



Swire Pacific

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

Connected Transaction: Transfer 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 was 30% owned by Canary Ventures Company Holdings Limited ("Canary") and 70% by BC Development Company Limited ("BCD").

On 10th December, 2002, Swire Pacific Limited ("Swire Pacific") announced that it had agreed for Swire Beverages Limited ("Swire Beverages"), which is 87.5% owned by Swire Pacific, to acquire from Canary its 30% interest in Xian BC for US\$11.9 million. This transaction was completed on 24th December 2002.

Swire Pacific has agreed for Swire Beverages to sell the 30% interest in Xian BC recently acquired from Canary to BC Development Co. Limited ("BCD") for US\$11.9 million, i.e. the same price it paid to Canary.

BCD is owned 85% by Swire Beverages and 15% by CITIC Beverage (HK) Limited ("CITIC Beverage"). CITIC Beverage is a subsidiary of China International Trust and Investment Corporation ("CITIC"). CITIC holds 20% of Swire Coca-Cola Beverages Hefei Ltd., the majority 80% being held by BCD, and is a connected person of Swire Pacific.

Both Swire Beverages and BCD are non-wholly owned subsidiaries of Swire Pacific and CITIC Beverage is an associate of CITIC, which is a connected person of Swire Pacific. Therefore this is a connected transaction under Rule 14.25(1) of the Listing Rules.

As the consideration represents less than 3% of the consolidated net tangible assets of Swire Pacific as at 31st 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 29TH JANUARY 2003

Parties:

Vendor: **Swire Beverages Limited** ("Swire Beverages"), being 87.5% owned by Swire Beverages Holdings Limited, a wholly-owned subsidiary of Swire Pacific Limited ("Swire Pacific"). Swire Pacific's principal activities are in property, aviation, beverages, marine services, trading & industrial.

Purchaser: **BC Development Co. Limited** ("BCD"), being 85% owned by Swire Beverages and 15% by

CITIC Beverage (HK) Limited ("CITIC Beverage"), a subsidiary of China International Trust and Investment Corporation ("CITIC").

Interest transferred:

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, Xian BC becomes a wholly-owned subsidiary of BCD.

Consideration:

US\$11.9 million, the same price as that paid by Swire Beverages in December 2002 to Canary Ventures Company Holdings Limited for its 30% interest in Xian BC, which was negotiated at arm's length on normal commercial terms. This will be paid by BCD to Swire Beverages in cash from existing bank facilities and working capital.

The Directors of Swire Pacific, including the independent non-executive Directors, consider the consideration to be fair and reasonable and that the transaction is in the best interests of the Company and its shareholders.

Completion:

On obtaining all necessary approvals from relevant government and registration authorities in Mainland China.

Reason for the Transaction:

This transaction will consolidate the Group's holdings in Xian BC into BCD, which is the Group's primary China holding company.

Connection between the parties:

Both Swire Beverages and BCD are non-wholly owned subsidiaries of Swire Pacific and CITIC Beverage has a 15% interest in BCD. CITIC Beverage is a subsidiary and therefore an associate of CITIC. CITIC holds 20% of Swire Coca-Cola Beverages Hefei Ltd., another non-wholly owned subsidiary of Swire Pacific, the majority 80% being held by BCD, and is a connected person of 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

Company Secretary

Swire Pacific Limited

Hong Kong, 29th January 2003