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SWIRE PACIFIC LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Codes: 00019 and 00087)

SWIRE PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 1972)

Swire Properties set to start TaiKoo Place Redevelopment

The appended press release by Swire Properties Limited (“**Swire Properties**”) is being made following Swire Properties’ agreement with the Government of the Hong Kong Special Administrative Region (represented by The Financial Secretary Incorporated) (the “**HKSAR Government**”) to acquire the HKSAR Government’s interest in Cornwall House in TaiKoo Place, Hong Kong. The information in the press release may be price sensitive.

Swire Properties is a subsidiary of Swire Pacific Limited (“**Swire Pacific**”). This announcement is made by Swire Pacific and Swire Properties pursuant to Rule 13.09(2) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Investors are advised to exercise caution in dealing in shares of Swire Pacific and Swire Properties.

As at the date of this announcement, the Directors of Swire Pacific are:

Executive Directors: C.D. Pratt (Chairman), M. Cubbon, P.A. Kilgour, J.B. Rae-Smith, I.S.C. Shiu, J.R. Slosar, A.K.W. Tang;
Non-Executive Directors: Baroness Dunn, J.W.J. Hughes-Hallett, P.A. Johansen, M.B. Swire; and
Independent Non-Executive Directors: T.G. Freshwater, C.K.M. Kwok, C. Lee, R.W.M. Lee, M.C.C. Sze and M.M.T. Yang.

As at the date of this announcement, the Directors of Swire Properties are:

Executive Directors: C.D. Pratt (Chairman), M. Cubbon, M.M.S. Low, G.M.C. Bradley, D.C.Y. Ho, G.J. Ongley;



Non-Executive Directors: J.W.J. Hughes-Hallett, P.A. Kilgour, R.S.K. Lim, M.B. Swire; and
Independent Non-Executive Directors: S.E. Bradley, J.C.C. Chan, P.K. Etchells, S.T. Fung and S.C. Liu.

By Order of the Board
SWIRE PACIFIC LIMITED
David Fu
Company Secretary

By Order of the Board
SWIRE PROPERTIES LIMITED
David Fu
Company Secretary

Hong Kong, 28th February 2014

Hong Kong, 28th February 2014

For Immediate Release**Swire Properties set to start TaiKoo Place Redevelopment**

28 February 2014, Hong Kong - Swire Properties Limited ("**Swire Properties**") is pleased to announce that it has reached agreement with the Government of the Hong Kong Special Administrative Region (represented by The Financial Secretary Incorporated) (the "**HKSAR Government**") to acquire its interest in Cornwall House in TaiKoo Place, Hong Kong.

The agreement provides for the exchange of ten floors of Grade A office space in Cityplaza Three (approximately 205,000 square feet of gross floor area) for all the areas in Cornwall House currently owned and occupied by the HKSAR Government, consisting principally of eight floors in the building (approximately 187,000 square feet of gross floor area).

The agreement includes a cash consideration payable to the HKSAR Government of HK\$537million, and an additional amount to reflect any potential appreciation in office values between the date of the agreement and the date of completion of construction of the second phase of the TaiKoo Place redevelopment. In addition, Swire Properties will fund relocation costs and expenses for the existing HKSAR Government departments to vacate Cornwall House, including the fit out of the 10 floors of Cityplaza Three. The transaction is expected to be completed no later than 30 December 2016.

"This is an important transaction which will allow Swire Properties to proceed with our further transformation of TaiKoo Place through the redevelopment of three existing industrial buildings into two Grade A office towers," said Martin Cubbon, Chief Executive of Swire Properties. "The two new buildings will provide about two million square feet of leading edge Grade A office space of the scale and quality that will enhance Hong Kong's status as a regional and international financial and business hub."

The first phase of the approved redevelopment plan of TaiKoo Place involves redeveloping Somerset House into a 51-storey office building; the second phase involves redeveloping Cornwall House and Warwick House into a single 46-storey office tower. The first new office building is expected to be ready for handover by 2018.

The redevelopment will provide a new landscaped square of approximately 69,000 square feet - similar in size to Statue Square in Central. A larger and more usable open space area will be created to benefit those who work in TaiKoo Place and the community as a whole.

“This redevelopment reflects Swire Properties’ long term commitment to Hong Kong by adding Grade A office space which will support Hong Kong’s economic development. In addition, we believe the addition of a significant amount of new open space will improve the quality of the local environment,” Mr. Cubbon added.

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About Swire Properties

Swire Properties develops and manages commercial, retail, hotel and residential properties, with a particular focus on mixed-use developments in prime locations at major mass transportation intersections. Swire Properties is listed on the Main Board of the Stock Exchange of Hong Kong and its investment portfolio in Hong Kong comprises Island East and Pacific Place as its core holdings. In addition to Hong Kong, Swire Properties has investments in Mainland China, the United States, Singapore and the United Kingdom. Visit Swire Properties’ website at www.swireproperties.com.

For media enquiries, please contact:

Swire Properties Limited

Head of Public Affairs

May Lam-Kobayashi

Tel: (852) 2844 3981

Email: maylam@swireproperties.com

Media Relations Manager

Lydia Tsui

Tel: (852) 2844 3038

Email: lydiatsui@swireproperties.com