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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)**

**CONTINUING CONNECTED TRANSACTIONS –  
THE 2024 FRAMEWORK LOGISTICS SERVICE AGREEMENT**

**THE 2024 FRAMEWORK LOGISTICS SERVICE AGREEMENT**

Reference is made to the 2020 Announcement in relation to the 2020 Framework Logistics Service Agreement entered into between the Company and UPE.

Given that the 2020 Framework Logistics Service Agreement has expired on 31 December 2023 and in view of the forecasted business needs of the Group, on 6 March 2024, the Company entered into the 2024 Framework Logistics Service Agreement with UPE for a fixed term from 6 March 2024 to 31 December 2026 pursuant to which UPE Group will provide certain transportation and logistics services to the Group.

**IMPLICATIONS UNDER THE LISTING RULES**

In view of the fact that UPE is the ultimate controlling shareholder of the Company, UPE is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2024 Framework Logistics Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the applicable percentage ratios in respect of the highest proposed Annual Cap is more than 0.1% but less than 5%, the 2024 Framework Logistics Service Agreement and the continuing connected transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## INTRODUCTION

Reference is made to the 2020 Announcement in relation to the 2020 Framework Logistics Service Agreement. Given that the 2020 Framework Logistics Service Agreement has expired on 31 December 2023 and in view of the forecasted business needs of the Group, on 6 March 2024, the Company entered into the 2024 Framework Logistics Service Agreement with UPE. The principal terms of the 2024 Framework Logistics Service Agreement are set out as below.

## 2024 FRAMEWORK LOGISTICS SERVICE AGREEMENT

- Date: 6 March 2024
- Parties: (1) the Company (members of the Group as service receivers); and  
(2) UPE (members of UPE Group as service providers).
- Term: For a fixed term from 6 March 2024 to 31 December 2026 (both days inclusive).
- Subject matter: Pursuant to the 2024 Framework Logistics Service Agreement, UPE agrees to provide and procure members of UPE Group to provide, on a non-exclusive basis, certain transportation and logistics services (including but not limited to storage services, design of, and the provision of technical support service to, logistics systems) and such other logistics-related ancillary and support services as may be agreed by the Group and UPE Group and/or their respective members in writing from time to time to the Group.
- Operational Agreement(s): Pursuant to the 2024 Framework Logistics Service Agreement, members of the Group may, from time to time during the term of the 2024 Framework Logistics Service Agreement, enter into separate Operational Agreement(s) with members of UPE Group in respect of each transportation and logistics service(s) contemplated under the 2024 Framework Logistics Service Agreement, setting out the actual arrangement(s) and/or scope of such service(s), provided that such separate Operational Agreement(s) shall always be subject to the terms of the 2024 Framework Logistics Service Agreement.
- Pricing basis: The fees and terms of the Operational Agreement(s) to be entered into and the fees to be charged with for the service(s) contemplated under the 2024 Framework Logistics Service Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis and on the following principles:
- (i) in relation to logistics and freight services, the fees shall be determined with reference to, including but not limited to, the weight and type of cargo, mode of shipment, cost of freight, type and size of storage space required and the fees charged by comparable independent third party logistics and freight service providers;

- (ii) in relation to the provision of storage services and human resources and technical support services for the management and operation of relevant logistics-related equipment, the fees shall be determined with reference to, including but not limited to, the type, size and location of the storage premises, the relevant expertise required and the fees charged by comparable independent third party service providers; and
- (iii) in any event, no less favourable to the Group than those offered by independent third party service providers to the Group in substantially the same or similar transactions of the same period,

and in accordance with the internal control procedures of the Group, details of which are disclosed in the section headed “Internal Control Measures” below in this announcement.

Such pricing basis is applicable to all kinds of services to be provided by UPE Group to the Group under the Operational Agreements covered by the 2024 Framework Logistics Service Agreement.

Other terms:

Pursuant to the 2024 Framework Logistics Service Agreement, all other terms and conditions for the transportation and logistics service transactions contemplated thereunder (including the terms relating to payment, credit period and service quality assurance) shall be on normal commercial terms and in any event no less favourable to the Group than those can be obtained by the Group from independent third parties offering the same or substantially similar service of the same period.

Termination:

The 2024 Framework Logistics Service Agreement may be terminated before expiration of its full term upon mutual agreement in writing by the parties or by either party in certain circumstances (including material default by the other party) as set out in the 2024 Framework Logistics Service Agreement.

## Historical aggregate values for transportation and logistics service transactions

The total actual values of the transportation and logistics service transactions conducted by the Group with UPE Group for each of the three years ended 31 December 2021, 2022 and 2023 are set out below:

	<b>Year ended 31 December 2021 (RMB'000)</b>	<b>Year ended 31 December 2022 (RMB'000)</b>	<b>Year ended 31 December 2023 (RMB'000)</b>
Total actual values for transportation and logistics service transactions (approximate)	320	118	109

## Proposed Annual Caps for transportation and logistics service transactions

The proposed Annual Caps in respect of the transportation and logistics service transactions contemplated under the 2024 Framework Logistics Service Agreement for each of the three years ending 31 December 2024, 2025 and 2026 are set out below:

	<b>For the year ending 31 December</b>		
	<b>2024 (RMB'000)</b>	<b>2025 (RMB'000)</b>	<b>2026 (RMB'000)</b>
Proposed Annual Caps for transportation and logistics service transactions	40,000	50,000	60,000

The proposed Annual Caps for transportation and logistics service transactions contemplated under the 2024 Framework Logistics Service Agreement have been determined by reference to:

- the historical transportation and logistics services costs of the Group; and
- the estimated increase in future demand for transportation and logistics services required from UPE Group having regard to the adjustment of logistics arrangements in respect of the frozen food products and beverages of the Group,

and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group and/or UPE Group.

The Directors (including the independent non-executive Directors) are of the view that the proposed Annual Caps in respect of the continuing connected transactions contemplated under the 2024 Framework Logistics Service Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Internal Control Measures**

In determining whether the fees and payment terms offered by UPE Group in respect of the transactions contemplated under the 2024 Framework Logistics Service Agreement are reasonable or no less favourable to the Group than those offered by the independent third parties, the Group will:

- (i) as an active market participant, through market research, obtain sufficient market intelligence to enable it to ascertain the prevailing market rate, payment terms and practices as well as the latest market and independent third party information at any point in time;
- (ii) where sufficient comparable transactions are available, invite quotations from at least two independent service providers to obtain a reference on the prevailing fees for the relevant transportation and logistics services to be procured to the extent that those services are of comparable nature, quality and quantity. Such quotations will be reviewed and evaluated from the quality, cost control, pricing and commercial perspectives by a designated team, which comprised of representatives from purchases department of the Group, and compared against the quotation from UPE Group. The designated team will approve the proposed transactions to ensure that the services to be procured from UPE Group are of comparable fees for such services being provided by independent third parties; and
- (iii) for services in respect of which there is no sufficient comparable transaction available, the fees will be determined after arm's length negotiation according to the historical fees of the services purchased in the past and by reference to the cost analysis to be conducted.

To ensure the actual fees and terms for the continuing connected transactions will be on normal commercial terms and on terms no less favourable to the Group than those available from independent third parties, the Group, by means of internal review by the internal audit department of the Group, will assess semi-annually, whether the services have been purchased in accordance with the terms of the 2024 Framework Logistics Service Agreement. In addition, the Company has engaged external auditors to conduct annual review on the continuing connected transactions contemplated under the 2024 Framework Logistics Service Agreement. Given the continuing connected transactions contemplated under the 2024 Framework Logistics Service Agreement have to adhere strictly to the pricing policies of the Group as disclosed in this announcement, the Directors (including the independent non-executive Directors) are of the view that the procedures adopted by the Group to govern such continuing connected transactions are sufficient and adequate to ensure that such transactions be conducted under normal commercial terms and are not prejudicial to the interest of the Company and its minority Shareholders.

## **INFORMATION REGARDING THE GROUP AND UPE GROUP**

### **The Group**

The Company is an investment holding company. The Group is one of the leading manufacturers of beverages and instant noodles products in the PRC and is principally engaged in the manufacturing and sale of beverages and instant noodles in the PRC.

### **UPE Group**

UPE is a limited liability company whose shares are listed on the Taiwan Stock Exchange Corporation. As at the date of the 2024 Framework Logistics Service Agreement, the Company is directly owned as to (i) approximately 70.49% by Cayman President; (ii) approximately 0.52% by President (BVI); and (iii) approximately 1.85% by Kai Yu (BVI).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the ultimate beneficial owner of each of Cayman President, President (BVI) and Kai Yu (BVI) is UPE, thus the Company is ultimately indirectly owned as to approximately 72.85% by UPE. Therefore, UPE is the ultimate controlling shareholder of the Company and a connected person of the Company under the Listing Rules.

UPE is one of the largest food and beverage conglomerate in Taiwan and UPE Group engages in a wide spectrum of business, including food manufacturing, retail business, logistics, trade and investment with a wide distribution network.

### **REASONS FOR, AND BENEFITS OF, ENTERING INTO THE 2024 FRAMEWORK LOGISTICS SERVICE AGREEMENT**

The Group has been having business co-operation with UPE Group since the Company became listed on the Stock Exchange in 2007. During the past years, UPE Group has demonstrated itself as a reliable and trustworthy business partner of the Group. Through the close and long-term cooperation relationship, UPE Group has established a thorough understanding of the standards and requirements of the Group which enable it to provide more reliable goods or products and/or quality services to the Group. The continuation of such continuing connected transactions is essential for the continued operation and growth of the business of the Group.

The Directors believe that the securing of a long-term support with UPE Group, which leverages on its profound experience in the food and beverages industry, extensive sales and service network and well-established information system and facilities, is beneficial to the Group. The maintaining of the strategic and continual business relationship with UPE Group would also allow the realisation of synergies in terms of efficiency and operational support and the attainment of economies of scale, and be expected to bring sustainable and stable contribution to the Group's revenue and profitability in the long run.

The transactions contemplated under the 2024 Framework Logistics Service Agreement are to be of a recurrent nature and will be carried out on a regular and continuing basis in the ordinary and usual course of business of the Group and UPE Group. The entering into of the 2024 Framework Logistics Service Agreement would provide a single basis on which the Company will comply with the reporting, announcement and annual review in accordance to the Listing Rules and thereby reduce the administrative burden and costs of the Company to comply with such requirements in relation to the execution of Operational Agreements in respect of the continuing connected transactions contemplated under the 2024 Framework Logistics Service Agreement.

## **VIEWS OF THE DIRECTORS**

The Directors (including the independent non-executive Directors) are of the view that (i) the terms of the 2024 Framework Logistics Service Agreement are fair and reasonable; (ii) the continuing connected transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group; and (iii) the entering into of the 2024 Framework Logistics Service Agreement is in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

In view of the fact that UPE is the ultimate controlling shareholder of the Company, UPE is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2024 Framework Logistics Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the applicable percentage ratios in respect of the highest proposed Annual Cap is more than 0.1% but less than 5%, the 2024 Framework Logistics Service Agreement and the continuing connected transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **APPROVAL OF THE BOARD**

None of the Directors had material interests in the continuing connected transactions contemplated under the 2024 Framework Logistics Service Agreement. On the ground of good corporate governance, Mr. Lo Chih Hsien, who is a common director of the Company and UPE and holds an insignificant shareholding interest (less than 2%) in UPE, had abstained from voting in the resolutions of the Board approving the proposed Annual Caps under the 2024 Framework Logistics Service Agreement and the continuing connected transactions contemplated under the 2024 Framework Logistics Service Agreement.

## DEFINITIONS

Unless the context otherwise requires, the following expressions have the meanings set out in this announcement:

“Annual Caps”	the proposed estimated maximum aggregate annual transaction values in respect of the continuing connected transactions contemplated under the 2024 Framework Logistics Service Agreement for the three years ending 31 December 2026
“Board”	the board of Directors
“Cayman President”	Cayman President Holdings Ltd., a company incorporated in the Cayman Islands and a direct wholly-owned subsidiary of UPE and a controlling shareholder of the Company who is interested in approximately 70.49% of the Shares as at the date of this announcement
“Company”	Uni-President China Holdings Ltd., an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Independent Shareholders”	the Shareholders who do not have any material interest in the 2024 Framework Logistics Service Agreement and the continuing connected transactions contemplated thereunder
“Kai Yu BVI”	Kai Yu (BVI) Investment Co., Ltd., a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of UPE as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Operational Agreements”	the individual agreements which may from time to time be entered into between a member of the Group and a member of UPE Group subject and pursuant to the terms of the 2024 Framework Logistics Service Agreement, and an “Operational Agreement” means any of them
“PRC”	the People’s Republic of China

“President (BVI)”	President (BVI) International Investment Holdings Ltd., a company incorporated in the British Virgin Islands which is indirectly owned by UPE as to approximately 69.37% as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	any entity which falls within the definition of “subsidiary” under the Listing Rules or the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“UPE”	統一企業股份有限公司(Uni-President Enterprises Corporation*), a limited liability company incorporated under the laws of Taiwan on 25 August 1967 whose common shares were listed on the Taiwan Stock Exchange Corporation on 28 December 1987 under the stock code 1216, which is the ultimate controlling shareholder of the Company
“UPE Group”	UPE, its subsidiaries and/or any company in the equity capital of which UPE and/or any of its subsidiaries taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other threshold as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings from time to time, but excluding member(s) of the Group
“2020 Announcement”	the announcement of the Company dated 25 March 2020 in connection with, among others, the entering into of the 2020 Framework Logistics Service Agreement between the Company and UPE
“2020 Framework Logistics Service Agreement”	the framework logistics service agreement dated 25 March 2020 entered into between the Company and UPE in connection with the provision by UPE Group of (on a non-exclusive basis) certain transportation and logistics services and such other logistics-related ancillary and support services as might be agreed by the Group and UPE Group and/or their respective members in writing from time to time to the Group

“2024 Framework Logistics  
Service Agreement”

the framework logistics service agreement dated 6 March 2024 entered into between the Company and UPE in connection with the provision by UPE Group of (on a non-exclusive basis) certain transportation and logistics services and such other logistics-related ancillary and support services as may be agreed by the Group and UPE Group and/or their respective members in writing from time to time to the Group

“%”

per cent

On behalf of the Board  
**Uni-President China Holdings Ltd.**  
**Lo Chih-Hsien**  
*Chairman*

6 March 2024

*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, Ms. Chien Chi-Lin and Mr. Su Tsung-Ming as non-executive directors; and Mr. Chen Sun-Te, Mr. Chen Johnny, Dr. Fan Ren-Da, Anthony and Mr. Lo Peter as independent non-executive directors.*

\* *For identification purpose only*