

For immediate release

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**Swire Properties and Mandarin Oriental's First Partnership in China
Mandarin Oriental at TaiKoo Hui to Set New Standards for Luxury Hotels in Guangzhou**

(Thursday, 8 February 2007) Swire Properties announces that the luxury hotel at TaiKoo Hui, its substantial development in Guangzhou, will be managed by Mandarin Oriental Hotel Group, one of the best and most renowned hotel operators in the world. The TaiKoo Hui-Mandarin Oriental Hotel Signing Ceremony was held today in Guangzhou to set the seal on this venture.

The occasion marked not only the first time that Swire Properties and Mandarin Oriental have joined hands in China, but also Mandarin Oriental's first entry into Guangzhou. Riding on the tremendous success of both parties' cooperation with the Mandarin Oriental in Miami, the Guangzhou project aims at new heights for luxury hotels in this city, and is set to provide it with a fresh landmark.

Officiating at the ceremony were Vice Mayor of Guangzhou, Chen Mingde, Swire Properties' Chairman, Mr. Keith G. Kerr, General Manager, Mr. Peter Kok and Mandarin Oriental's Operations Director-Asia, Mr. Andrew Hirst.

The contract was incorporated into a video combining reality footage with 3D animation to portray the seamless cooperation between the two partners. TaiKoo Hui will manage design, construction and hardware facilities while Mandarin Oriental will provide professional hotel management and world-class services. Kok signed the contract on behalf of Swire Properties and Hirst on behalf of Mandarin Oriental.

The project owner is TaiKoo Hui (Guangzhou) Development Company Limited, a joint venture of Swire Properties and Guangzhou Daily Group. Together with 340 rooms and 70 service apartments, a wide range of dining and cocktail venues and spacious meeting and function facilities, Mandarin's signature spa and health facilities will also be available in the hotel.

Mandarin Oriental, Guangzhou will be an unprecedented hotel project in Guangzhou. Situated in the heart of the Tianhe district, the hotel will enjoy convenient transportation, thanks to the nearby Guangzhou East Train Station and will also adjoin two Metro Rail services. Located within the TaiKoo Hui complex, accessibility to the shopping mall, office buildings and cultural centre is within

walking distance.

Speaking at the ceremony, Kerr said, 'We are delighted to partner again with Mandarin Oriental, with whom we have built a strong relationship in the award-winning property, Mandarin Oriental, Miami. I believe, Mandarin Oriental, Guangzhou will set a new benchmark for luxury hotels in Guangzhou, satisfying not only the diverse demands of today, but also anticipating the high expectations of tomorrow. Swire Properties is committed to bringing world-class service providers to TaiKoo Hui and to this bustling metropolis.'

The TaiKoo Hui complex, consisting of shopping mall, office buildings, hotel and cultural centre, is expected to be completed by 2009, with Mandarin Oriental, Guangzhou coming into operation in 2010.

About Swire Properties Limited

Incorporated in 1972, Swire Properties develops and manages commercial, retail and residential properties which offer exceptional and inviting environments in prime locations, with a strategy to 'hub' its investment properties at major mass transportation intersections, providing the highest level of accessibility and connectivity to its tenants and patrons. The completed portfolio in Hong Kong totals over 13 million sq ft of gross floor area, with Island East, Pacific Place and Festival Walk as its core holdings, reflecting its strength in building communities. Besides Hong Kong, the Company has a presence in China, the USA as well as United Kingdom.

The Company is a wholly-owned subsidiary of the publicly-listed Swire Pacific Limited whose businesses are grouped under five operating divisions – property, aviation, beverages, marine services and trading & industrial.

Visit Swire Properties web site at www.swireproperties.com.

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