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UNI-PRESIDENT CHINA HOLDINGS LTD.

統一企業中國控股有限公司

(a company incorporated in the Cayman Islands with limited liability)

(Stock Code: 220)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT FOR THE YEAR
ENDED 31 DECEMBER 2020**

Reference is made to the annual report of Uni-President China Holdings Ltd. (“**Company**”) for the year ended 31 December 2020 (“**2020 Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the 2020 Annual Report.

In addition to the information disclosed in paragraph 2.21 “Employee benefits – Pension obligations” under the section “Notes to the Consolidated Financial Statements” in the 2020 Annual Report, the Board would like to provide the following additional information pursuant to paragraph 26 of Appendix 16 to the Listing Rules:

DEFINED CONTRIBUTION PLAN

(i) Employees of the Group in the Mainland China

Pursuant to the relevant labour rules and regulations in the Mainland China, employees of the Group in the Mainland China participated in the central pension scheme (“**Scheme**”), which is a defined contribution plan administered by the Mainland China government, whereby the Group is required to make contributions to the Scheme based on certain percentages of the eligible employees’ salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees. Contributions made to the Scheme vest immediately.

(ii) Employees of the Group in Hong Kong

In compliance with the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), employees of the Group in Hong Kong are required to participate in the Mandatory Provident Fund scheme of the Group (“**MPF Scheme**”). The MPF Scheme is a defined contribution plan administered by an independent corporate trustee. Under the MPF Scheme, each of the Group and the employees are required to make contributions to the MPF Scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

(iii) Employees of the Group in Taiwan

Pursuant to the Labour Standards Law of Taiwan, employees of the Group in Taiwan participated in the Labour Pension Fund, which is a defined contribution plan managed by the Bureau of Labour Funds as governed by the Ministry of Labour in Taiwan (“**Ministry of Labour**”). Under such plan, the Group is required to make monthly contributions to the Bureau of Labour Insurance, Ministry of Labour at 6.0% of the employees’ total monthly wages. Contributions made to such pension fund vest immediately.

The Group’s contributions under the above-mentioned defined contribution plans in the Mainland China, Hong Kong and Taiwan are expensed as incurred and not reduced by contributions forfeited by those employees who leave the defined contribution plans prior to vesting fully in the contributions.

DEFINED BENEFIT PLAN

Certain Taiwan employees of the Group elected to participate in a defined benefit plan in accordance with the Labour Standards Law of Taiwan (“**Defined Benefit Plan**”). Under the Defined Benefit Plan, pension benefits are calculated based on the years of service and average monthly salary of the six months preceding retirement of the relevant employee, and the Group is required to make monthly contributions of 2% to 15% of the total monthly wages of the employees to a pension fund (“**Pension Fund**”). Pension contributions are deposited into the Bank of Taiwan in the name of the pension fund provision supervision committee of the Group. Before the end of each financial year, the Group will assess the balance in the Pension Fund. In the event that the balance in the Pension Fund is insufficient to pay out pension benefits to retiring employees in the following financial year, the Group is required to pay up such difference on its own account.

The most recent actuarial valuations of the Pension Fund and present value of the defined benefit obligations were carried out with 31 December 2020 as the valuation reference date by ClientView Management Consulting Co., Ltd. (客觀企業管理顧問股份有限公司) (“**Actuary**”), an independent qualified actuary in Taiwan. The present value of the defined benefit obligations, and the related current service cost and past service cost were measured using the projected unit credit method. The principal assumptions used for the purpose of the actuarial valuations were as follows:

(a) Discount rate and expected rate of salary increase

For the purpose of actuarial valuation, a discount rate of 0.27% for the year ended 31 December 2020 (2019: 0.65%) was adopted. It was further assumed that the expected rate of salary increase for the year ended 31 December 2020 was 2.00% (2019: 2.30%).

(b) Rate of employment termination

(i) Death rate

The 5th life table (第5回經驗生命表) as adopted by the insurance industry in Taiwan was used in the actuarial valuation.

(ii) Resignation rate

The resignation rate used in the actuarial valuation was decided with reference to the past resignation records of the Group and the database of the Actuary.

(iii) Retirement rate

Based on the past retirement rate of the Group, the employee movements as published by the Directorate – General of Budget, Accounting and Statistics, Executive Yuan of Taiwan, and the database of the Actuary, the following retirement rates were adopted in the actuarial valuation:

It was assumed that Z was the earliest retirement age of the relevant employees. It was also assumed that employees who did not retire upon reaching 65 years old would retire when they reach 68 years old.

Age	Retirement rate
Z	15%
Z+1 to 64	3%
65	100%

(iv) Disability rate

The disability rate being 10% of the death rate was adopted.

The net defined benefit liabilities and fair value of the Pension Fund assets were as follows:

	31 December 2020 RMB'000	31 December 2019 RMB'000
Present value of defined benefit obligations	14,829	17,301
Fair value of Pension Fund assets	<u>(12,392)</u>	<u>(12,661)</u>
Net defined benefit liabilities	<u>2,437</u>	<u>4,640</u>

By order of the Board
Uni-President China Holdings Ltd.
Lo Chih-Hsien
Chairman

Hong Kong, 12 August 2021

As at the date of this announcement, the Board comprised Mr. Lo Chih-Hsien and Mr. Liu Xinhua as executive directors; Mr. Chen Kuo-Hui and Mr. Su Tsung-Ming as non-executive directors; and Mr. Chen Sun-Te, Mr. Chen Johnny, Mr. Fan Ren-Da, Anthony and Mr. Lo Peter as independent non-executive directors.