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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

**Independent Financial Adviser to the Independent Board Committee and the
Independent Shareholders**

VINC  **城高**

Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the 2014 Announcement in relation to the Existing CCT Agreements entered into between the Company and UPE. Given that the Existing CCT Agreements will expire on 31 December 2017 and the Company expects that the continuing connected transactions contemplated under the Existing CCT Agreements will continue, the Company entered into the New CCT Agreements (comprising the 2017 Framework Purchase Agreement, the 2017 Framework Sales Agreement, the 2017 Framework Logistics Service Agreement and the 2017 Framework Technical Support Service Agreement) with UPE on 24 March 2017.

LISTING RULES IMPLICATIONS

UPE (as the ultimate controlling shareholder of the Company) is a connected person of the Company. The Continuing Connected Transactions contemplated under the New CCT Agreements constitute continuing connected transactions of the Company under the Listing Rules.

As regards the 2017 Framework Purchase Agreement, given that the highest of the applicable Percentage Ratios in respect of the proposed Annual Caps is more than 5%, the 2017 Framework Purchase Agreement and the Continuing Connected Transactions contemplated thereunder (and the Annual Caps) are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As regards the 2017 Framework Sales Agreement, the 2017 Framework Logistics Service Agreement and the 2017 Framework Technical Support Service Agreement, given that the highest of the applicable Percentage Ratios in respect of the proposed respective Annual Caps is more than 0.1% but less than 5%, the 2017 Framework Sales Agreement, the 2017 Framework Logistics Service Agreement, the 2017 Framework Technical Support Service Agreement and the Continuing Connected Transactions respectively contemplated thereunder are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but exempt from Independent Shareholders' approval requirements under the Listing Rules.

EGM

An EGM will be convened and held by the Company to consider and, if thought fit, approve the 2017 Framework Purchase Agreement and the Continuing Connected Transactions contemplated thereunder (and the Annual Caps).

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise and provide recommendation(s) to the Independent Shareholders on the Continuing Connected Transactions contemplated under the 2017 Framework Purchase Agreement (and the Annual Caps).

Vinco Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Continuing Connected Transactions contemplated under the 2017 Framework Purchase Agreement (and the Annual Caps).

A circular containing the particulars of the 2017 Framework Purchase Agreement together with a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice of the EGM is expected to be despatched to the Shareholders on or about 26 April 2017 as more time is needed for the preparation of the information to be contained therein.

(I) INTRODUCTION

Reference is made to the 2014 Announcement in relation to the Existing CCT Agreements entered into between the Company and UPE. Given that the Existing CCT Agreements will expire on 31 December 2017 and the Company expects that the continuing connected transactions contemplated under the Existing CCT Agreements will continue, the Company entered into the New CCT Agreements (comprising the 2017 Framework Purchase Agreement, the 2017 Framework Sales Agreement, the 2017 Framework Logistics Service Agreement and the 2017 Framework Technical Support Service Agreement) with UPE on 24 March 2017.

(II) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

2017 Framework Purchase Agreement

- Date: 24 March 2017
- Parties: (1) the Company (members of the Group as purchasers); and (2) UPE (members of UPE Group as sellers).
- Term: Subject to the approval by the Independent Shareholders at the EGM, the 2017 Framework Purchase Agreement is for a fixed term of three years from 1 January 2018 to 31 December 2020.
- Nature of transaction: Pursuant to the 2017 Framework Purchase Agreement, the Company agrees to purchase or procure purchase of, on a non-exclusive basis, from UPE Group, certain raw materials, packaging materials, finished goods, low-cost consumables and such other goods as may be agreed by the Group and UPE Group and/or their respective members in writing from time to time.
- Operational Agreement(s): Pursuant to the 2017 Framework Purchase Agreement, member(s) of the Group may, from time to time during the term of the 2017 Framework Purchase Agreement, enter into separate Operational Agreement(s) (which may be in the form of purchase order(s) and/or purchase agreement(s)) with member(s) of UPE Group in respect of the purchases covered by the 2017 Framework Purchase Agreement provided that such separate Operational Agreement(s) shall always be subject to the terms of the 2017 Framework Purchase Agreement.
- Payment terms: Pursuant to the 2017 Framework Purchase Agreement, the mode of payment and credit terms for the purchase transactions contemplated thereunder shall be no less favourable to the Group than those can be obtained by the Group from independent third parties offering the same or substantially similar product(s) of the same period.

In general, for OEM Products, payment will be made by the Group (a) on the 28th day of the month if the invoices are received before the 8th day of the month; or (b) on the 15th day of the next month if the invoices are received after the 8th day of the month. Therefore, the credit period, by reference to the date of receipt of OEM Products, ranges from 28 days to 45 days depending on the date of receipt of the invoices. For other products, UPE Group, in general, allows for a credit period of 30 days to 45 days upon the receipt of products by the Group with satisfactory quality check.

- Pricing basis: The prices and terms of the Operational Agreement(s) for specific transaction(s) covered by the 2017 Framework Purchase Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and on the following principles:
- (i) by reference to the prevailing market price of the same or substantially similar products available from independent third parties to the Group of the same period, taking into account the price of the same or substantially similar products with comparable order quantities and quality offered by independent third party suppliers; and
 - (ii) in any event no less favourable to the Group than those offered by independent third party suppliers to the Group in comparable 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 "(IV) Internal Control Measures" below in this announcement.
- Other terms: Pursuant to the 2017 Framework Purchase Agreement, all other terms and conditions for the purchase transactions thereunder (including the payment terms) shall be no less favourable to the Group than those can be obtained by the Group from independent third parties offering the same or substantially similar product(s) of the same period.
- Termination: The 2017 Framework Purchase Agreement may be terminated before expiration of its full term upon mutual agreement in writing by the parties thereto or by either party in certain circumstances (including material default by the other party).

Historical aggregate values of purchase transactions

The existing annual caps for the purchase transactions in respect of the 2014 Framework Purchase Agreement and the total actual values of the purchase transactions by the Group with UPE Group for the two years ended 31 December 2015 and 2016 are set out below.

	Year ended 31 December 2015 (RMB'000)	Year ended 31 December 2016 (RMB'000)
Existing annual caps for purchase transactions	5,700,000	6,500,000
Total actual values for purchase transactions	3,601,255	3,193,241
Utilisation rate of the annual caps	63.18%	49.13%

Proposed Annual Caps for purchase transactions

The types of raw materials, packaging materials, finished goods and low-cost consumables to be purchased by the Group from UPE Group include but not limited to (i) OEM Products produced by UPE Group; and (ii) palm oils, white sugar, milk powder, paper-based bowls, dressings and other general supplies, which are principally used by the Group for the manufacture of its beverage and instant noodles products. The proposed Annual Caps in respect of the Continuing Connected Transactions contemplated under the 2017 Framework Purchase Agreement for each of the three years ending 31 December 2018, 2019 and 2020 are set out below.

	Proposed Annual Caps for purchase transactions for the year ending 31 December		
	2018 (RMB'000)	2019 (RMB'000)	2020 (RMB'000)
Estimated total values for purchase transactions (<i>Note</i>)	4,920,000	5,410,000	5,950,000

Note: In arriving the proposed Annual Caps, it is estimated that (i) the estimated total values for purchase transactions for the year ending 31 December 2018 will comprise purchases of OEM Products of approximately RMB3,100,000,000 and purchases of other products of approximately RMB1,820,000,000; (ii) the estimated total values for purchase transactions for the year ending 31 December 2019 will comprise purchases of OEM Products of approximately RMB3,400,000,000 and purchases of other products of approximately RMB2,010,000,000; and (iii) the estimated total values for purchase transactions for the year ending 31 December 2020 will comprise purchases of OEM Products of approximately RMB3,750,000,000 and purchases of other products of approximately RMB2,200,000,000.

The proposed Annual Caps for purchase transactions have been determined by reference to:

- the historical figures of the purchases by the Group from UPE Group (adjusted by taking out the effect of channel inventory adjustment performed and completed by the Group in the second half of 2016 on the beverage business);
- the estimated future demands of the Group having regard to the estimated market demand and the business development of the Group, especially its research and development to introduce new products in the coming years which will result in the demand of the Group for a higher quantity of raw materials, packaging materials, finished goods and low-cost consumables required for its business operation; and
- the possible increase in the purchase prices associated with the increase in raw materials and packaging materials and (as the case may be) costs of production of UPE Group (due to factors such as fluctuation in prices of raw materials and labour costs);

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.

Taking into account the above factors, the Group expects there will be a stable increase in the demand of purchases from UPE Group and in the estimated maximum aggregate annual transaction values for purchase transactions.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the proposed Annual Caps in respect of the Continuing Connected Transactions contemplated under the 2017 Framework Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(III) CONTINUING CONNECTED TRANSACTIONS EXEMPT FROM INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

(A) 2017 Framework Sales Agreement

- Date: 24 March 2017
- Parties: (1) the Company (members of the Group as sellers); and (2) UPE (members of UPE Group as purchasers).
- Term: For a fixed term of three years from 1 January 2018 to 31 December 2020.
- Nature of transaction: Pursuant to the 2017 Framework Sales Agreement, the Company agrees to sell or procure sale of, on a non-exclusive basis, to UPE Group, certain beverage, instant noodles, bakery products, and such other products as may be agreed by the Group and UPE Group and/or their respective members in writing from time to time.
- Operational Agreement(s): Pursuant to the 2017 Framework Sales Agreement, member(s) of the Group may, from time to time during the term of the 2017 Framework Sales Agreement, enter into separate Operational Agreement(s) (which may be in the form of sales order(s) and/or sales agreement(s)) with member(s) of UPE Group in respect of the sales covered by the 2017 Framework Sales Agreement provided that such separate Operational Agreement(s) shall always be subject to the terms of the 2017 Framework Sales Agreement.
- Pricing basis: The prices and terms of the Operational Agreement(s) for specific transaction(s) covered by the 2017 Framework Sales Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and on the following principles:
- (i) based on the cost of the products actually incurred or reasonably expected plus a reasonable profit margin, such profit margin is determined by reference to, including but not limited to, the nature of products, the sales channel, prevailing market price of similar products and the Group's forecasted demand, and increase in the market price, of such products during the term of the relevant Operational Agreement(s); and
 - (ii) no more favourable to UPE Group than those offered to independent third party purchasers by the Group in comparable 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 “(IV) Internal Control Measures” below in this announcement. It is expected that the aforesaid profit margin will be generally determined by reference to a gross profit margin of not less than 12%, which the management considers to be in line with the industry and no less favourable to the Group than the profit margin charged to independent third parties.

Other terms: Pursuant to the 2017 Framework Sales Agreement, all other terms and conditions for the sales transactions thereunder (including the payment terms) shall be no less favourable to the Group than those to be offered to independent third parties by the Group of the same or substantially similar products of the same period.

Termination: The 2017 Framework Sales Agreement may be terminated before expiration of its full term upon mutual agreement in writing by the parties thereto or by either party in certain circumstances (including material default by the other party).

Historical aggregate values of sales transactions

The existing annual caps for the sales transactions in respect of the 2014 Framework Sales Agreement and the total actual values of the sales transactions by the Group with UPE Group for the two years ended 31 December 2015 and 2016 are set out below.

	Year ended 31 December 2015 (RMB'000)	Year ended 31 December 2016 (RMB'000)
Existing annual caps for sales transactions	700,000	800,000
Total actual values for sales transactions	197,754	200,124
Utilisation rate of the annual caps	28.25%	25.02%

Proposed Annual Caps for sales transactions

The products to be sold under the 2017 Framework Sales Agreement include products of the Group (such as tea, juices, coffee, milk tea, bottled water and instant noodles) for retail sale by, and for consumption by the local staff of, the UPE Group. The proposed Annual Caps in respect of the Continuing Connected Transactions contemplated under the 2017 Framework Sales Agreement for each of the three years ending 31 December 2018, 2019 and 2020 are set out below.

	Proposed Annual Caps for sales transactions for the year ending 31 December		
	2018	2019	2020
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Estimated total values for sales transactions	296,000	357,000	431,000

The Company expects that there will be a stable increase in the sales to UPE Group and in the estimated maximum aggregate annual transaction values for sales transaction after taking into account of the following factors:

- the historical figures of the sales by the Group to UPE Group;
- the forecasts of future demands by UPE Group of the products of the Group having regard to the business growth and the expansion of the sales network of UPE Group; and
- the possible increase in the selling prices associated with the increase in raw materials and costs of production of the Group (due to factors such as fluctuation in prices of raw materials and labour costs);

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 2017 Framework Sales Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(B) 2017 Framework Logistics Service Agreement

- Date: 24 March 2017
- 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 of three years from 1 January 2018 to 31 December 2020.
- Nature of transaction: Pursuant to the 2017 Framework Logistics Service Agreement, UPE agrees to provide or procure the provision of, on a non-exclusive basis, transportation and logistics service (including, but not limited to, storage facilities, design of, and the provision of support service to, logistics application 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 2017 Framework Logistics Service Agreement, members of the Group may, from time to time during the term of the 2017 Framework Logistics Service Agreement, enter into separate Operational Agreement(s) with members of UPE Group in respect of the receipt (by the Group) and provision (by UPE Group) of transportation and logistics service(s) covered by the 2017 Framework Logistics Service Agreement provided that such separate Operational Agreement(s) shall always be subject to the terms of the 2017 Framework Logistics Service Agreement.
- Pricing basis: The prices and terms of the Operational Agreement(s) for specific transaction(s) covered by the 2017 Framework Logistics Service Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on an 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 comparable fee charged by independent third party logistics and freight service providers;

(ii) in relation to the provision of storage facilities and human resources and technology support services for the management and operation of relevant logistics-related facilities, the fee 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) no less favourable to the Group than those offered by independent third party suppliers to the Group in comparable 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 “(IV) Internal Control Measures” below in this announcement.

Other terms:

Pursuant to the 2017 Framework Logistics Service Agreement, all other terms and conditions for the transportation and logistics service transactions thereunder (including the payment terms) shall be 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 2017 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).

Historical aggregate values for transportation and logistics service transactions

The existing annual caps for transportation and logistics service transactions in respect of the 2014 Framework Logistics Service Agreement and the total actual values of the transportation and logistics service transactions by the Group with UPE Group for the two years ended 31 December 2015 and 2016 are set out below.

	Year ended 31 December 2015 (RMB'000)	Year ended 31 December 2016 (RMB'000)
Existing annual caps for transportation and logistics service transactions	40,600	49,400
Total actual values for transportation and logistics service transactions	13,461	15,545
Utilisation rate of the annual caps	33.16%	31.47%

Proposed Annual Caps for transportation and logistics service transactions

The proposed Annual Caps in respect of the Continuing Connected Transactions contemplated under the 2017 Framework Logistics Service Agreement for each of the three years ending 31 December 2018, 2019 and 2020 are set out below.

	Proposed Annual Caps for transportation and logistics service transactions for the year ending 31 December		
	2018 (RMB'000)	2019 (RMB'000)	2020 (RMB'000)
Estimated total values for transportation and logistics service transactions	39,000	46,500	54,500

The proposed Annual Caps for transportation and logistics service transactions have been determined by reference to:

- the historical figures;
- the pricing of transportation and logistics services supplied by UPE Group;
- the estimated future demands of transportation and logistics services to accommodate the needs 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 2017 Framework Logistics Service Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(C) 2017 Framework Technical Support Service Agreement

Date:	24 March 2017
Parties:	(1) the Company (members of the Group as service providers); and (2) UPE (members of UPE Group as service receivers).
Term:	For a fixed term of three years from 1 January 2018 to 31 December 2020.
Nature of transaction:	Pursuant to the 2017 Framework Technical Support Service Agreement, the Company agrees to provide or procure the provision of, on a non-exclusive basis, technical support and management services (including, but not limited to, human resources management services and such other technical support services that may be agreed by the Group and UPE Group and/or their respective members in writing from time to time) to UPE Group.

Operational Agreement(s):	Pursuant to the 2017 Framework Technical Support Service Agreement, members of the Group may, from time to time during the term of the 2017 Framework Technical Support Service Agreement, enter into separate Operational Agreement(s) with members of the UPE Group in respect of the receipt (by UPE Group) and provision (by the Group) of technical support service(s) covered by the 2017 Framework Technical Support Service Agreement provided that such separate Operational Agreement(s) shall always be subject to the terms of the 2017 Framework Technical Support Service Agreement.
Pricing basis:	<p>The prices and terms of the Operational Agreement(s) for specific transaction(s) covered by the 2017 Framework Technical Support Service Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and on the following principles:</p> <ul style="list-style-type: none"> (i) based on the cost of the service actually incurred or reasonably expected plus a reasonable profit margin, such profit margin is determined by reference to, including but not limited to, the nature of service, the expertise required and the prevailing marketing price of comparable services; and (ii) no more favourable to UPE Group than those offered to independent third party by the Group in comparable transactions of the same period, <p>and in accordance with the internal control procedures of the Group, details of which are disclosed in the section headed "(IV) Internal Control Measures" below in this announcement. It is expected that the aforesaid profit margin will be generally determined by reference to a gross profit margin ranging from 1.0% to 8%, which the management considers to be in line with the industry and no less favourable to the Group than those charged to independent third parties.</p>
Other terms:	Pursuant to the 2017 Framework Technical Support Service Agreement, all other terms and conditions for the technical support service transactions thereunder (including the payment terms) shall be no less favourable to the Group than those to be offered to independent third parties by the Group of the same or substantially similar service of the same period.
Termination:	The 2017 Framework Technical Support 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).

Historical aggregate values for technical support service transactions

The existing annual caps for technical support service transactions in respect of the 2014 Framework Technical Support Service Agreement and the total actual values of the technical support service transactions by the Group with UPE Group for the two years ended 31 December 2015 and 2016 are set out below.

	Year ended 31 December 2015 (RMB'000)	Year ended 31 December 2016 (RMB'000)
Existing annual caps for technical support service transactions	103,000	115,000
Total actual values for technical support service transactions	62,187	65,259
Utilisation rate of the annual caps	60.38%	56.75%

Proposed Annual Caps for technical support service transactions

The proposed Annual Caps in respect of the Continuing Connected Transactions contemplated under the 2017 Framework Technical Support Service Agreement for each of the three years ending 31 December 2018, 2019 and 2020 are set out below.

	Proposed Annual Caps for technical support service transactions for the year ending 31 December		
	2018 (RMB'000)	2019 (RMB'000)	2020 (RMB'000)
Estimated total values for technical support service transactions	59,000	59,500	60,000

The proposed Annual Caps have been determined by reference to:

- the historical figures;
- the possible increase in the pricing of the technical support services supplied by the Group (due to factors such as fluctuation in labour costs);
- the estimated future demands of technical support services from UPE 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 2017 Framework Technical Support Service Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(IV) INTERNAL CONTROL MEASURES

In determining whether the price and/or payment terms offered to or by UPE Group are reasonable or no less favourable to the Group than those offered by or to 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) in respect of procurement of products/services under the 2017 Framework Purchase Agreement and the 2017 Framework Logistics Service Agreement, where sufficient comparable transactions are available, invite quotations from at least two independent suppliers/service providers to get a reference on the prevailing prices for the relevant products/services to be procured to the extent that those products and/or services are of comparable nature, quality, quantity and condition. Such quotations will be reviewed and evaluated from the commercial perspective by a designated team composed of various relevant departments of the Group and compared against the quote from UPE Group. The head of the relevant departments will approve the proposed transactions to ensure that the products/services to be procured from UPE Group are of comparable prices for such products/services being offered by independent third parties; and
- (iii) for products/services in respect of which there is no sufficient comparable transaction available, the prices will be determined after arm's length negotiation according to the historical price of the products/services supplied in the past and by reference to the cost analysis to be conducted.

To ensure the actual prices for the Continuing Connected Transactions will be on normal commercial terms and on terms no less favourable to the Group than those available from or to independent third parties, the Group, by means of cross-checking between the subsidiaries and internal review by the audit department of the Group, will assess, on a periodic or non-periodic basis, whether the products/services have been supplied/purchased/provided in accordance with the terms of the New CCT Agreements. In addition, the Company has engaged external auditors to conduct an annual review of the Continuing Connected Transactions. Given the Continuing Connected Transactions contemplated under the New CCT Agreements have to adhere strictly to their respective pricing policies 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 the 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.

(V) 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 beverage and instant noodles products in the PRC and is principally engaged in the manufacturing and sale of beverage and instant noodles products in the PRC.

UPE Group

UPE is a limited liability company whose shares are listed on the Taiwan Stock Exchange Corporation and is the ultimate controlling shareholder of the Company. 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.

(VI) REASONS FOR, AND BENEFITS OF, ENTERING INTO THE NEW CCT AGREEMENTS

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 cooperation relationship, UPE Group has established a thorough understanding of the standard and requirement of the Group which enable it to provide more reliable goods or products and/or efficient 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 beverage industry, wide 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 New CCT Agreements are to be of a recurrent nature and will occur 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 New CCT Agreements would provide a single basis on which the Company will comply with the reporting, announcement and/or Independent Shareholders' approval requirements (as the case may be) in compliance with 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.

As regards the 2017 Framework Purchase Agreement, the Directors (excluding the independent non-executive Directors, whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that (1) the terms of the 2017 Framework Purchase Agreement are fair and reasonable; (2) the Continuing Connected Transactions contemplated under the 2017 Framework Purchase Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group; and (3) the entering into of the 2017 Framework Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

As regards the 2017 Framework Sales Agreement, the 2017 Framework Logistics Service Agreement and the 2017 Framework Technical Support Service Agreement, the Directors (including the independent non-executive Directors) are of the view that (1) the terms of these agreements are fair and reasonable; (2) the Continuing Connected Transactions contemplated under these agreements are on normal commercial terms and in the ordinary and usual course of business of the Group; and (3) the entering into of these agreements is in the interests of the Company and the Shareholders as a whole.

(VII) LISTING RULES IMPLICATIONS

UPE (as the ultimate controlling shareholder of the Company) is a connected person of the Company. The Continuing Connected Transactions contemplated under the New CCT Agreements constitute continuing connected transactions of the Company under the Listing Rules.

2017 Framework Purchase Agreement

Given that the highest of the applicable Percentage Ratios in respect of the proposed Annual Caps is more than 5%, the 2017 Framework Purchase Agreement and the Continuing Connected Transactions contemplated thereunder (and the Annual Caps) are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirement under Chapter 14A of the Listing Rules.

2017 Framework Sales Agreement, 2017 Framework Logistics Service Agreement and 2017 Framework Technical Support Service Agreement

As regards the 2017 Framework Sales Agreement, the 2017 Framework Logistics Service Agreement and the 2017 Framework Technical Support Service Agreement, given that the highest of the applicable Percentage Ratios in respect of the proposed respective Annual Caps is more than 0.1% but less than 5%, the 2017 Framework Sales Agreement, the 2017 Framework Logistics Service Agreement, the 2017 Framework Technical Support Service Agreement and the Continuing Connected Transactions respectively contemplated thereunder are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but exempt from Independent Shareholders' approval requirements under the Listing Rules.

The Company will comply with the continuing obligations under Chapter 14A of the Listing Rules and/or any other applicable requirements under the Listing Rules at the relevant time and will re-comply with the applicable Listing Rules in the event that any of the Annual Caps is exceeded or when there is a material change to the terms of any of the New CCT Agreements pursuant to Rule 14A.54 of the Listing Rules.

(VIII) APPROVAL OF THE BOARD

None of the Directors had material interests in the Continuing Connected Transactions contemplated under any of the New CCT Agreements. Nevertheless and for the purpose of good corporate governance, Mr. Lo Chih-Hsien, who is a common director of the Company and UPE and holds an insignificant shareholding interests (less than 2%) in UPE, had abstained from voting in the resolutions of the Board approving the Continuing Connected Transactions contemplated under the New CCT Agreements.

(IX) EGM

An EGM will be convened and held by the Company to consider and, if thought fit, approve the 2017 Framework Purchase Agreement and the Continuing Connected Transactions contemplated thereunder (and the Annual Caps). The voting at the EGM will be taken by poll. Cayman President (a wholly-owned subsidiary of UPE), being the controlling shareholder of the Company, and President (BVI), which is an indirect non-wholly owned subsidiary of UPE, and their respective associates will abstain from voting at the EGM to approve the relevant resolution(s) in respect of the 2017 Framework Purchase Agreement and the Continuing Connected Transactions contemplated thereunder (and the Annual Caps).

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders on the Continuing Connected Transactions contemplated under the 2017 Framework Purchase Agreement (and the Annual Caps).

Vinco Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Continuing Connected Transactions contemplated under the 2017 Framework Purchase Agreement (and the Annual Caps).

A circular containing the particulars of the 2017 Framework Purchase Agreement together with a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice of the EGM is expected to be despatched to the Shareholders on or about 26 April 2017 as more time is needed for the preparation of the information to be contained therein.

(X) 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 2017 Framework Purchase Agreement, the 2017 Framework Sales Agreement, the 2017 Framework Logistics Service Agreement and the 2017 Framework Technical Support Service Agreement (as the case may be) for the three years ending 31 December 2020
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Cayman President”	Cayman President Holdings Ltd., a company incorporated in the Cayman Islands and a wholly-owned subsidiary of UPE and a controlling shareholder of the Company
“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
“Continuing Connected Transactions”	the continuing connected transactions contemplated under the 2017 Framework Purchase Agreement, the 2017 Framework Sales Agreement, the 2017 Framework Logistics Service Agreement and the 2017 Framework Technical Support Service Agreement (as the case may be)
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the 2017 Framework Purchase Agreement and the Continuing Connected Transactions contemplated thereunder (and the Annual Caps)
“Existing CCT Agreements”	collectively, the 2014 Framework Purchase Agreement, the 2014 Framework Sales Agreement, the 2014 Framework Logistics Service Agreement and the 2014 Framework Technical Support Service Agreement
“Group”	the Company and its subsidiaries from time to time

“Independent Board Committee”	an independent committee of the Board (which comprises Mr. Chen Sun-Te, Mr. Chen Johnny, Mr. Fan Ren-Da, Anthony and Mr. Lo Peter, being all the independent non-executive Directors) established to advise the Independent Shareholders with regard to the Continuing Connected Transactions contemplated under the 2017 Framework Purchase Agreement (and the Annual Caps)
“Independent Financial Adviser” or “Vinco Capital”	Vinco Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and the independent financial adviser to the Independent Board Committee and the Independent Shareholders with regard to the Continuing Connected Transactions contemplated under the 2017 Framework Purchase Agreement (and the Annual Caps)
“Independent Shareholders”	the Shareholders who do not have any material interest in the Continuing Connected Transactions contemplated under the 2017 Framework Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New CCT Agreements”	collectively, the 2017 Framework Purchase Agreement, the 2017 Framework Sales Agreement, the 2017 Framework Logistics Service Agreement and the 2017 Framework Technical Support Service Agreement
“OEM”	original equipment manufacturer/outsourced professional third party manufacturer
“OEM Products”	finished beverage products of the Group manufactured under OEM arrangements
“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 2017 Framework Purchase Agreement, the 2017 Framework Sales Agreement, the 2017 Framework Logistics Service Agreement or the 2017 Framework Technical Support Service Agreement (as the case may be), and an “Operational Agreement” means any of them
“Percentage Ratios”	the applicable percentage ratios (other than the profits and the equity capital ratios) under Rule 14.07 of the Listing Rules

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong and the Macau Special Administrative Region of the PRC
“President (BVI)”	President (BVI) International Investment Holdings Ltd., a company incorporated in the British Virgin Islands which is indirectly owned by UPE as to 69.37%
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the 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
“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
“2014 Announcement”	the announcement of the Company dated 24 October 2014 in connection with, among others, the entering into of the Existing CCT Agreements

<p>“2014 Framework Logistics Service Agreement”</p>	<p>the framework logistics service agreement dated 24 October 2014 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 service as set out thereto to the Group, as disclosed in the 2014 Announcement</p>
<p>“2014 Framework Purchase Agreement”</p>	<p>the framework purchase agreement dated 24 October 2014 entered into between the Company and UPE pursuant to which the Company agreed to purchase and procure purchase of (on a non-exclusive basis) certain raw materials, packaging materials, finished goods, low-cost consumables and such other goods as may be agreed by the Group and UPE Group and/or their respective members in writing from time to time from UPE Group, as disclosed in the 2014 Announcement, the circular of the Company dated 5 December 2014 and the announcement of the Company dated 23 December 2014</p>
<p>“2014 Framework Sales Agreement”</p>	<p>the framework sales agreement dated 24 October 2014 entered into between the Company and UPE pursuant to which the Company agreed to sell and procure sale of (on a non-exclusive basis) certain beverage, instant noodles and bakery products and such other products as may be agreed by the Group and UPE Group and/or their respective members in writing from time to time to UPE Group, as disclosed in the 2014 Announcement</p>
<p>“2014 Framework Technical Support Service Agreement”</p>	<p>the framework technical support service agreement dated 24 October 2014 entered into between the Company and UPE pursuant to which the Company agreed to provide and procure the provision of (on a non-exclusive basis) certain technical support services as set out thereto to UPE Group, as disclosed in the 2014 Announcement</p>
<p>“2017 Framework Logistics Service Agreement”</p>	<p>the framework logistics service agreement dated 24 March 2017 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 service as may be agreed by the Group and UPE Group and/or their respective members in writing from time to time to the Group</p>
<p>“2017 Framework Purchase Agreement”</p>	<p>the framework purchase agreement dated 24 March 2017 entered into between the Company and UPE pursuant to which the Company agreed to purchase and procure the purchase of (on a non-exclusive basis) certain raw materials, packaging materials, finished goods, low-cost consumables and such other goods as may be agreed by the Group and UPE Group and/or their respective members in writing from time to time from UPE Group</p>

“2017 Framework Sales Agreement	the framework sales agreement dated 24 March 2017 entered into between the Company and UPE pursuant to which the Company agreed to sell and procure the sale of (on a non-exclusive basis) certain beverage, instant noodles, bakery products and such other products as may be agreed by the Group and UPE Group and/or their respective members in writing from time to time to UPE Group
“2017 Framework Technical Support Service Agreement”	the framework technical support service agreement dated 24 March 2017 entered into between the Company and UPE pursuant to which the Company agreed to provide and procure the provision of (on a non-exclusive basis) certain technical support and management services as may be agreed by the Group and UPE Group and/or their respective members in writing from time to time to UPE Group
“%”	per cent.

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

24 March 2017

As at the date of this announcement, the Board comprised Mr. Lo Chih-Hsien and Mr. Chen Kuo-Hui as executive directors; Mr. Hou Jung-Lung 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.

* *For identification purposes only*