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SWIRE PACIFIC LIMITED
太古股份有限公司

(Incorporated in Hong Kong
with limited liability)
(Stock Codes: 19 and 87)

**HONG KONG AIRCRAFT
ENGINEERING COMPANY
LIMITED**

香港飛機工程有限公司
(Incorporated in Hong Kong
with limited liability)
(Stock Code: 44)

JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE PRIVATISATION OF
HONG KONG AIRCRAFT ENGINEERING COMPANY LIMITED
BY SWIRE PACIFIC LIMITED BY WAY OF
A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE**

**(2) PROPOSED WITHDRAWAL OF LISTING OF
HONG KONG AIRCRAFT ENGINEERING COMPANY LIMITED**

AND

(3) DESPATCH OF THE SCHEME DOCUMENT

**Financial Adviser to
Swire Pacific Limited**

**Independent Financial Adviser to the
HAECO Independent Board
Committee**

MOELIS & COMPANY  **SOMERLEY CAPITAL LIMITED**

Reference is made to (i) the joint announcement issued by Swire Pacific Limited (“**Swire Pacific**”) and Hong Kong Aircraft Engineering Company Limited (“**HAECO**”) on 10th June 2018 in relation to, among other things, the proposed privatisation of HAECO by Swire Pacific by way of a scheme of arrangement under section 673 of the Companies Ordinance; (ii) the joint announcement of Swire Pacific and HAECO dated 29th June 2018 in relation to the extension of time for despatch of the Scheme Document; (iii) the announcement of HAECO dated 29th June 2018 in relation to the appointment of Somerley Capital Limited as the HAECO Independent Financial Adviser; (iv) the announcement of HAECO dated 1st July 2018 in relation to the resignation of Mr. John Robert SLOSAR as Chairman of the Board and an Executive Director of HAECO, the election of Mr. Merlin Bingham SWIRE as Chairman of the Board of HAECO in place of Mr. John Robert SLOSAR and the re-designation of Mr. Merlin Bingham SWIRE from a Non-Executive Director to an Executive Director of HAECO, all with effect from 1st July 2018; (v) the joint announcement of Swire Pacific and HAECO dated 27th July 2018 providing a monthly update on the status and progress in connection with the Proposal and the Scheme; (vi) the joint announcement of Swire Pacific and HAECO dated 27th August 2018 providing a monthly update on the status and progress in connection with the Proposal and the Scheme; and (vii) the scheme document jointly issued by Swire Pacific and HAECO on 14th September 2018 in relation to the Proposal and the Scheme (the “**Scheme Document**”). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings ascribed to them in the Scheme Document.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document together with the notices of the Court Meeting and the General Meeting to be held on Wednesday, 10th October 2018 and the relevant proxy forms will be despatched to the HAECO Shareholders on Friday, 14th September 2018.

The Scheme Document contains, among other things, further details of the Proposal and the Scheme, the expected timetable, the explanatory statement of the Scheme as required under the Companies Ordinance, financial information of the HAECO Group, general information regarding Swire Pacific and HAECO, the letters from the HAECO Board, the HAECO Independent Board Committee and the HAECO Independent Financial Adviser, a notice of the Court Meeting and a notice of the General Meeting.

RECOMMENDATIONS OF THE HAECO INDEPENDENT BOARD COMMITTEE AND THE HAECO INDEPENDENT FINANCIAL ADVISER

The HAECO Independent Board Committee, comprising B.Y.C. Cha, Y.K. Leung and P.P.W. Tse, has been established by the HAECO Board to make a recommendation to the Independent HAECO Shareholders in respect of the Proposal.

Somerley Capital Limited has been appointed as the HAECO Independent Financial Adviser to advise the HAECO Independent Board Committee in connection with the Proposal.

The HAECO Independent Financial Adviser has advised the HAECO Independent Board Committee that it considers the terms of the Proposal are fair and reasonable so far as the Independent HAECO Shareholders are concerned, and accordingly, it advises the HAECO Independent Board Committee to recommend the Independent HAECO Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal.

The HAECO Independent Board Committee, having been so advised, considers that the terms of the Proposal are fair and reasonable so far as the Independent HAECO Shareholders are concerned. Accordingly, the HAECO Independent Board Committee recommends the Independent HAECO Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal.

HAECO Shareholders are urged to read and consider carefully the recommendations of the HAECO Independent Board Committee and the advice of the HAECO Independent Financial Adviser set out in the letter from the HAECO Independent Board Committee and the letter from the HAECO Independent Financial Adviser contained in the Scheme Document.

COURT MEETING AND GENERAL MEETING

The Court Meeting and the General Meeting are scheduled to be held at 10:00 a.m. and 10:30 a.m. (or immediately after the conclusion or adjournment of the Court Meeting), respectively, on Wednesday, 10th October 2018 at the Ballroom, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong.

The High Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving, with or without modification, the Scheme.

Immediately following the conclusion of the Court Meeting, the General Meeting will be held for the purpose of considering and, if thought fit, passing the special resolution to give effect to the Scheme, including the reduction of the share capital of HAECO by cancelling and extinguishing the Scheme Shares and the issue to Swire Pacific of such number of new HAECO Shares as is equal to the number of the Scheme Shares cancelled.

Notices of the Court Meeting and the General Meeting are contained in the Scheme Document.

An announcement will be made by HAECO and Swire Pacific in relation to the results of the Court Meeting and the General Meeting on Wednesday, 10th October 2018.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the holders of Scheme Shares to attend and vote at the Court Meeting and the entitlements of the HAECO Shareholders to attend and vote at the General Meeting, the register of members of

HAECO will be closed from Thursday, 4th October 2018 to Wednesday, 10th October 2018 (both days inclusive) and during such period, no transfer of HAECO Shares will be effected. In order to qualify to vote at the Court Meeting and the General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Share Registrar at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, 3rd October 2018.

CONDITIONS OF THE PROPOSAL

Swire Pacific Shareholders, HAECO Shareholders and potential investors should be aware that the Proposal is subject to the fulfilment or waiver, as applicable, of the Conditions as described in the section headed "Conditions of the Proposal" in the Explanatory Statement of the Scheme Document, and therefore the Proposal may or may not be implemented. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal will lapse.

Assuming that the Conditions are fulfilled or, as applicable, waived, the Scheme will become effective on the Effective Date, which is expected to be Thursday, 29th November 2018, and the listing of HAECO Shares on the Stock Exchange is expected to be withdrawn at 9:00 a.m. on the Effective Date pursuant to Rule 6.15(2) of the Listing Rules.

Further announcements will be made regarding the Proposal in accordance with the requirements of the Takeovers Code and the Listing Rules, including in relation to the results of the hearing of the petition for the sanction of the Scheme by the High Court, the Effective Date and the date of withdrawal of listing of HAECO Shares from the Stock Exchange.

EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by Swire Pacific and HAECO. Unless otherwise specified, all times and dates refer to Hong Kong local times and dates.

Hong Kong time

Latest time for lodging transfers of HAECO Shares in order to qualify for entitlement to attend and vote at the Court Meeting and the General Meeting	4:30 p.m. on Wednesday, 3rd October 2018
Register of members of HAECO closed for determining entitlement to attend and vote at the Court Meeting and the General Meeting (<i>Note 1</i>)	Thursday, 4th October 2018 to Wednesday, 10th October 2018 (both days inclusive)
Meeting Record Date	Friday, 5th October 2018

Latest time for lodging forms of proxy in respect of:

- Court Meeting (*Note 2*) 10:00 a.m. on
Monday, 8th October 2018
- General Meeting (*Note 2*) 10:30 a.m. on
Monday, 8th October 2018

Court Meeting (*Notes 2 and 3*) 10:00 a.m. on
Wednesday, 10th October 2018

General Meeting (*Notes 2 and 3*) 10:30 a.m. on
Wednesday, 10th October 2018
(or immediately after the conclusion or
adjournment of the Court Meeting)

Announcement of the results of the Court Meeting
and the General Meeting posted on the website
of the Stock Exchange no later than 7:00 p.m.
on Wednesday, 10th October 2018

Expected latest time for trading of
HAECO Shares on the Stock Exchange 4:00 p.m. on
Monday, 19th November 2018

Latest time for lodging transfers of HAECO Shares
in order to qualify for entitlements under the Scheme 4:30 p.m. on
Thursday, 22nd November 2018

Register of members of HAECO closed for
determining entitlement to qualify
under the Scheme (*Note 4*) from Friday, 23rd November 2018
onwards

High Court hearing of the petition for the
sanction of the Scheme (*Note 5*) Wednesday, 28th November 2018

Announcement of (1) the results of the High Court
hearing for the petition for the sanction of the Scheme,
(2) the expected Effective Date and (3) the expected
date of withdrawal of listing of HAECO Shares on
the Stock Exchange posted on the website of the
Stock Exchange no later than 7:00 p.m.
on Wednesday, 28th November 2018

Scheme Record Date Wednesday, 28th November 2018

Effective Date (*Note 5*) Thursday, 29th November 2018

Announcement of (1) the Effective Date and
(2) the withdrawal of listing of HAECO Shares
on the Stock Exchange posted on
the website of the Stock Exchange Thursday, 29th November 2018

Withdrawal of listing of HAECO Shares
on the Stock Exchange becomes effective 9:00 a.m. on
Thursday, 29th November 2018

Cheques for the cash payment under the Proposal
to be despatched (*Note 6*) on or before
Monday, 10th December 2018

Notes:

1. The register of members of HAECO will be closed during such period for the purpose of determining entitlements of the holders of Scheme Shares to attend and vote at the Court Meeting and of the HAECO Shareholders to attend and vote at the General Meeting. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
2. The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the General Meeting should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged at the Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by the times and dates stated above. The **pink** form of proxy for use at the Court Meeting and the **white** form of proxy for use at the General Meeting must be lodged no later than the time and date stated above in order for them to be valid. The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude a member from attending and voting in person at the relevant meeting or any adjournment thereof if he so wishes. In the event that the member attends and votes at the relevant meeting or any adjournment thereof after having lodged his form of proxy, the returned form of proxy shall be deemed to have been revoked by operation of law.
3. If a tropical cyclone warning signal No.8 or above is or is expected to be hoisted or a black rainstorm warning signal is or is expected to be in force at any time after 7:00 a.m. on the date of the Court Meeting and the General Meeting, the Court Meeting and the General Meeting will be postponed. HAECO will post an announcement on the respective websites of Hong Kong Exchanges and Clearing Limited and HAECO to notify the members of the date, time and venue of the rescheduled meetings.
4. The register of members of HAECO will be closed during such period for the purpose of determining the Scheme Shareholders, who are qualified for entitlements under the Scheme.
5. The High Court hearing will be held at the High Court at the High Court Building, 38 Queensway, Hong Kong. The Scheme shall become effective when an office copy of the order of the High Court sanctioning the Scheme (with or without modification) and confirming the reduction of the share capital of HAECO involved in the Scheme is registered by the Registrar of Companies under Part 2 of the Companies Ordinance.
6. Cheques for entitlements of Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to Scheme Shareholders at their respective addresses as appearing in the register of members of HAECO as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the register of members of HAECO as at the Scheme Record Date of the joint holder whose name then stands first in the register of members of HAECO in respect of the relevant joint holding as soon as possible but in any event within 7 business days (as defined in the Takeovers Code) following the Effective Date. Cheques shall be posted at the risk of the addressees and none of Swire Pacific, HAECO, Moelis, the HAECO Independent Financial Adviser and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.

WARNING

Swire Pacific Shareholders, HAECO Shareholders and potential investors should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Swire Pacific Shareholders, HAECO Shareholders and potential investors should therefore exercise caution when dealing in the securities of Swire Pacific or HAECO. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

Directors

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

Executive Directors: M.B. Swire (Chairman), I.K.L. Chu, D.P. Cogman, M.M.S. Low;
Non-Executive Director: S.C. Swire; and
Independent Non-Executive Directors: P.K. Etchells, T.G. Freshwater, C. Lee, R.W.M. Lee and G.R.H. Orr.

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 misleading.

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

Executive Directors: M.B. Swire (Chairman), W.E.J. Barrington, C.P. Gibbs, R.J. Sharpe, A.K.W. Tang;
Non-Executive Director: G.T.F. Hughes; and
Independent Non-Executive Directors: B.Y.C. Cha, Y.K. Leung, J.L. Lewis and P.P.W. Tse.

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 misleading.

By Order of the Board

Swire Pacific Limited

太古股份有限公司

David Fu

Company Secretary

Hong Kong, 14th September 2018

By Order of the Board

Hong Kong Aircraft Engineering

Company Limited

香港飛機工程有限公司

David Fu

Company Secretary

Hong Kong, 14th September 2018