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SWIRE PACIFIC LIMITED
(incorporated in Hong Kong
with limited liability)
(Stock Codes: 19 and 87)



**HONG KONG AIRCRAFT
ENGINEERING COMPANY LIMITED**
(incorporated in Hong Kong
with limited liability)
(Stock Code: 44)

**Close of the mandatory unconditional cash offer by
APA and HSBC on behalf of Swire Pacific Limited
to acquire all of the issued shares in the capital of
Hong Kong Aircraft Engineering Company Limited
not already owned by Swire Pacific Limited or its subsidiaries**

Joint Financial Advisers to Swire Pacific Limited



Close of the Offer and acceptance level

The Offer closed on Tuesday, 27th July 2010.

As at 4:00 p.m. on Tuesday, 27th July 2010, being the latest time and date for acceptance of the Offer as set out in the Composite Document, Swire Pacific had received valid acceptances in respect of a total of 24,766,659 HAECO Shares under the Offer, representing approximately 14.89% of the total issued share capital of HAECO and of the voting rights which may be exercised at general meetings of HAECO as at the date of this announcement.

The Offer has not been revised or extended.

HAECO has applied to the Stock Exchange for a temporary waiver from strict compliance with the public float requirement under Rule 8.08(1)(a) of the Listing Rules for a period of 3 months commencing Wednesday, 28th July 2010.

Reference is made to the joint announcement made by Swire Pacific Limited, Cathay Pacific Airways Limited and Hong Kong Aircraft Engineering Company Limited dated 7th June 2010 in respect of the mandatory unconditional cash offer by Asia Pacific Advisers Limited and The Hongkong and Shanghai Banking Corporation Limited on behalf of Swire Pacific to acquire all of the issued shares in the capital of HAECO not already owned by Swire Pacific or its subsidiaries and the composite offer and response document jointly issued by Swire Pacific and HAECO in relation to the Offer dated 28th June 2010 (the “**Composite Document**”). Unless otherwise defined in this announcement, terms used in this announcement have the same meanings given in the Composite Document.

Close of the Offer and acceptance level

The Offer closed on Tuesday, 27th July 2010.

As at 4:00 p.m. on Tuesday, 27th July 2010, being the latest time and date for acceptance of the Offer as set out in the Composite Document, Swire Pacific had received valid acceptances in respect of a total of 24,766,659 HAECO Shares under the Offer, representing approximately 14.89% of the total issued share capital of HAECO and of the voting rights which may be exercised at general meetings of HAECO as at the date of this announcement.

As of the date of this announcement, save for the following acceptance, no acceptances under the Offer have been received from Concert Parties of Swire Pacific:

| <u>Date of acceptance</u> | <u>Party</u> | <u>Number of HAECO Shares accepted</u> |
|----------------------------------|------------------------------------|-----------------------------------------------|
| 15th July 2010 | HSBC International Trustee Limited | 4,000 |
| 23rd July 2010 | HSBC International Trustee Limited | 6,000 |
| 23rd July 2010 | HSBC Trustee (Hong Kong) Limited | 30,000 |

The Offer has not been revised or extended.

Remittances in respect of the amount due to the accepting HAECO Shareholders whose acceptance of the Offer is valid, less the relevant sellers’ *ad valorem* stamp duty payable in respect of the HAECO Shares tendered by them under the Offer for acceptance, have been or will be despatched to them by ordinary post at their own risk as soon as possible but in any event within 10 days from the date on which all relevant documents are received by the Registrar to render such acceptance complete and valid.

Shareholdings

The table below shows the number of HAECO Shares held, controlled, or directed by Swire Pacific and its Concert Parties (i) as at 6th June 2010 (being the date immediately prior to the commencement of the Offer Period) and (ii) upon the close of the Offer:

| Name of HAECO Shareholder | As at 6th June 2010 | | Upon the close of the Offer | |
|------------------------------------------------------|---------------------------|------------------------------------------------|-----------------------------|------------------------------------------------|
| | Number of HAECO Shares | Percentage of HAECO's issued share capital (%) | Number of HAECO Shares | Percentage of HAECO's issued share capital (%) |
| Swire Pacific | 76,449,175 | 45.9638 | 126,164,562 | 75.8543 |
| Cathay Pacific | 24,948,728 | 15.0000 | 0 | 0 |
| T.G. Freshwater (Director of Swire Pacific) | 11,200 ¹ | 0.0067 | 11,200 ¹ | 0.0067 |
| M.C.C. Sze (Director of Swire Pacific) | 12,800 | 0.0077 | 12,800 | 0.0077 |
| HSBC, Global Markets | 24,800 | 0.0149 | 24,800 | 0.0149 |
| HSBC International Trustee Limited ² | 947,200 | 0.5695 | 937,200 | 0.5635 |
| HSBC Trustee (Hong Kong) Limited ² | 62,000 | 0.0373 | 32,000 | 0.0192 |
| HSBC Private Bank (Suisse) SA Hong Kong ² | 222,000 | 0.1335 | 209,200 ³ | 0.1258 |
| HSBC Bank Plc | 33,118 ⁴ | 0.0199 | 0 ⁵ | 0 |
| Swire Pacific and its Concert Parties | <u>102,711,021</u> | <u>61.7533</u> | <u>127,391,762</u> | <u>76.5921</u> |

Notes:

1. This includes personal interests in 10,000 HAECO Shares and family interests in 1,200 HAECO Shares.
2. These are the interests of discretionary investment clients with the relevant HSBC Entities having discretion on investment decisions and voting.
3. Sale of securities on 9th July 2010 on an agency basis.
4. Stock borrowing.
5. Return of relevant securities.

During the Offer Period commencing on 7th June 2010 and up to and including the date of this announcement, save for the 24,948,728 HAECO Shares (representing approximately 15.00% of the issued share capital of HAECO) acquired under the Sale and Purchase Agreement and the 24,766,659 HAECO Shares (representing approximately 14.89% of the issued share capital of HAECO) tendered for acceptance under the Offer, Swire Pacific and its Concert Parties had not acquired or agreed to acquire any HAECO Shares or rights over HAECO Shares.

As at the date of this announcement, save for the following transaction, none of Swire Pacific or its Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in HAECO since 7th June 2010:

| Date | Party | Borrowing / Lending / Unwinding of borrowing or lending transaction | Number of HAECO Shares | Percentage of issued share capital of HAECO |
|---------------|---------------|------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------|
| 8th June 2010 | HSBC Bank Plc | Return of relevant securities | 33,118 | 0.0199% |

Waiver of public float requirement

HAECO has applied to the Stock Exchange for a temporary waiver from strict compliance with the public float requirement under Rule 8.08(1)(a) of the Listing Rules for a period of 3 months commencing Wednesday, 28th July 2010.

By Order of the Board
Swire Pacific Limited
 David Fu
 Company Secretary
 Hong Kong, 27th July 2010

By Order of the Board
**Hong Kong Aircraft Engineering
 Company Limited**
 David Fu
 Company Secretary
 Hong Kong, 27th July 2010

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.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.

The directors of Swire Pacific jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to HAECO) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by HAECO) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement (other than those relating to HAECO) misleading.

As at the date of this announcement, the directors of HAECO are:

Executive Directors: C.D. Pratt (Chairman), M. Hayman, M.M.S. Low and A.K.W. Tang;

Non-Executive Directors: C.P. Gibbs, P.A. Johansen and M.B. Swire; and

Independent Non-Executive Directors: R.E. Adams, L.K.K. Leong and D.C.L. Tong.

The directors of HAECO jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to Swire Pacific) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by Swire Pacific) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement (other than those relating to Swire Pacific) misleading.