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**SWIRE PACIFIC LIMITED**  
(Incorporated in Hong Kong with limited liability)

**Connected Transaction: Acquisition of 30% in Xian BC Hans Foods Company Limited**

Xian BC Hans Foods Company Limited (“Xian BC”) operates a Coca-Cola bottling facility in Xian, Shaanxi Province, China. It is 30% owned by Canary Ventures Company Holdings Limited (“Canary”) and 70% owned by BC Development Company Limited (“BCD”), which is 85% owned by Swire Beverages Limited (“Swire Beverages”).

Swire Pacific Limited (“Swire Pacific”) has agreed for Swire Beverages, being 87.5% owned by Swire Pacific, to acquire Canary’s 30% interest in Xian BC for US\$11.9 million.

This is a connected transaction under Rule 14.25(1) of the Listing Rules because of Canary’s 30% interest in Xian BC which is 52.06% owned by Swire Pacific. As the consideration represents less than 3% of the consolidated net tangible assets of Swire Pacific as at 31<sup>st</sup> December 2001, no shareholders’ approval is required. Particulars of this transaction will be included in the next published annual report and accounts of Swire Pacific in accordance with Rule 14.25(1) of the Listing Rules.

**AGREEMENT DATED 9TH DECEMBER 2002**

**Parties:**

Purchaser: **Swire Beverages Limited** (“Swire Beverages”), being 87.5% owned by Swire Beverages Holdings Limited, a wholly-owned subsidiary of Swire Pacific Limited (“Swire Pacific”)

Vendor: **Canary Ventures Company Holdings Limited** (“Canary”), being an investment holding company

**Interest acquired:**

30% of the issued capital of Xian BC Hans Foods Company Limited (“Xian BC”), which operates a Coca-Cola bottling facility in Xian, Shaanxi Province, China. After the transaction, Swire Pacific will increase its attributable interest in Xian BC from 52.06% to 78.31%.

**Consideration:**

US\$11.9 million, a price negotiated at arm's length on normal commercial terms and paid in cash upon Completion, from Swire Pacific's working capital.

The Directors of Swire Pacific, including the independent non-executive Directors, consider the consideration to be fair and reasonable.

**Completion:**

On obtaining all necessary approvals from relevant government and registration authorities in Mainland China. The Agreement will lapse if such approvals have not been obtained within 60 days from the date of signing the Agreement.

**Reason for the Transaction:**

Swire Pacific considers that this transaction will further enhance the development of the Company's Coca-Cola bottling business in Mainland China. Swire Pacific's principal activities are in property, aviation, beverages, marine services, trading & industrial.

**Connection between the parties:**

Canary is a connected person of Swire Pacific by virtue of its 30% interest in Xian BC which is 52.06% owned by Swire Pacific.

**Information for shareholders:**

**This transaction will be included in the 2002 annual report of Swire Pacific  
in accordance with Rule 14.25(1)(A) to (D) of the Listing Rules.**

By Order of the Board

**Margaret Yu Chan Sau Mui**

*Secretary*

**Swire Pacific Limited**

*Hong Kong, 9th December 2002*