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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF LAND USE RIGHT

THE DISPOSAL

On 3 March 2023, the Land Reserve Centre and Hefei President, an indirect wholly-owned subsidiary of the Company, entered into the Disposal Agreement pursuant to which the Land Reserve Centre has agreed to acquire, and Hefei President has agreed to dispose of the Land Use Right for a Compensation of approximately RMB582.51 million (equivalent to approximately HK\$661.56 million).

IMPLICATIONS UNDER THE LISTING RULES

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL AGREEMENT

On 3 March 2023, the Land Reserve Centre and Hefei President, an indirect wholly-owned subsidiary of the Company, entered into the Disposal Agreement, the principal terms of which are set out below.

Date:	3 March 2023
Parties:	(1) Land Reserve Centre (as purchaser); and (2) Hefei President (as vendor).
Location of the Land:	中國合肥市經開區繁華大道8278號 (unofficial English translation being No. 8278, Fan Wa Avenue, Hefei Economic Development Zone, Hefei City, the PRC)
Site area:	approximately 167,061.20 sq.m.
Permitted usage:	Industrial use

Existing usage:	Production facilities of Hefei President
Term of Land Use Right:	50 years from 26 July 2013 to 25 July 2063 (both days inclusive)
Compensation and payment terms:	<p>The Compensation of approximately RMB582.51 million (equivalent to HK\$661.56 million) was negotiated on an arm's length basis between Hefei President and the Land Reserve Centre with reference to the valuation of the Land conducted by Anhui Huaan Assets Appraisal Company Limited* (安徽華安資產評估事務所有限公司). As at 23 November 2022 (being the valuation date), the aggregate of (i) the appraised value of the Land Use Right using a mix of market comparison approach and cost approximation approach and (ii) the appraised value of the buildings and facilities erected on the Land using the cost approach amounted to approximately RMB228.56 million (equivalent to approximately HK\$259.58 million).</p> <p>The Compensation shall be payable by the Land Reserve Centre to Hefei President in three installments by cash in the following manner:</p> <ol style="list-style-type: none"> (1) 30% of the Compensation within 60 days after Hefei President has cancelled the real property right certificate (不動產權證) in respect of the Land with the relevant authority in the PRC; (2) 50% of the Compensation within 60 days after the completion of demolition of all buildings and facilities erected on the Land by Hefei President and the Land Reserve Centre has inspected and accepted such demolition; and (3) the remaining balance of the Compensation within 60 days after the completion of a listing-of-sale of the Land to be held by the PRC Government.
Other terms:	<p>Pursuant to the terms of the Disposal Agreement, it is agreed that Hefei President shall be responsible for the management of the Land, including but not limited to the prevention of unauthorised access to the Land and unauthorised construction on the Land, until the Land has been delivered to the Land Reserve Centre. It is further agreed that Hefei President shall deliver the Land (in vacant land condition) to the Land Reserve Centre within 30 days after the relevant authority of the PRC has entered into the relevant transfer agreement with the third-party purchaser identified through a listing-of-sale held by the PRC Government.</p>

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

The Board expects to recognise an unaudited net gain (before tax) from the Disposal of approximately RMB351.41 million (equivalent to approximately HK\$399.10 million), with reference to the Compensation of RMB582.51 million (equivalent to approximately HK\$661.56 million) to be received by the Group under the Disposal, the unaudited book value of the Land Use Right and the buildings and facilities erected on the Land as at 3 March 2023 of RMB228.10 million (equivalent to approximately HK\$259.05 million) and the estimated expenses in connection to the delivery of the Land of RMB3 million (equivalent to approximately HK\$3.41 million). However, the actual gain from the Disposal may differ as the estimated gain as set out above is based on a number of assumptions and the amount will be calculated upon completion of the Disposal. Shareholders should note that the actual financial effect of the Disposal is subject to the review of the auditors of the Company.

The proceeds from the Disposal are intended to be applied as general working capital of the Group.

Upon completion of the Disposal, the Group will cease to hold any interest in the Land.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As a result of the recent urban redevelopment plan in the Hefei Economic and Development Zone, Anhui Province of the PRC, which involves the change of use of the Land from industrial use to residential and schooling use, the Land Reserve Centre therefore resumed and acquired the Land from the Group for such urban redevelopment plan in the district.

The Board is of the view that the Disposal provides an opportunity for the Group to realize the value of the Land under the urban redevelopment plan of the PRC Government. Having considered the expected proceeds from the Disposal, the Board is of the view that the proceeds will provide the Group with additional working capital for its future business development. Given that the Group will relocate its manufacturing facilities on the Land to other manufacturing sites of the Group in the PRC which has sufficient production capacity, the Board is of the view that the Disposal will have no material effect on the Group's business and operations.

By virtue of the aforementioned, the Directors are of the view that the terms and conditions contemplated under the Disposal Agreement are fair and reasonable and are on normal commercial terms, and the Disposal is in the interest of the Group and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group

The Group (including Hefei President) is principally engaged in the manufacturing and sale of food and beverages in the PRC.

The Land Reserve Centre

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, (i) the Land Reserve Centre, a PRC Government body, is responsible for, among other things, resumption of collective lands within the administrative area, resumption of buildings erected on state-owned lands, urban planning of government reserve lands and development of government reserve lands; and (ii) the Land Reserve Centre and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	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, the issued shares of which are listed on the main board of the Stock Exchange
“Compensation”	the compensation amount to be received by the Group of approximately RMB582.51 million (equivalent to approximately HK\$661.56 million) in respect of the Disposal
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the directors of the Company
“Disposal”	the disposal of the Land Use Right by Hefei President pursuant to the Disposal Agreement
“Disposal Agreement”	the disposal agreement dated 3 March 2023 entered into between the Land Reserve Centre and Hefei President in respect of the disposal of the Land Use Right
“Group”	the Company and its subsidiaries

“Hefei President”	合肥統一企業有限公司 (unofficial English translation being Hefei President Enterprises Co., Ltd.), an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a piece of land situated at 中國合肥市經開區繁華大道8278號 (unofficial English translation being No. 8278, Fan Wa Avenue, Hefei Economic Development Zone, Hefei, the PRC), with a site area of approximately 167,061.20 sq. m.
“Land Use Right”	right of use of the Land
“Land Reserve Centre”	合肥市土地儲備中心 (unofficial English translation being Hefei Land Reserve Centre)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

In this announcement, for illustration purpose only, amounts quoted in RMB have been translated in HK\$ using an exchange rate of RMB1 = HK\$1.1357. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 3 March 2023

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, Dr. Fan Ren-Da, Anthony and Mr. Lo Peter as independent non-executive Directors.

* For identification purposes only