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China Foods Limited (00506.HK)

Investor Presentation

18 November 2016

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Transaction Summary



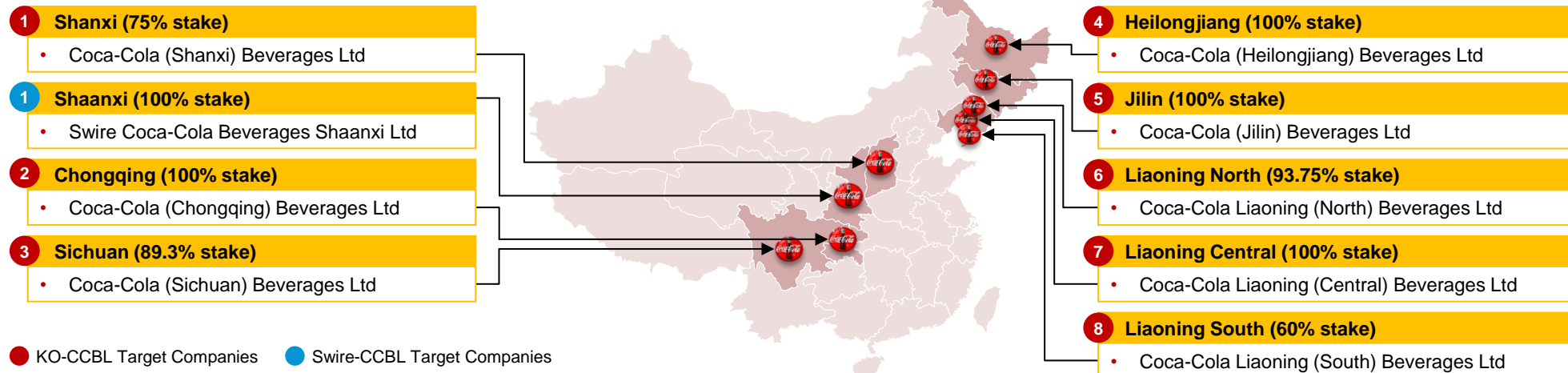
- The Coca-Cola Company (“KO”) bottling system in China to be realigned from 3 bottlers to 2 bottlers:
 - COFCO Coca-Cola Beverages Limited (“CCBL”, a 65%-owned subsidiary of China Foods Limited) and Swire Beverages Holdings Limited (“Swire”) to acquire all bottling territory owned in China by KO’s Bottling Investments Group (BIG)
 - Territories to be refranchised between CCBL, KO and Swire through Non-Public Sale Transactions and Public Sale:
 - **Non-Public Sale Transactions:**
 - KO-CCBL Transactions (**Consideration RMB2,900m**): CCBL acquires six regions (Heilongjiang, Jilin, Liaoning (three plants), Shanxi, Sichuan and Chongqing) from KO
 - Swire-CCBL Transaction (**Consideration RMB487m**): CCBL acquires Shaanxi from Swire
 - KO-Swire Transactions: Swire acquires Hubei, Yunnan, Guangxi from KO
 - **Public Sale in relation to the Potential Disposals by China Foods Limited:**
 - Public sale of three majority-owned regions (Jiangxi, Hainan and Zhanjiang) and minority-owned regions (**Total reserved consideration RMB2,122m**)
 - Expected gain from disposal of RMB1,630m¹

Note:

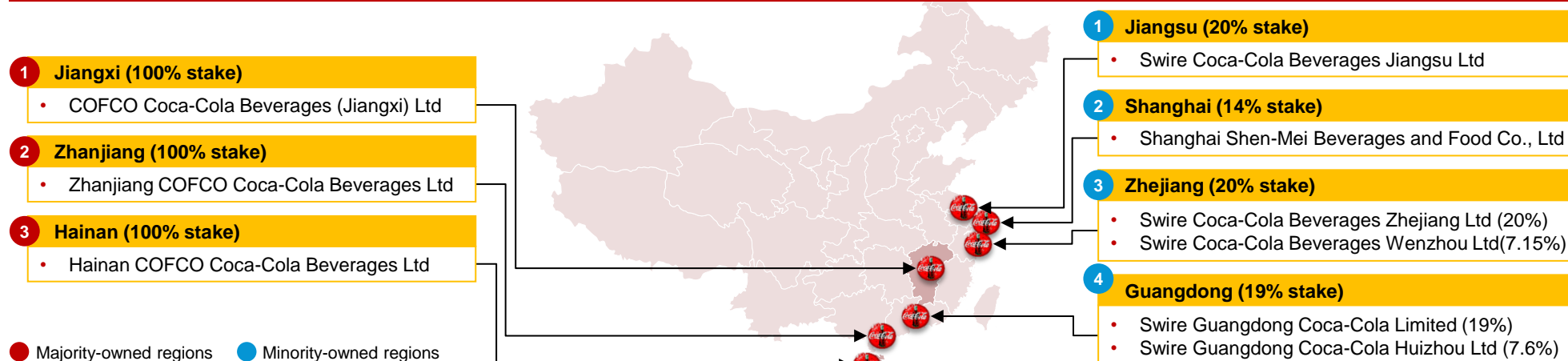
1. Excludes the estimated transaction costs and taxes, as well as the exchange difference on translation of foreign operations, and the sharing attributable to the 35% non-controlling interests of CCBL

Overview of Territories

Territories to be acquired¹



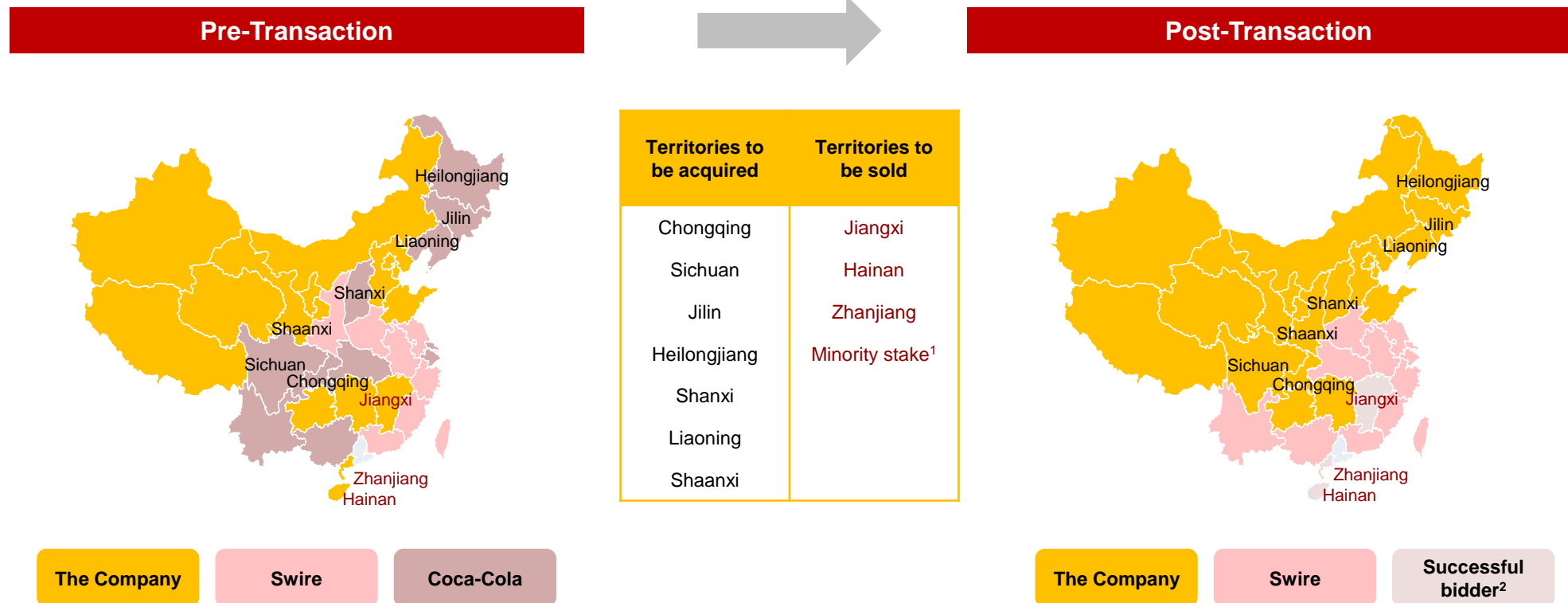
Territories to be sold²



Note:

- Part of Non-Public Sale Master Agreement
- Public Sale

Pre and Post Transaction Franchise Territories



- Provinces, municipalities and regions with majority control to increase from 15 to 19
- Geographic coverage expected to reach approximately 50% of China's population (Pre-transaction: 34%)

Notes:

1. Includes Shanghai, Jiangsu, Zhejiang, Huizhou, Wenzhou and Guangdong

2. Successful bidder for the Jiangxi, Hainan, Zhanjiang and the minority stake to be sold

Transaction Rationale and Benefits



- Immediate up scaling of well-established beverage business and expand geographic reach
- Create contiguous operating territories to:
 - realize cost synergies
 - generate economies of scale
 - optimise capacity utilization
 - streamline operations
 - achieve transportation cost savings
- Overhead absorption benefits
- Continue long-term commitment to the Coca-Cola beverages business
- Maximise potential from China beverage market

Transaction Timetable and Condition Precedent



**17/18
November**

- Signing of Non-Public Sale Master Agreement
- Announcement of Transaction

**November to
December**

- Public Sale process commences (Period of 20 working days from 18 November 2016)
- Closing of Public Sale process
- Signing of Public Sale Equity Transfer Master Agreement, Non-Public Sale Equity Transfer Agreements and Public Sale Equity Transfer Agreements
- Circular dispatch (expected on or before 30 December 2016 and subject to the granting of the waiver by the Stock Exchange)

Key Conditions Precedent to the Transaction

- Anti-trust clearance under the Anti-Monopoly Law of the PRC
- Any other requisite approvals from MOFCOM
- Registration with AIC
- Shareholders' approval (written approval from China Foods (Holdings) Limited which holds c.74.1% of issued share capital of the Company was obtained on 17 November 2016)
- Specific to the Non-public Sale Master Agreement:
 - Swire or any of its subsidiaries being the successful bidder in the Public Sale