

## Coca-Cola seeks anti-trust nod for Huiyuan deal



**Bottles of Huiyuan Juice Group Ltd beverages for sale at a grocery store in Beijing. Bloomberg News**

SHANGHAI: The Coca-Cola Company announced yesterday that it had submitted an application for anti-monopoly approval to the Ministry of Commerce (MOFCOM) for its \$2.3 billion takeover of premier domestic juice maker China Huiyuan Juice Group.

"The application for antitrust approval has been filed with the MOFCOM and the review process is progressing," the Atlanta-based company said in a joint statement with Huiyuan to the Hong Kong Stock Exchange.

Coca-Cola said that a further announcement will be made if the regulatory process is concluded before March 23, 2009, the expiration date for the 200-day time frame for obtaining the approval that was originally agreed upon.

The company declined to claim when the file was issued when reached by China Daily, saying that "it would be inappropriate to comment further on the approval process".

Coca-Cola proposed to purchase the country's biggest fruit juice company for a steep premium on Sept 3, 2008, marking the largest foreign takeover of a Chinese company.

The offer price of HK\$ 17.9 billion is also the US beverage giant's most aggressive move in China since the company started its operations in the country in 1979.

The large cross-board transaction, however, has been closely watched in China as the acquisition may become the first major test case since the country's anti-monopoly law took effect on Aug 1.

"This is certainly a very significant step for mergers and acquisitions (M&As) in the beverage market, given that this is the first time that the Chinese antitrust law faces a challenge," said Tao Lin, head of China at Synovate Business Consulting, adding that a few major M&A deals were allowed in the industry since 2004.

It would take MOFCOM much effort to determine the effects of the deal in light of Coca-Cola's significant share of the low-end juice market and a would-be large share of the mid- and high-end market through the transaction, Tao said.

According to ACNielsen, Huiyuan owns 46 percent of China's pure fruit juice market.

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