

**SWIRE PROPERTIES LTD:
THIS IS NOT A GOOD COMPANY,
BY ANY STRETCH OF THE IMAGINATION**

And Profits Over The Past 3 Years Have Been Piss-Poor !

For the second time in 33 years, Swire Properties Ltd () (Code: 962, Main Board, The Stock Exchange of Hongkong Ltd) is seeking a listing on The Stock Exchange of Hongkong Ltd.

The Company, which was incorporated in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) when the territory was a British Crown Colony, known only as Hongkong, was first listed in 1977 on what was called, in those days, The Hongkong Stock Exchange Ltd.

However, in 1984, Swire Properties Ltd decided that enough was enough and determined to privatise the Company.

Swire Properties Ltd has, always, been a subsidiary of Swire Pacific Ltd () (Codes: 18 and 87, Main Board, The Stock Exchange of Hongkong Ltd) and remains as such, today.

Swire Pacific Ltd, beneficially, will continue to own 83.93 percent of the Issued and Fully Paid-Up Share Capital of Swire Properties Ltd after the Global Offering, the details of which are contained in the Prospectus, which was published and distributed, last Monday (May 3, 2010).

The Global Offering is for 910 million, \$HK1.00 Shares at an Offer Price Range of between \$HK20.75 Per Share and \$HK22.90 Per Share.

Prospective shareholders of the HKSAR are being Offered 45.50 million Shares, while International Investors are being Offered 864.50 million Shares.

Management is making no bones as to the reason for the Company, going public for a second time: It wants to pay off its debts to a wholly owned subsidiary of its parent company, namely, Swire Finance Ltd ().

Pages 254 and 255 of the Global Offering Prospectus explains that 70 percent of the net proceeds of the **Initial Public Offering (IPO)**, amounting to an estimated \$HK13.40 billion (based on an assumed Offer Price Per Share of \$HK21.83) '*will be used for the repayment of our borrowings from Swire Finance ...*'.

As for the remaining 30 percent of the Net Proceeds of the IPO, it will be utilised as to:

1. About \$HK2.10 billion, or about 11 percent, '*to fund our investments in our existing property projects in Hong Kong, the U.K. (United Kingdom) and the PRC ...*'; and,
2. About \$HK3.80 billion, or about 19 percent, to '*be placed in short-term deposits and/or money market instruments ...*'.

It is a fact that, on scanning the Consolidated Statements of Financial Position, located at Appendix I-5 of the Global Offering Prospectus, Swire Properties Ltd was cash poor, as at December 31, 2009.

It is shown that, as at December 31, 2009, cash and cash equivalents amounted to about \$HK965 million, with an amount due from Swire Pacific Ltd, being about \$HK167 million.

Against that amount of money, being in aggregate about \$HK1,132,000,000, Bank Overdrafts and Short Term Loans, listed under Current Liabilities, stood at about \$HK949 million, leaving a net cash position of not more than \$HK184 million.

However, that is not the entire story ... [CLICK TO ORDER FULL ARTICLE](#)

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