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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)

Discloseable Transaction

Acquisition of Coca-Cola Bottling Operations in Vietnam and Cambodia

Swire Pacific is pleased to announce that, on the date of this announcement, SCCL and SBHL (both being wholly-owned subsidiaries of Swire Pacific) and the Seller (an indirect wholly-owned subsidiary of Coca-Cola) entered into the Agreements, pursuant to which SCCL has agreed to buy, and the Seller has agreed to sell, the Sale Shares, being all the shares in the Target Companies, the subsidiaries of which are engaged in the business of preparation, packaging, distribution and sale of ready-to-drink beverages bearing trade marks owned by Coca-Cola and its subsidiaries and affiliated companies in Vietnam and Cambodia, respectively, for an aggregate consideration of US\$1,015 million (equivalent to approximately HK\$7,917 million*), subject to the completion adjustments as described below in this announcement.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Transactions for Swire Pacific exceeds 5% but is less than 25%, the Transactions together constitute a discloseable transaction of Swire Pacific under the Listing Rules. Accordingly, the Transactions are subject to the announcement requirement but are exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Shareholders of the Company and potential investors should note that completion of each Transaction is subject to conditions. Therefore, there is no assurance that the Transactions will be completed. Shareholders of the Company and potential investors should, accordingly, exercise caution when dealing in the shares in the Company.

The Transactions

Swire Pacific is pleased to announce that, on the date of this announcement, SCCL and SBHL (both being wholly-owned subsidiaries of Swire Pacific) and the Seller (an indirect wholly-owned subsidiary of Coca-Cola) entered into the Agreements, pursuant to which SCCL has agreed to buy, and the Seller has agreed to sell, the Sale Shares in the respective Target Companies for an aggregate consideration of US\$1,015 million, which will be payable in cash at completion of each Transaction and will be subject to completion adjustments by reference to the net cash and the working capital of the respective Target Companies and the respective Target Subsidiaries as at completion of each Transaction.

The Seller, SCCL and SBHL have agreed that the Transactions will be completed simultaneously. Completion of each Transaction is subject to certain conditions, including without limitation applicable anti-trust approval, and is expected to take place within 6 months after the date of the relevant Agreement.

The consideration for the Sale Shares in each Target Company was determined after arm's length negotiation between the parties and having regard to the matters under "Financial Matters" below. SCCL's payment of the consideration will be funded by the Group's internal resources and existing banking facilities.

TCCEC, as the sole shareholder of the Seller, has agreed with SCCL that in the event that the Seller does not have sufficient resources to comply with its financial obligations under each Agreement, TCCEC will, as the sole shareholder of the Seller, in accordance with applicable law and governance requirements at such time, provide funding to the Seller to the extent necessary to enable the Seller to comply with such financial obligations.

Financial Matters

The following sets out the audited net asset values and the audited net profits before and after taxation of the Target Subsidiaries as at the end of and for their respective latest two financial years for which audited financial statements are available:

(a) Coca-Cola Beverages Viet Nam Limited Liability Company:

	As at 31st December	
	2020	2021
Net asset value	US\$344.2 million	US\$381.5 million
	For the year ended 31st December	
	2020	2021
Net profits before taxation	US\$47.4 million	US\$41.7 million
Net profits after taxation	US\$36.2 million	US\$32.0 million

Note: The audited financial statements of Coca-Cola Beverages Viet Nam Limited Liability Company are prepared in VND. Its financial information disclosed above represents the US\$ equivalent of the financial information in its audited financial statements using the exchange rate as at the end of the relevant financial year.

(b) Cambodia Beverage Company Limited:

	As at 31st December	
	2020	2021
Net asset value	US\$60.6 million	US\$64.4 million
	For the year ended 31st December	
	2020	2021
Net profits before taxation	US\$14.3 million	US\$5.6 million
Net profits after taxation	US\$10.8 million	US\$3.8 million

Reasons for and Benefits of the Transactions

The Transactions will be the Group's first investment in the beverages market in South East Asia and will expand the Group's beverages business into one of the most rapidly growing beverages markets.

The Directors consider that the terms of the Transactions are fair and reasonable and in the interests of the shareholders of Swire Pacific as a whole.

Compliance with the Listing Rules

Swire Pacific 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 applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Transactions for Swire Pacific exceeds 5% but is less than 25%, the Transactions together constitute a discloseable transaction of Swire Pacific under the Listing Rules. Accordingly, the Transactions are subject to the announcement requirement but are exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Shareholders of the Company and potential investors should note that completion of each Transaction is subject to conditions. Therefore, there is no assurance that the Transactions will be completed. Shareholders of the Company and potential investors should, accordingly, exercise caution when dealing in the shares in the Company.

Directors

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

Executive Directors: G.M.C. Bradley (Chairman), D.P. Cogman, P. Healy, M.J. Murray, Z.P. Zhang;

Non-Executive Directors: G.D. McCallum, M.B. Swire, S.C. Swire; and

Independent Non-Executive Directors: P.K. Etchells, C. Lee, R.W.M. Lee, E.M. Ngan, G.R.H. Orr, Y. Xu and B.Y. Zhang.

Definitions

“Agreements”	(i) The share purchase agreement entered into between Coca-Cola (Japan) Co., Ltd. (as seller), SCCL (as purchaser) and SBHL (as guarantor of the purchaser’s obligations) on 18th July 2022 for the sale and purchase of all the shares in Coca-Cola Indochina Pte. Ltd. and (ii) the share purchase agreement entered into between Coca-Cola (Japan) Co., Ltd. (as seller), SCCL (as purchaser) and SBHL (as guarantor of the purchaser’s obligations) on the same date for the sale and purchase of all the shares in CC Cambodia Holdings Pte. Ltd.
“Cambodia”	The Kingdom of Cambodia.
“Coca-Cola”	The Coca-Cola Company, a corporation incorporated in the State of Delaware, US and headquartered in Atlanta, Georgia, US, whose shares are listed on the New York Stock Exchange and which is an American multinational beverage corporation and manufacturer, retailer and marketer of beverage concentrates and syrups.
“Group”	Swire Pacific and its subsidiaries.
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China.
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Sale Shares”	All the shares in each of the Target Companies.
“SBHL”	Swire Beverages Holdings Limited 太古飲料控股有限公司, a company incorporated in Hong Kong and wholly owned by Swire Pacific, whose principal activity is investment holding (and including, as the context requires, its subsidiaries). SBHL and its subsidiaries hold the Group’s beverages business.

“SCCL”	Swire Coca-Cola Limited 太古可口可樂有限公司, a company incorporated in Hong Kong and wholly owned by SBHL, whose principal activities are investment holding and the preparation, packaging, distribution and sale of beverages.
“Seller”	Coca-Cola (Japan) Co., Ltd., which is a company incorporated in Japan and is wholly owned by TCCEC and the principal activity of which is the manufacture, marketing and sale of various beverage products. The Seller holds all the shares in each of the Target Companies.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司.
“Swire Pacific” or “Company”	Swire Pacific Limited 太古股份有限公司, an investment holding company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange, the subsidiaries, associates and joint ventures of which are engaged principally in the property, beverages and aviation businesses, as well as new areas of growth in healthcare and sustainable foods.
“Target Companies”	Coca-Cola Indochina Pte. Ltd., which is a company incorporated in Singapore and is an investment holding company holding all the shares in the Target Subsidiary in Vietnam, and CC Cambodia Holdings Pte. Ltd., which is a company incorporated in Singapore and is an investment holding company holding all the shares in the Target Subsidiary in Cambodia.
“Target Subsidiaries”	Coca-Cola Beverages Viet Nam Limited Liability Company, a company incorporated in Vietnam, which is engaged in the business of the preparation, packaging, distribution and sale of ready-to-drink beverages bearing trade marks owned by Coca-Cola and its subsidiaries and affiliated companies in Vietnam, and Cambodia Beverage Company Limited, a company incorporated in Cambodia, which is engaged in the business of the preparation, packaging, distribution and sale of ready-to-drink beverages bearing trade marks owned by Coca-Cola and its subsidiaries and affiliated companies in Cambodia.
“TCCEC”	The Coca-Cola Export Corporation, a company incorporated in the State of Delaware, US, which is the sole shareholder of the Seller and a wholly-owned subsidiary of Coca-Cola. Its principal activity is the manufacture, marketing and sale of various beverage products.
“Transactions”	The sale and purchase of the Sale Shares in each Target Company contemplated in the respective Agreement.

“Vietnam”	The Socialist Republic of Vietnam.
“VND”	Vietnamese Dong, the lawful currency of Vietnam.
“US\$”	United States Dollars, the lawful currency of the US.
“US”	The United States of America.

** The HK\$ equivalent is arrived at using the exchange rate of US\$1=HK\$7.8.*

By Order of the Board
SWIRE PACIFIC LIMITED
太古股份有限公司
Bernadette Lomas
Company Secretary

Hong Kong, 18th July 2022