

26 February 2019

## Possible partial tender offer for shares in Sichuan Shuijingfang Company Limited

Diageo, through its wholly-owned indirect subsidiary, Grand Metropolitan International Holdings Limited (“**GMIHL**”), has approached the Board of Directors of Sichuan Shuijingfang Company Limited (“**SJF**”) with a proposal for a partial tender offer to increase its aggregate equity stake in SJF (through its wholly-owned subsidiaries) from 60.00% to up to 70.0% at an offer price of RMB45.00 per share.

SJF has made an announcement in respect of such proposal on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>). An English translation of SJF’s announcement is set out below.

The announcement today, of the proposal outlined above, does not constitute the announcement of an offer and creates no obligation on Diageo and/or any Diageo subsidiary to make an offer. Accordingly, shareholders in SJF have been advised that such proposal is still under discussion and there can be no certainty that any offer will be made. Shareholders have been further advised to be aware of investment risks in SJF shares. Further developments will be communicated to shareholders in due course.

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### About SJF

SJF is a China-based and Shanghai-listed company principally engaged in the manufacture and sales of alcoholic products. It mainly provides liquor series products under the brand of “Swellfun” and its wine products include Swellfun Diancang, Swellfun Jingtai, Swellfun Zhenniang No. 8, Swellfun Yuanmingqing, Swellfun Jingcui, Swellfun Hongyun, Swellfun Jindian, Swellfun Meilanjuzhu, Xiaoshuijing, Shuijingshangpin and Tianhaochen. SJF distributes its products within both domestic and overseas markets.

### About Diageo

Diageo is a global leader in beverage alcohol with an outstanding collection of brands across spirits and beer categories. These brands include Johnnie Walker, Crown Royal, J&B, Buchanan’s and Windsor whiskies, Smirnoff, Cîroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray and Guinness.

Diageo is a global company, and our products are sold in more than 180 countries around the world. The company is listed on both the London Stock Exchange (DGE) and the New York Stock Exchange (DEO).

### About GMIHL

GMIHL is a wholly owned investment holding company of Diageo.

*Celebrating life, every day, everywhere.*

**Translation of SJF announcement:**

Stock code: 600779    Stock abbreviation: Shuijingfang    Announcement No. 2019-002

**Sichuan Shuijingfang Co., Ltd.  
Indicative Announcement of Material Matters**

The board of directors and all directors of the Company warrant that this announcement is free of any false information, misleading statement or material omission, and will be jointly and severally liable for the truthfulness, accuracy and completeness of the information contained herein.

**Important Notice:**

**This partial tender offer is still under discussion and there is no certainty that it will be made. The Company will continue to perform its information disclosure obligations in accordance with applicable laws and regulations. Investors are advised to stay informed of further announcements that may be issued by the Company, be aware of investment risks and make prudent investment decisions.**

**The abstract of the tender offer report in respect of this partial tender offer will be published on or before 2 March 2019.**

On 26 February 2019, Sichuan Shuijingfang Co., Ltd. (the “**Company**” or “**SJF**”) received a written notification from its shareholder, Grand Metropolitan International Holdings Limited (the “**Offeror**”), stating that the Offeror intends to increase the percentage of its direct and indirect holding of SJF shares from 60.00% to up to 70.00% through a tender offer.

The Offeror of the tender offer is Grand Metropolitan International Holdings Limited, an indirect wholly owned subsidiary of the actual controller of the Company, Diageo plc, which directly and indirectly holds 293,127,418 SJF shares in total, representing 60.00% of the total share capital of the Company.

**I. Basic scheme of the tender offer**

**(I) Name of the target company and the shares to be acquired**

1. Name of the target company: Sichuan Shuijingfang Co., Ltd.
2. Name of the stock of the target company: Shuijingfang
3. Code of the stock of the target company: 600779
4. Type of shares: RMB common shares
5. The maximum number of SJF shares to be acquired by the Offeror through the tender offer is 48,854,570 shares, but there is no limitation on the minimum number of SJF shares to be acquired.
6. Percentage of the shares to be acquired in the total share capital of the target company: 10.00%
7. Form of payment: Cash
8. Tender offer price: RMB45.00/share
9. This tender offer is a partial tender offer to shareholders of the Company other than Sichuan Chengdu Shuijingfang Group Co., Ltd. and Diageo Highlands Holding B.V. Upon the publication of the tender offer report, this tender offer will be subject to no other condition.

**(II) Tender offer price and its calculation basis**

**1. Tender offer price**

The tender offer price is RMB45.00/share.

## 2. Calculation basis

According to the Measures for Administration of Acquisition of Listed Companies (the “**Acquisition Measures**”) and other relevant regulations, the tender offer price and its calculation basis are as follows:

(1) The Offeror did not acquire any SJF shares in 6 months prior to the date of this indicative announcement of the tender offer.

(2) The volume weighted daily average price of SJF shares in 30 trading days prior to the date of this indicative announcement of the tender offer is RMB32.13/share. After taking into consideration the overall development and recent market price level of the industry, it is decided that the trading price of the tender offer is RMB45.00/share, representing a 40.05% premium over the volume weighted daily average price of the shares in 30 trading days prior to the date of the indicative announcement of the tender offer report, and a 19.33% premium over the closing price of 26 February 2019.

(3) The tender offer price is not lower than the maximum price paid by the Offeror for acquiring the same class of shares in 6 months prior to the date of the indicative announcement of the tender offer, or the volume weighted daily average price of the same class of shares in 30 trading days prior to the date of the indicative announcement. Therefore, the tender offer price complies with the requirement of the Acquisition Measures.

### (III) Total funding and source of funds

Based on the tender offer price of RMB45.00/share, the maximum funding required for the tender offer shall be RMB2,198,455,650.00, all of which will be from the Offeror’s own fund or raised by the Offeror.

II. This tender offer is a partial tender offer, and the purpose of the tender offer is not to terminate the listing status of SJF.

### III. Risk Warning

This partial tender offer is still under discussion and there is no certainty that it will be made. The Company will continue to perform information disclosure obligations in accordance with applicable laws and regulations. Investors are advised to stay informed of further announcements that may be issued by the Company, be aware of investment risks and make prudent investment decisions.

The Company will closely follow up the development of these matters and promptly disclose relevant information in accordance with relevant regulations. The information disclosure platforms designated by the Company are the China Securities, Shanghai Securities, the Securities Times, Securities Daily and the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)). Please refer to the information in relation to the Company as published on these platforms. Investors are advised to pay attention to relevant announcements and be aware of investment risks.

Board of Directors of Sichuan Shuijingfang Co., Ltd.  
27 February 2019<sup>1</sup>

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<sup>1</sup> The SJF Announcement is dated in respect of the trading day on the Shanghai Stock Exchange to which it relates, being the 27 February 2019, but has been published on 26 February 2019 following market close.