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SWIRE PACIFIC LIMITED

太古股份有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Codes: 00019 and 00087)

Announcement

Discloseable Transaction

Acquisition of Distribution Assets and Production Assets in the U.S.A.

Reference is made to the announcement issued by the Company on 24th September 2015 (“**Previous Announcement**”) regarding, among other things, the acquisition by Swire Coca-Cola, USA of all the Distribution Assets pursuant to the terms of the Distribution Sale and Purchase Agreement. Terms defined in the Previous Announcement have the same meanings when used in this announcement.

On 8th December 2015, Swire Coca-Cola, USA (as Purchaser) and Coca-Cola Refreshments USA, Inc. (as Seller) entered into the Production Sale and Purchase Agreement under which the Purchaser conditionally agreed to acquire the Production Assets from the Seller. These assets are in or relate to existing franchise territories of the Purchaser in Denver and Colorado Springs as well as Arizona.

The Distribution Transaction and the Production Transaction together constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE PRODUCTION SALE AND PURCHASE AGREEMENT

dated 8th December 2015

- Parties: Coca-Cola Refreshments USA, Inc. (as Seller)
- Swire Pacific Holdings Inc. doing business as
Swire Coca-Cola, USA (as Purchaser)
- Sale Interest: The Production Assets in Phoenix, Arizona and in Denver,
Colorado
- Consideration: US\$106 million, payable before completion (expected in 2018) and
subject to adjustment.

Particulars of the Transaction

The Transaction comprises the Distribution Transaction and the Production Transaction.

Reference is made to the Previous Announcement regarding, among other things, the acquisition by Swire Coca-Cola, USA of all the Distribution Assets pursuant to the terms of the Distribution Sale and Purchase Agreement. Particulars of the Distribution Transaction are set out in the Previous Announcement.

On 8th December 2015, Swire Coca-Cola, USA (as Purchaser) and Coca-Cola Refreshments USA, Inc. (as Seller) entered into the Production Sale and Purchase Agreement under which the Purchaser conditionally agreed to acquire the Production Assets from the Seller. These assets are in or relate to existing franchise territories of the Purchaser in Denver and Colorado Springs as well as Arizona. The combination of the Distribution Transaction and the Production Transaction results in revised quarterly sub-bottler payments by the Purchaser under the Comprehensive Beverage Agreement. The Purchaser estimates that the revised net present value (which will be subject to adjustment) of such quarterly payments will be US\$32.8 million. The Purchaser will account for such net present value as a contingent liability. In connection with the acquisition of the Production Assets, the Purchaser will enter into (i) a regional manufacturing agreement with The Coca-Cola Company, (ii) finished goods supply agreements with other bottlers of Coca-Cola beverages in the USA and (iii) a national product supply governance agreement with Coca-Cola Refreshments USA, Inc, The Coca-Cola Company and certain other parties. Under (iii), Swire Coca-Cola, USA will become a member of Coca-Cola's U.S. National Product Supply Group that will administer key national product supply activities.

Completion of the Production Transaction under the Production Sale and Purchase Agreement is conditional upon, among other things, the Seller and the Purchaser obtaining all necessary approvals and is expected to take place in 2018.

Financial Matters

As at 31st December 2014, the net asset value attributable to the Production Assets and the Distribution Assets was approximately US\$181.4 million.

For the year ended 31st December 2014, the net profits before and after taxation attributable to the Production Assets and the Distribution Assets were approximately US\$29.9 million and US\$18.4 million respectively.

For the year ended 31st December 2013, the net profits before and after taxation attributable to the Production Assets and the Distribution Assets were approximately US\$25.8 million and US\$15.9 million respectively.

The consideration for the sale and purchase of the Production Assets and the Distribution Assets was determined after arm's length negotiation between the parties and having regard to the matters referred to under "Financial Matters" above.

Particulars of the Distribution Transaction are set out in the Previous Announcement.

Reasons for, and benefits of, the Transaction

The acquisition of rights to distribute Coca-Cola beverages in additional territories in Arizona and production facilities for Coca-Cola beverages in Denver and Arizona will expand the Group's beverages business in the U.S.A. The Directors consider that the terms of the Transaction are fair and reasonable and in the interests of the shareholders as a whole.

Compliance with the Listing Rules

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Seller and its ultimate beneficial owner are third parties independent of and not connected with Swire Pacific or any of its connected persons.

As the highest of the relevant percentage ratios under Rule 14.07 of the Listing Rules for the Transaction, comprising the Distribution Transaction and the Production Transaction, is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Directors

As at the date of this announcement, the Directors of the Company are:

Executive Directors: J.R. Slosar (Chairman), G.M.C. Bradley, I.K.L. Chu, M. Cubbon, J.B. Rae-Smith, I.S.C. Shiu, A.K.W. Tang;

Non-Executive Directors: P.A. Johansen, M.B. Swire, S.C. Swire; and

Independent Non-Executive Directors: T.G. Freshwater, C. Lee, R.W.M. Lee, G.R.H. Orr, M.C.C. Sze and M.M.T. Yang.

By Order of the Board

SWIRE PACIFIC LIMITED

太古股份有限公司

David Fu

Company Secretary

Hong Kong, 9th December 2015