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## **This document is important and requires your immediate attention**

**If you are in any doubt about this document**, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Swire Pacific Limited (“the Company”), you should at once hand this document and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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### **SWIRE PACIFIC LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance)  
(Stock Codes : 00019 and 00087)

### **NOTICE OF ANNUAL GENERAL MEETING**

**AND**

### **PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES**

**AND**

### **REPURCHASE SHARES**



**Executive Directors:**

C D Pratt, CBE, Chairman  
P N L Chen, SBS  
M Cubbon, Finance Director  
D Ho  
K G Kerr  
J R Slosar

**Non-Executive Directors:**

Baroness Dunn, DBE  
J W J Hughes-Hallett, SBS  
P A Johansen  
Sir Adrian Swire

**Independent Non-Executive Directors:**

V H C Cheng, GBS, OBE  
C K M Kwok  
C Lee  
M C C Sze, GBS  
M M T Yang

**Registered Office:**

35th Floor, Two Pacific Place,  
88 Queensway,  
Hong Kong.

A Chinese version of this circular is available upon request from the Company's Registrars.  
本通函之中文版本於本公司股份登記處備索。

12th April 2007

To the shareholders  
Dear Sir or Madam,

## NOTICE OF MEETING

1. Notice of the annual general meeting (“AGM”) for 2007 is set out on pages 5 to 6 of this circular. Enclosed with this circular is a form of proxy for use at that meeting. Whether or not you intend to be present at the 2007 AGM you are requested to complete the form of proxy and return it to the Registrars of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding that meeting.
2. The completion of a form of proxy and returning it to the Registrars of the Company will not preclude you from attending and voting in person at the meeting or poll concerned and, in such event, the appointment of the proxy will be deemed to be revoked.

## GENERAL MANDATES

3. At the AGM of the Company held on 11th May 2006, ordinary resolutions were passed giving general mandates to Directors (i) to make on-market share repurchases (within the meaning of the Code on Share Repurchases) of up to 10 per cent of the issued share capital of the Company as at 11th May 2006; and (ii) to allot, issue and otherwise deal with shares equal to 20 per cent of the shares of the Company in issue at 11th May 2006 provided that the shares which may be allotted wholly for cash shall not exceed 5 per cent of the shares in issue at 11th May 2006. No shares have been repurchased or allotted, issued or otherwise dealt with pursuant to these mandates.
4. Under the Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”), these general mandates lapse at the conclusion of the AGM for 2007, unless renewed at that meeting. Resolutions (Resolutions 4 and 5) will be proposed to renew the mandates for on-market share repurchase and issue of additional shares. The Explanatory Statement required by the Listing Rules to be sent to shareholders in connection with the proposed repurchase resolution is set out in the Appendix to this circular.

## ELECTION/RE-ELECTION OF DIRECTORS

5. In relation to Resolution 2, P A Johansen and Sir Adrian Swire will retire at the forthcoming AGM and will offer themselves for re-election in accordance with Article 93 of the Company’s Articles of Association. J R Slosar who has been appointed as a Director of the Company since the last AGM will also retire pursuant to Article 91 and offers himself for election. Separate resolutions will be proposed for the election/re-election of these Directors. Their particulars and interests in the shares of the Company are provided in the “Directors and Officers” section and the “Directors’ Report” in the Company’s Annual Report 2006 which accompanies this circular. Other than as disclosed therein, they are not related to any Director, senior management or substantial shareholders of the Company.
6. Each of the persons proposed for election/re-election as Directors has entered into letter of appointment, which constitutes a service contract, with the Company. In accordance with the Company’s Articles of Association, they will retire at the third AGM after election/re-election and will be eligible for re-election.

7. P A Johansen and Sir Adrian Swire, Non-Executive Directors, do not receive any emolument or director's fee from the Company. The remuneration of J R Slosar is determined in accordance with the policy reviewed by the Remuneration Committee.
8. The Company's remuneration policy and the fees paid to Independent Non-Executive Directors are set out in the "Corporate Governance" section of the Annual Report 2006 and particulars of all the Directors' remuneration are given in note 8 to the Accounts.
9. Save for the information set out in paragraphs 5 to 8 above, there is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that needs to be brought to the attention of shareholders in respect of the persons proposed for election/re-election as Directors at the 2007 AGM.

### **DIRECTORS' FEE**

10. At the 2003 AGM, shareholders resolved that directors' fees not exceeding an aggregate sum of HK\$2 million be paid in any one year. This has remained unchanged in spite of an increase in the number of Directors. A resolution (Resolution 6) will be proposed to increase the maximum aggregate sum to HK\$6 million in any one year.

### **PROCEDURE BY WHICH A POLL MAY BE DEMANDED**

11. Under the Articles of Association of the Company, at any general meeting, on a show of hands every member present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every fully paid up share of which he is the holder. A resolution put to the vote of a meeting shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands or of the withdrawal of any other demand for a poll, a poll is duly demanded. Article 72 provides that, subject to the provisions of the Companies Ordinance, a poll may be demanded by:
  - (i) the chairman of the meeting; or
  - (ii) at least three members present in person or by proxy and entitled to vote at the meeting; or
  - (iii) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
  - (iv) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Pursuant to this, I intend to direct that each of the resolutions proposed at the forthcoming AGM be voted on by poll.

12. Your Directors believe that the proposals described in this document are in the interests of the Company and its shareholders and accordingly recommend you to vote in favour of all of the resolutions to be proposed at the AGM.

Yours faithfully,

**Christopher D Pratt**  
*Chairman*

## APPENDIX

The following is the Explanatory Statement required to be sent to shareholders under the Listing Rules in connection with the proposed general mandate for repurchase of shares and also constitutes the Memorandum required under section 49BA of the Companies Ordinance.

1. It is proposed that up to 10 per cent of any class of the Company's shares in issue at the date of the passing of the resolution to approve the general mandate may be repurchased. As at 29th March 2007, the latest practicable date for determining such figure ("Latest Practicable Date"), the number of 'A' Shares in issue was 925,514,885 and the number of 'B' Shares in issue was 3,003,486,271. On the basis of such figures (and assuming no shares are issued or repurchased after 29th March 2007 and up to the date of passing such resolution) the Directors would be authorised to repurchase up to 92,551,488 'A' Shares and up to 300,348,627 'B' Shares.
2. The Directors believe that the ability to repurchase shares is in the interests of the Company and its shareholders.

Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per share. The Directors are seeking the grant of a general mandate to repurchase shares to give the Company the flexibility to do so if and when appropriate. The number(s) and class(es) of shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

3. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.
4. There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its published audited accounts for the year ended 31st December 2006) in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.
5. There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates (as defined in the Listing Rules) of Directors who have a present intention, in the event that the general mandate is granted by shareholders, to sell shares to the Company.
6. The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the general mandate in accordance with the Listing Rules and the laws of Hong Kong.
7. If as the result of a repurchase of shares a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for purposes of the Hong Kong Code on Takeovers and Mergers ("Takeover Code"). As a result, a shareholder, or group of shareholders acting in concert depending on the level of increase of shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

The Directors are not aware of any consequences which would arise under the Takeover Code as a consequence of any purchases pursuant to the general repurchase mandate. In the event of full exercise of the repurchase mandate and the maintenance by John Swire & Sons Limited of its present shareholding (amounting to approximately 54.69% of the votes attaching to the issued share capital of the Company at the Latest Practicable Date), the percentage of the votes attaching to the share capital owned by John Swire & Sons Limited would increase to 60.77%. Accordingly, such increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeover Code.

8. The Company has in the previous six months immediately prior to the latest Practicable Date purchased a total of 4,860,500 'A' Shares and nil 'B' Shares on the Stock Exchange. Details of the repurchases are as follows:

'A' shares

Date	Number of Shares purchased	Highest price paid(HK\$)	Lowest price paid(HK\$)
8th March 2007	961,500	91.30	89.70
9th March 2007	448,000	89.80	88.75
12th March 2007	100,000	90.00	89.95
13th March 2007	116,500	89.90	89.90
14th March 2007	122,500	87.20	87.00
15th March 2007	46,000	87.30	87.30
16th March 2007	996,000	85.45	84.90
19th March 2007	500,000	85.40	84.25
20th March 2007	24,000	86.00	85.95
22nd March 2007	279,000	89.00	88.20
23rd March 2007	200,000	88.80	87.70
26th March 2007	215,500	88.00	87.55
27th March 2007	281,500	88.00	87.70
28th March 2007	500,000	87.40	86.20
29th March 2007	30,000	87.50	87.10

9. No connected persons (as defined in the Listing Rules) of the Company have notified it of a present intention to sell shares of the Company to the Company and no such persons have undertaken not to sell any such shares to the Company in the event that the general mandate is granted by shareholders.

10. The highest and lowest prices at which shares of the Company have traded on the Stock Exchange in each of the previous twelve months are as follows:

	Highest (HK\$)		Lowest (HK\$)	
	'A' Shares	'B' Shares	'A' Shares	'B' Shares
March 2006	77.00	14.55	73.30	14.00
April 2006	81.40	14.95	76.10	14.25
May 2006	81.20	15.00	71.85	13.35
June 2006	80.20	15.00	70.60	13.05
July 2006	82.05	15.25	76.90	14.30
August 2006	85.40	15.04	80.20	14.50
September 2006	85.10	15.04	77.90	14.44
October 2006	85.15	15.10	80.45	14.52
November 2006	85.40	15.46	80.65	14.92
December 2006	84.65	15.90	80.25	15.10
January 2007	95.50	17.80	82.85	15.88
February 2007	94.00	17.64	88.00	16.60

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that an ordinary general meeting of the shareholders of Swire Pacific Limited, being the annual general meeting for 2007, will be held at the Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Thursday, 10th May 2007 at 10:00 a.m. to receive the report of the Directors and the audited accounts for the year ended 31st December 2006 and:

1. To declare final dividends.
2. To re-elect Directors.
3. To re-appoint auditors and authorise the Directors to fix their remuneration.

As special business, to consider and, if thought fit, to pass the following resolutions:

### Ordinary Resolutions

4. THAT:

- (a) subject to paragraph (b), the exercise by the Directors during the Relevant Period of all the powers of the Company to make on-market share repurchases (within the meaning of the Code on Share Repurchases) be approved;
- (b) the aggregate nominal amount of any class of the Company's shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the shares of that class in issue at the date of passing this Resolution; and
- (c) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

references to "shares" include securities which carry a right to subscribe for or purchase shares.

5. THAT:

- (a) subject to paragraph (b), the exercise by the Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares and to make or grant offers, agreements and options which will or might require the exercise of such powers during or after the end of the Relevant Period be approved;

(b) the aggregate nominal amount of shares of any class allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue or (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares, shall not exceed the aggregate of 20 per cent of the aggregate nominal amount of the shares of that class in issue at the date of passing this Resolution provided that the aggregate nominal amount of the shares of any class so allotted (or so agreed conditionally or unconditionally to be allotted) pursuant to this Resolution wholly for cash shall not exceed 5 per cent of the aggregate nominal amount of the shares of that class in issue at the date of passing this Resolution; and

(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until the earliest of:

(i) the conclusion of the next annual general meeting of the Company; and

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and

(iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares to holders of shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).

6. THAT the aggregate fees paid to the Directors in any one year shall not exceed HK\$6 million.

By order of the Board  
**David Fu**  
*Secretary*

Hong Kong, 12th April 2007

**Notes:**

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. All proxies must be deposited with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the meeting.
3. If approved, the final dividends are expected to be paid to shareholders on Monday, 4th June 2007.
4. The registers of shareholders will be closed from 7th to 10th May 2007, both days inclusive. To rank for the final dividends, all transfers should be lodged with the 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 Friday, 4th May 2007.
5. The Directors retiring are P A Johansen, J R Slosar and Sir Adrian Swire. Separate resolutions will be proposed for their election/re-election.
6. The Chairman intends to direct that each of the resolutions set out in this notice be voted on by poll.