 30 June 2011 and as set out in the “Unaudited Pro Forma Consolidated Net Assets Statement” section of this Announcement with the unaudited interim financial statements of the Company for the six months ended 30 June 2011 as set out in the interim report of the Company, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Consolidated Net Assets Statement with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Consolidated Net Assets Statement has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Consolidated Net Assets Statement as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Consolidated Net Assets Statement is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30th June 2011 or any future date; or the net tangible assets per share of the Group as at 30th June 2011 or any future date.



## **Opinion**

In our opinion:

- a) the Unaudited Pro Forma Consolidated Net Assets Statement has been properly compiled by the directors of the Company on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Consolidated Net Assets Statement as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

## **PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 21st December 2011