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)

ANNOUNCEMENT OF 2019 INTERIM RESULTS

- Revenue amounted to RMB11,469.5 million, up by 2.2%
- Group gross margin of 36.6%, up by 3.1 percentage points
- EBITDA of RMB2,090.3 million, up by 19.8%
- Profit for the period, attributable to equity holders of the Company of RMB997.5 million, up by 39.6%

The board (the "Board") of directors (the "Directors") of Uni-President China Holdings Ltd. (the "Company") is pleased to present the unaudited interim condensed consolidated financial information of the Company and its subsidiaries (together, the "Group", "we" or "us") for the six months ended 30 June 2019 (the "Period under Review"). The interim condensed consolidated financial information is unaudited but has been reviewed by the audit committee of the Board (the "Audit Committee") and PricewaterhouseCoopers, the independent auditors of the Company, in compliance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

ECONOMIC ENVIRONMENT

In the first half of 2019, the gross domestic product ("GDP") of the People's Republic of China (the "PRC") increased 6.3% year on year, which was in line with forecast. China's national economy operated stably in general. The Chinese government has adopted measures including cutting taxes and administrative fees to promote economic development, economic improvement stimulated consumption upgrading and consumer spending maintained steady growth with good momentum.

FINANCIAL RESULTS

Revenue and Gross Profit

The Group has recorded a revenue of RMB11,469.5 million during the Period under Review (first half of 2018: RMB11,223.9 million), representing an increase of 2.2% as compared with the corresponding period last year. During the Period under Review, the gross profit of the Group increased to RMB4,195.3 million (first half of 2018: RMB3,757.3 million), representing an increase of 11.7% as compared with the corresponding period last year, while its gross profit margin increasing by 3.1 percentage points to 36.6% from 33.5% for the corresponding period last year. The increase in revenue was mainly due to the continuous growth in revenue of "Soup Daren (湯達人)" lifestyle noodles and "Uni Assam Milk Tea" (統一阿薩姆奶茶), and the increase in the gross profit margin was mainly attributable to the decreasing price of raw materials, the preferential policy of tax and fee reduction implemented by the PRC government, as well as the Group's continuous effort in optimising its product structure.

Selling and Marketing Expenses

Selling and marketing expenses increased to RMB2,531.9 million (first half of 2018: RMB2,444.7 million), representing an increase of 3.6% as compared to the corresponding period last year, which was mainly attributable to the increased investments in channels and brand marketing, and boosting the promotion of newly launched products during the Period under Review.

Administrative Expenses

Administrative expenses were RMB481.5 million (first half of 2018: RMB498.5 million), representing a decrease of 3.4% as compared to the corresponding period last year, which was mainly benefited from the value added tax reduction policy by the PRC government during the Period under Review, which lead to the reduction of the corresponding surtax.

Operating Profit

Benefited from the growth in revenue and the increase in the gross profit margin, operating profit was RMB1,305.3 million for the Period under Review, increasing by 40.0% from the operating profit of RMB932.5 million for the first half of 2018.

Profit for the Period Attributable to Equity Holders of the Company

During the Period under Review, profit attributable to equity holders of the Company was RMB997.5 million, representing an increase of 39.6% compared with RMB714.3 million of the corresponding period last year.

BUSINESS REVIEW

Food Business

The Group continued to promote and develop a variety of new-style foods by virtue of consumer lifestyles, provided convenient dietary mode in diverse scenes based on the existing instant noodles business, and enriched the dietary mode and flavor based on the improving demand for the quality of life with the advancement of the times to achieve synchronous development with the consumption trend.

Instant Noodles Business

The instant noodles business of the Group recorded a revenue of RMB4,268.0 million for the first half of 2019, representing an increase of 2.8% as compared with the corresponding period last year. Insisting on building brand value and taking consumers' needs and satisfaction as the highest indicators, the Group constantly introduced new products, developed delicious products, and established the Group's sales rules which do not engage in price competition in the market and promote new order.

The Group's "Uni-President Lao Tan Pickled Cabbage and Beef Flavoured Noodles (統一老壇酸菜牛肉麵)" co-operated with the Mainland China's domestic original animation in 2019. Centering on "Authentic Sourness and Crunchiness, Our Originality (正宗酸爽，我站原創)", the Group launched the crossover animation package and the "Eat Uni-President Lao Tan, Get Gift Through Scanning the QR Code (吃統一老壇碼上有禮)" event to attract the attention and strike a chord with the animation favoured by young consumers and communication with young people and striving for new "Uni-President Lao Tan" fans, to strengthen the leading position in respect of product category and the vitality of brand.

The Group created "Teng Jiao Wu Yu (藤嬌物語)" under "Teng Jiao (藤嬌)" and introduced a new series of "Wu Yu (物語)" package on which a QR code is available for scanning to read "Short-short stories (觸電小小說)", allowing consumers to feel the love scenarios in three minutes while waiting for instant noodles, to reach more target consumers and expand brand awareness. Meanwhile, through the new packaging posters, the Group established connection with the youth literary writers, which aroused the attention of netizens; and the binding of youth online dramas and inclusion of video in output creativity were widely acclaimed by the audience after launch, and the in-depth interaction with starring characters in the drama on the Internet further enhanced the brand exposure of "Teng Jiao (藤嬌)".

"Soup Daren (湯達人)" continued to achieve double-digit growth in revenue in the first half of 2019 and lead the mainstream consumption of RMB5 or above. The cooperation with Liu Haoran (劉昊然), one of the new generation of actors also featured by "focus, youth, sunshine and vitality (專注、青春、陽光、元氣)", strengthened the emotional connection between the brand and the new youth generation; moreover, the Group promoted injection of vitality into life through music and held "Genki Music Festival (元氣音樂節)" to create the brand spirit with "Genki (元氣)" as the core, striving to become the first choice for the new generation of users.

"Mix-up in Town with you (香拌一城)" focuses on the development of the most representative foods in various regions and refines the element of "fragrance (香)", allowing consumers to enjoy the delicious flavors of the various cities. Through the dedicated research and development of the Group's research team, the Group has restored the flavor of northern Shaanxi and launched two flavors of noodles, namely "Sour and Spicy Cold Noodles (酸辣涼皮)" and "Sesame Sauce Cold Noodles (麻醬涼皮)", which represent the new types of cold noodles officially launched by the Group. The "Sour and Spicy Cold Noodles (酸辣涼皮)" adopts the secretly-made chili oil prepared with traditional "cook chili to dark brown, with good smell and spicy taste (一煳、二香、三辣)" oil application process and is then topped with vinegar, delivering sour and refreshing cold noodles with red and fragrant chili oil. The "Sesame Sauce Cold Noodles (麻醬涼皮)" served with fragrant sesame paste and vinegar, creating a mellow taste and chewy and smooth texture. Initially, they were launched on the Internet sales platform and spread by new media channels including the big gun live broadcast with the slogan of "Mixed like this, taste so good (這麼拌，真香！)". They were well received by consumers and seized the market of mixed noodles when first introduced to the market.

In addition, the Group inherits Chinese cuisine, and the high-end brand "Imperial Big Meal (滿漢大餐)" with "Hitting the market with beef (用肉打江山)" and focuses on in-depth interaction with consumers with "large piece of genuine beef (真的有大塊肉)". Following the "Taiwan Braised Beef and Beef Tendon Noodles (台式半筋半肉牛肉麵)", the Group launched the new sour and spicy tastes of "Royal Lao Tan Pickled Cabbage and Beef Noodles (禦品老壇酸菜牛肉麵)" and "Sichuan-style Spicy Beef Noodles (川式銷魂麻辣牛肉麵)", providing richer choices for high-end consumers who enjoy the quality of life.

Other Food

The Group continued to put efforts in its other food products. Through in-depth research and development, the Group launched a new-style self-heating rice meals "Premium Meal (開小灶)", which is based on the evolution of lifestyle and mainly for outdoor consumption when it is not convenient to have a meal, with the slogan of "Premium Meal on the go (出門在外，開小灶)". It has been well received by consumers since it was launched. Consumers have expressed that the experience of having "Premium Meal (開小灶)" refreshed the awareness of self-heating rice. The Group will gradually expand its promotion with e-commerce platforms and specific sales outlets.

In the second half of 2019, the Group will continue to optimise the product mix for food business, set precise positioning for each brand, continuously enhances brand value through value marketing, and make continuous innovation to meet consumer demands.

Beverages Business

The Group's beverages business recorded a revenue of RMB6,795.4 million for the first half of 2019, representing an increase of 0.6% as compared with the corresponding period last year. The Group continued to uphold product freshness management as the highest guiding principle of sales, insisted on creating brand value through brand building and aimed at improving profitability through continuous optimisation of the product structure. The performance of the Group's beverages segments in the first half of 2019 is set forth as follows:

Tea Drinks

Revenue from the Group's tea drinks business for the first half of 2019 amounted to RMB3,183.8 million.

"Stay Young for Ever, to Fight for Youth (青春無極限，不服就去戰)" remained as the theme for the "Uni Ice Tea (統一冰紅茶)" for the year. The Group engaged in in-depth interaction with the young people by joining hands with the popular games KPL (King Pro League) and integrating the game image, the Group launched the new package with the images of heroes for the "Uni Ice Tea (統一冰紅茶)". Meanwhile, event-based marketing through leveraging on the Spring finals of KPL and the live broadcasting of the games achieved accurate access to the new generation of game players with integrated marketing. In the second half of the year, "Uni Ice Tea (統一冰紅茶)", through the game platform, will continue to print the selected popular game slangs on bottles and launch such bottles with characters to enhance interaction with game players. In addition, the brand event "Extreme Fashion Party (極限潮趴)" integrated the two-dimensional animation, eSports, trend market and cool music party to convey the brand spirit.

In 2019, on the basis of upholding a young, attitude-oriented, green and healthy lifestyle, "Uni Green Tea (統一綠茶)" focused on the cultivation of and communication with the new generation of consumers – college students. With the theme of "Experience the Nature, Implementation of Green Actions (親近自然，玩轉綠色行動)" for the year, we worked with the media to achieve eco-chain cooperation and conveyed new voices of brands through cross-border communication, resulting in an increase in young consumers; the Group connected with consumers through green riding, walking, orienteering, etc. targeting at attracting tens of millions of consumers to participate in the "Implementation of Green Actions (玩轉綠色行動)" and generate independent transmission energy. In the second half of the year, the "Challenge of Green Actions by Tens of Millions of People (千萬人綠色行動大挑戰)" will be the boosted event for "Uni Green Tea (統一綠茶)" to encourage consumers to create topics for automatic transmission by media and reach new consumers in a young and attitude-oriented way.

In 2019, "Classmate Xiaoming (小茗同學)" was upgraded in terms of inner beauty and external beauty to optimise consumers' drinking experience. In cooperation with the British Museum of the United Kingdom, the bottle packaging was matched with the "Play Ancient Civilisation, Scan QR Code for Gift (玩轉古文明碼上有金喜)" to form a new way of brand communication. In addition, "Classmate Xiaoming (小茗同學)" accurately captured consumers' preferences through short video on the new media, comic, humorous and fun video contents were continuously launched, causing reverberation among extensive consumers. The Group effectively developed potential markets to expand brand influence. In the second half of the year, for "Classmate Xiaoming (小茗同學)", the Group will continue to engage in high-value and differentiated cooperation with the British Museum. After the "Egyptian Theme (埃及主題)" which caused reverberation in the market, the Group will create "Greek Theme (希臘主題)" bottles using the four Greek gods to create differentiated images of high quality and interesting features and build personalised brand value.

"Refreshing Tea (茶•瞬鮮)" "brings freshness to life (給生活來點新鮮的)". In 2019, using the product packaging as a propaganda carrier, the Group utilised the fresh attitude cup printed with fresh text to convey the fresh concept of the brand and conducted promotion through relevant events including launch of fortune cups using the fortune topics. At the same time, the Group conveyed the difference of the brand which lies in 21 days of cold storage.

"Chai Li Won (茶裏王)" was launched in key cities in April 2019. It targets at the sugar-free tea market and brings consumers a good sense of "sweet taste came after (回甘)" through the extraction process under high and low temperature. The brand awareness was promoted through word-of-mouth effects.

Juice Drinks

In 2019, the Group focused on cultivating new generation of consumers and brand building for the juice drinks business. The total revenue in the first half of the year was RMB917.7 million, representing an increase of 0.1% as compared with the corresponding period last year.

For "Uni More Orange Juice (統一鮮橙多)", in the first half of 2019, the Group mainly attracted the new generation to drink "Uni More Orange Juice (統一鮮橙多)" by engaging Wong Yuan (王源), the brand spokesperson, to convey the selling point that a bottle of Uni More Orange Juice (統一鮮橙多) (450ml) is equivalent to 3.5 oranges in terms of dietary fiber, thus attracting attention of the new generation of consumers who purchased the product and shared the message on the Internet.

In the first half of 2019, the revenue from "Haizhiyan (海之言)" resumed growth. The Group continued to develop sports scenarios to foster the awareness of salt supplementation after sweating. The brisk walking competition event themed by "Take a Refreshing Walk to the Sea (清爽走去大海)" was held for three consecutive years, and the fans throughout the nation participated in it by checking in on social media to conduct interaction and spread the refreshing brand image.

The core appeal of "Uni Crystal Sugar Pear Drink (統一冰糖雪梨)" is "Pear Juice Moistures your Mouth and Heart (真梨真汁潤)". In 2019, the Group focused on the 500ml ready-to-drink products and continued to create the core memory point of "Moisture (潤)". The "Moisture (潤)" concept of "Uni Crystal Sugar Pear Drink (統一冰糖雪梨)" was transmitted and strengthened through the music attribute of the brand. The "Moisture the Voice, Sing for the Young (潤享發聲，唱Young青春)" themed event was held on campuses to connect the new generation of consumers with music, to enhance the brand communication potential and shape the brand's new vitality, and was favoured and welcomed by young consumers.

"Fruit Trio (果重奏)", as a chilled fruit drink, has the core appeal of triple taste of juice and enjoyment of life. In the first half of 2019, the Group focused on creating music attributes, and cooperated with FIIL Headphone to connect with the urban youth groups with music to strike a chord and achieve innovative traffic monetisation.

"Vitality Awakening (元氣覺醒)" focuses on the health properties of 100% fruit and vegetable juices to create healthy drinking scenarios. In the first half of 2019, the Group implemented the "Seven-Day Vitality Transmission Plan (七天元氣傳遞計畫)" with the theme of "Keep Your Vitality (Keep 你的元氣)" on the sports platform Keep in order to strengthen the link between our products and healthy light sports scenarios and spread brand awareness.

In the second half of 2019, for the juice drinks business, the Group will continue to adhere to the value marketing business strategy, focus on brand building and enhance product strength, to enter consumers' life with products of different temperatures and drinking scenarios. The Group will adopt the communication and interaction methods favoured by the new generation of consumers, to proactively expand the market and advance toward healthy and quality growth at a steady pace.

General Beverages Business

Milk tea

In the first half of 2019, the Group's milk tea business increased by 14.3% compared with the corresponding period last year and maintained its leading position in the milk tea category.

"Uni Assam Milk Tea (統一阿薩姆奶茶)" is value marketing-oriented and based on brand rejuvenation, and narrate the good mood to the post-90 and post-00 generations. The Group continued the topic of "Approach Assam, Exploration of Good Mood (走進阿薩姆，探索好心情)" and explored the good mood experience. The shooting of scenes at the place of origin of Assam tea physically reproduced its natural and cultural features and to feel the good mood from it. The Group launched the first brand documentary "Uni Assam Milk Tea (統一阿薩姆奶茶)" XDiscovery, which illustrates the aromatic and smooth taste achieved by the balance between milk and tea and explains the good mood given by the smooth taste of "Uni Assam Milk Tea (統一阿薩姆奶茶)". Guo Caijie (郭采潔), the brand spokesperson, launched the "looking for a good mood around you (尋找身邊好心情)" challenge in the form of a personal video blog, which occupied the media layout and triggered a large number of netizens to read and discuss it, further consolidating the brand image of "Uni Assam Milk Tea (統一阿薩姆奶茶)" and "Good Mood (好心情)".

In 2019, the Group continued to shape the selling point of "Uni Milk Tea (統一奶茶)", i.e. "Malt (麥)", and placed the focus of transmission for the year on "Mouthful of Malt GO MY WAY, it is so smooth (夠麥味 GO MY WAY, 就是這麼順)" to highlight the life attitude of young people and the unique fragrance and smoothness of "Uni Milk Tea (統一奶茶)".

For "Assam Small Milk Tea (阿薩姆小奶茶)", in the first half of 2019, the Group conveyed the core value of product differentiation of "True Milk, True Tea (真奶真茶)", to effectively promote the brand in a more fashionable, modern and creative way. Centering on the "True Milk, True Tea, True Love (真奶真茶，真愛暖暖)", the Group's winter hot drink plan for 2019 will continue the i.sharing theme, focus on core cities, and accumulate the image of the brand among consumers.

Aqua More

In 2019, in collaboration with the film "Pokémon Detective Pikachu", the "No Boring but Interesting (不乏味，有趣)" brand image was created for "Aqua More (水趣多)" based on the adorable and interesting Pikachu, and the Group continued the core brand proposition –"Interest Your Boringness (趣你的乏味)" to turn water-drinking into fun. Adhering to the parent-child brand proposition, the Group held the "Aqua More National Parent-child Painting Competition (水趣多全國少兒親子繪畫大賽)". The operation focus was placed on core cities and the brand image was deepened through communication and interaction with the target parent-child groups with the interesting marketing method.

Others

Coffee

In respect of "A-Ha (雅哈)" Coffee, the Group exerted main efforts on "A-Ha Iced Coffee (雅哈冰咖啡)" in 2019, and promoted the launch of the new packaging and new flavours of "Italian Mellow (意式醇香)" series. "Chat Happily (愉快聊天)" remained the communication axis of "A-Ha (雅哈)". Integrated marketing communication was carried out relying on urban idol dramas to enhance brand awareness. In order to reach to the upgraded market and enter the high-end chilled beverages sector, the "Left Bank Cafe (左岸咖啡館)" cup-mounted chilled coffee brand was newly launched, opening up a new coffee market.

Bottled Water

In the first half of 2019, the Group continued to focus on the high-end natural mineral water brand “ALKAQUA (愛誇)” and further deepened the communication of the brand proposition of “Colorful and outstanding natural mineral water (一瓶出色的天然礦泉水)”. In terms of packaging, the Group launched the upgraded colorful totem edition and designed the totem with the name of seven colors named by PANTONE, a global color expert, to reinforce its meaning; meanwhile, the Group obtained the official authorisation of the annual representative color from PANTONE and launched the annual limited version “Live Coral Orange Version (活珊瑚橘版)” which was pursued by the extensive young and fashionable consumer groups; for internal aspects of products, in addition to further appeal to the benefits of product uniqueness of “water source from Changbai Mountain (長白山水源地灌裝)” and “contents of H_2SiO_3 exceeding 50mg/L (偏矽酸含量大於 50 mg/L)”, the Group created high-end water consumption scenarios such as endorsement of authoritative information of the Specialty Coffee Association of America to set presence in the water for coffee brewing market. In terms of communication, the Group sought to create the positive energy brand spirit of “Praise with Love (以愛誇讚)” with the positive meaning of the brand name “ALKAQUA (愛誇)” and shot a mutual praise film which triggered social discussion.

In the second half of 2019, “ALKAQUA (愛誇)” will continue to cooperate with Wang Kai (王凱), the brand spokesperson. The Group will hold the “ALKAQUA (愛誇)” brand event day, conduct continuous innovation in form and content, and create brand value through interaction between brands and fans, engage in cross-sector cooperation with popular brands favoured by the young people to launch limited edition packages and strengthen the fashionable and outstanding brand impression.

FINANCIAL ANALYSIS

Cash and Borrowings

As at 30 June 2019, the Group had a total cash and bank balances of RMB4,096.2 million (31 December 2018: RMB5,176.5 million), among which 99.6% were denominated in Renminbi and 0.2% were denominated in United States dollars. As at 30 June 2019, the Group had restricted bank deposit of RMB2.2 million. Current assets of the Group amounted to RMB6,701.2 million (31 December 2018: RMB7,650.3 million) with current liabilities of RMB6,879.0 million (31 December 2018: RMB8,089.5 million). Net current liabilities were RMB177.7 million (31 December 2018: RMB439.2 million). During the Period under Review, the Group mainly financed its working capital and capital expenditure by internally generated cash flows. As at 30 June 2019, the Group’s total financial liabilities was RMB1,978.3 million (31 December 2018: RMB1,987.7 million), which were repayable within 1 year. 99.6% of the Group’s total financial liabilities were denominated in Renminbi. As at 30 June 2019, all of the Group’s financial liabilities bore floating interest rates save for the RMB500 million notes due on 28 August 2019, which was at fixed interest rate of 3.9% per annum. As at 30 June 2019, the Group did not have any secured bank borrowings (31 December 2018: Nil).

Financing

The Group aims to maintain an appropriate capital structure. Taiwan Ratings Corporation, a credit rating agency, issued a credit rating report on 18 July 2019, and maintained the Group's long term credit rating at "twAA", with its rating outlook standing at "Stable (穩定)". The gearing ratios of the Group as at 30 June 2019 and 31 December 2018 were as follows:

	30 June 2019 *RMB'000*	31 December 2018 *RMB'000*
Total borrowings	**1,978,293**	1,987,726
Less: cash and bank balances	**(4,096,180)**	(5,176,478)
(Cash) /net debt	**(2,117,887)**	(3,188,752)
Total equity	**13,173,090**	13,222,307
Total capital	**11,055,203**	10,033,555
Gearing ratio (*Note*)	**(19.16%)**	(31.78%)

Note: The gearing ratio is computed as the net debt divided by the sum of total equity and net debt.

Cash Flow and Capital Expenditure

For the six months ended 30 June 2019, the Group recorded a net decrease in cash and cash equivalents of RMB1,345.5 million, mainly comprising net cash inflow from operating activities of RMB755.7 million, net cash outflow from financing activities of RMB1,072.8 million, and net cash outflow from investing activities of RMB1,028.4 million. During the Period under Review, the Group had capital expenditure of RMB129.3 million (first half of 2018: RMB532.6 million).

Analysis of Operating Efficiency

The Group stringently controls and manages the levels of trade receivables, trade payables and inventories. Sales to most customers are made on a delivery on payment basis. Trade receivables are generated from credit sales to credit customers from modern channels (including but not limited to food and groceries stores, stalls and department stores) with credit terms normally ranging from 60 to 90 days.

During the Period under Review, as the purchase from credit sales clients increased due to seasonal factors, net trade receivables increased by RMB137.5 million to RMB667.6 million (31 December 2018: RMB530.1 million). The Group's inventories mainly comprised raw materials and packaging materials, finished goods and low-cost consumables. The inventories turnover days decreased by one day as compared with 2018, which was attributable to increasing turnover of products sold through sales channels. As at 30 June 2019, the inventories balance decreased by RMB325.4 million to RMB1,133.6 million (31 December 2018: RMB1,459.0 million) as compared to the beginning of the year. The Group's trade payables mainly arise from credit purchases of raw materials and finished goods. During the Period under Review, trade payables increased by RMB73.5 million to RMB1,627.7 million (31 December 2018: RMB1,554.2 million).

	30 June 2019	31 December 2018
Trade receivable turnover days	**9**	9
Inventories turnover days	**32**	33
Trade payables turnover days	**39**	37

Financial Management

The Group adheres to the principle of financial prudence. It seeks to control risk variables and moves forward prudently by moderately adjusting its selling and marketing expenses according to market condition, and making appropriate capital expenditures to optimise and expand the infrastructure. The Group's finance department has formulated financial risk management policies based on the policies and procedures approved by the Board and guided by the executive Directors. These policies are reviewed by the Group's internal audit department and internal control department regularly. The Group's financial policy aims at reducing impacts of interest rate and exchange rate fluctuations on the Group's overall financial position, as well as minimising the Group's financial risk exposure.

The Group's finance department provides centralised financial risk (including interest rate and foreign exchange risk) and cash flow management, and cost-effective funding for the Group and its members. During the Period under Review, the Group has maintained an automated reconciliation system, which significantly improved capital efficiency and accounting treatment effectiveness.

Treasury Policy

It is the Group's treasury management policy not to engage in any highly leveraged or speculative derivative products and not to invest current capital in financial products with significant underlying leverage or risk, including hedge funds or similar financial products. The Group did not have any significant bank borrowings or carry out other financing activities in the capital market as it had stable balance of cash income and expenditure during the Period under Review. Most of the Group's receipts and payments are denominated in Renminbi since the majority of its revenue is derived from operations in the PRC. The Group may use foreign exchange forward contracts, when appropriate, for risk aversion when it is exposed to foreign exchange risk arising from assets or liabilities, such as cash and cash equivalents and borrowings, which may be denominated in other currencies.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2019.

MATERIAL ACQUISITION AND DISPOSAL

For the six months ended 30 June 2019, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

SIGNIFICANT INVESTMENT

Financial assets at fair value through other comprehensive income

As at 30 June 2019, the financial assets at fair value through other comprehensive income was RMB218.6 million (31 December 2018: RMB218.6 million), which is resulted from the fair value changes of listed securities. The financial assets at fair value through other comprehensive income mainly consist of the fair value of the equity of China Haisheng Juice Holdings Co., Ltd. ("Haisheng Holdings") (listed securities) of approximately RMB7.0 million (31 December 2018: RMB7.0 million) and the fair value of the equity of Heilongjiang Wondersun Dairy Joint Stock Co., Ltd. ("Wondersun") (non-listed securities) of approximately RMB211.7 million (31 December 2018: RMB211.7 million). Haisheng Holdings is a company listed on the Stock Exchange (stock code: 359.HK), which is mainly engaged in manufacturing and processing of juice concentrate. After reviewing the latest financial statements of Wondersun, the Board expected the business performance of Wondersun will remain stable for the first half of 2019. In respect of the prospect of Haisheng Holdings, the Board noticed from the announcement of the annual results for the year ended 31 December 2018 dated 28 March 2019 that Haisheng Holdings and its subsidiaries ("Haisheng Holdings Group") recorded a decrease of approximately 45.1% in the audited profit attributable to owners of the Haisheng Holdings Group as compared with that for the corresponding period in 2017, which was mainly attributable to the increase in costs as a result of the expansion of fruit and vegetable distribution channels. The Board will closely monitor the performance and prospects of Wondersun and Haisheng Holdings to safeguard the interest of the Company's shareholders.

CHARGES ON GROUP ASSETS

The Group did not have any charges on group assets as at 30 June 2019.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Directors confirmed that as at the date of this announcement, there are no current plans to acquire any material investment or capital assets other than in the Group's ordinary business of manufacturing and sale of beverages and instant noodles.

PROSPECTS

It is expected that China's economy will grow within a stable range. The food and beverages industry in the PRC will maintain stable development. Social progress changes the ways we live, promotes more innovation, drives industrial upgrading and offers more choices and convenience to consumers. The Group will adhere to value marketing to create brand values and maintain continuous and steady growth with a view to becoming an enterprise boasting its "Integrity (品格)", "Brand (品牌)" and "Taste (品味)".

HUMAN RESOURCES AND EMOLUMENT POLICY

As at 30 June 2019, the total number of employees of the Group was 28,633. The Group's remuneration policy reward employees and directors based on individual performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Discretionary performance bonuses are offered to qualified employees based on individual and the Group's performance.

The total employee benefits expenses (including Directors' emoluments) amounted to RMB1,614.8 million during the Period under Review. The Group does not have any share option scheme for employees.

PRODUCTIVITY STRATEGIES

The Group spared no effort in our operation, research and development, innovation, brand building and sales expansion, aiming to meet customer needs, develop and strengthen the corporation constantly and maximise the revenue. In order to focus on the use of resources, maximisation of the benefits, the Group did not solely rely on its own production resources. It also outsourced its production to other professional beverages manufacturers (including external independent third parties and related party companies). A strategic alliance was formed under such long-term co-operation with the external manufacturers, enabling the Group to outsource production mode to adjust production capacity in addition to the basic production capacity, providing the Group with production flexibility. Thus, the Group was able to fully utilise its resources on core operation and optimise its efficiency.

SUBSEQUENT EVENTS

There is no subsequent event after the Period under Review which has material impact to the condensed consolidated interim financial information of the Group.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2019
(All amounts in thousands of Renminbi unless otherwise stated)

	Note	**Unaudited Six months ended 30 June 2019**	2018
Revenue	*5*	**11,469,537**	11,223,877
Cost of sales		**(7,274,211)**	(7,466,562)
Gross profit		**4,195,326**	3,757,315
Other gains/(losses), net		**11,500**	(12,353)
Other income		**170,917**	177,706
Other expenses		**(58,991)**	(46,956)
Selling and marketing expenses		**(2,531,939)**	(2,444,726)
Administrative expenses		**(481,517)**	(498,473)
Operating profit	*6*	**1,305,296**	932,513
Finance income		**97,256**	82,358
Finance costs		**(27,698)**	(27,607)
Finance income – net		**69,558**	54,751
Share of profits of investments accounted for using the equity method		**17,159**	22,794
Profit before income tax		**1,392,013**	1,010,058
Income tax expense	*7*	**(394,539)**	(295,769)
Profit for the period, attributable to equity holders of the Company		**997,474**	714,289
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
– Basic and diluted	*8*	**23.09 cents**	16.54 cents

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

(All amounts in thousands of Renminbi unless otherwise stated)

	Unaudited Six months ended 30 June	
	2019	2018
Profit for the period	**997,474**	714,289
Other comprehensive income/(loss)		
Item that may not be reclassified to profit or loss		
Fair value gains/(losses) on financial assets at fair value through other comprehensive income, net of tax	**27**	(230)
Other comprehensive income/(loss) for the period, net of tax	**27**	(230)
Total comprehensive income for the period, attributable to equity holders of the Company	**997,501**	714,059

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
As at 30 June 2019
(All amounts in thousands of Renminbi unless otherwise stated)

	Note	**Unaudited 30 June 2019**	Audited 31 December 2018
ASSETS			
Non-current assets			
Land use rights	*4*	**–**	1,967,815
Property, plant and equipment		**9,387,100**	9,906,103
Right-of-use assets	*4*	**1,955,851**	–
Investment properties		**322,683**	335,929
Intangible assets		**12,297**	15,391
Investments accounted for using the equity method		**790,640**	747,837
Financial assets at fair value through other comprehensive income		**218,648**	218,621
Deferred income tax assets		**313,997**	328,684
Other receivables – non-current portion		**45,041**	11,912
Long-term time deposits		**780,000**	550,000
		13,826,257	14,082,292
Current assets			
Inventories		**1,133,596**	1,459,019
Trade receivables	*10*	**667,597**	530,062
Prepayments, deposits and other receivables		**559,496**	1,002,819
Current income tax recoverable		**24,361**	31,888
Financial assets at amortised cost		**1,000,000**	–
Cash and bank balances		**3,316,180**	4,626,478
		6,701,230	7,650,266
Total assets		**20,527,487**	21,732,558

	Note	Unaudited 30 June 2019	Audited 31 December 2018
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**39,764**	39,764
Share premium account		**4,829,899**	4,829,899
Other reserves		**2,506,878**	2,506,851
Retained earnings		**5,796,549**	5,845,793
Total equity		**13,173,090**	13,222,307
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		**201,593**	183,094
Lease liabilities – non-current portion	*4*	**31,184**	–
Other payables – non-current portion		**242,648**	237,655
		475,425	420,749
Current liabilities			
Trade payables	*11*	**1,627,702**	1,554,219
Other payables and accruals		**2,534,671**	2,753,153
Contract liabilities		**535,162**	1,698,986
Borrowings		**1,978,293**	1,987,726
Lease liabilities	*4*	**20,643**	–
Current income tax liabilities		**182,501**	95,418
		6,878,972	8,089,502
Total liabilities		**7,354,397**	8,510,251
Total equity and liabilities		**20,527,487**	21,732,558

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2019
(All amounts in thousands of Renminbi unless otherwise stated)

1 GENERAL INFORMATION

Uni-President China Holdings Ltd. (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together the "Group") are principally engaged in the manufacturing and sale of beverages and instant noodles in the People's Republic of China (the "PRC") (the "PRC Beverages and Instant Noodles Business").

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 17 December 2007.

This condensed consolidated interim financial information is presented in thousands of Renminbi ("RMB"), unless otherwise stated, and was approved for issue by the Board of Directors on 6 August 2019.

This condensed consolidated interim financial information has been reviewed, not audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2019 has been prepared in accordance with HKAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2018, as described in those annual financial statements except for the adoption of amendments to HKFRSs effective for the financial year ending 31 December 2019.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting HKFRS 16 Leases.

The impact of the adoption of the leasing standard and the new accounting policies are disclosed in note 4 below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

HKFRS 16	Leases
HK(IFRIC) 23	Uncertainty over income tax treatments
HKFRS 9 (Amendments)	Prepayment features with negative compensation
HKAS 28 (Amendments)	Long-term interests in associates and joint venture
HKAS 19 (Amendments)	Plan amendment, curtailment or settlement

(b) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2019 and have not been early adopted by the Group

Standards and amendments		Effective for annual periods beginning on or after
Amendments to HKFRS 3	Definition of a Business	1 January 2020
Amendments to HKAS 1 and HKAS 8	Definition of Material	1 January 2020
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting	1 January 2020
HKFRS 17	Insurance Contracts	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

4 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 "Leases" on the Group's financial statements and discloses the new accounting policies that have been applied from 1 January 2019.

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

(a) Adjustment recognised on adoption of HKFRS 16

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.9%.

	2019
Operating lease commitments disclosed as at 31 December 2018	66,550
Less:	
Short-term leases recognised on a straight-line basis as expense	(8,952)
	57,598
Discounted using the lessee's incremental borrowing rate of at the date of initial application	53,478
Add:	
Rental prepayments recognised as at 31 December 2018	3,929
Reclassification of land use rights	1,967,815
Right-of-use assets recognised as at 1 January 2019	2,025,222

The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	30 June 2019	1 January 2019
Properties	**57,073**	57,407
Land use rights	**1,898,778**	1,967,815
Total right-of-use assets	**1,955,851**	2,025,222
Current lease liabilities	**20,643**	22,011
Non-current lease liabilities	**31,184**	31,467
Total lease liabilities	**51,827**	53,478

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets – increase by RMB2,025,222,000
- prepayments – decrease by RMB3,929,000
- land use right – decrease by RMB1,967,815,000
- lease liabilities (current portion) – increase by RMB22,011,000
- lease liabilities (non-current portion) – increase by RMB31,467,000

There was no impact on retained earnings on 1 January 2019.

(i) Impact on segment disclosures and earnings per share

Segment assets and segment liabilities at 30 June 2019 all increased as a result of the change in accounting policy. The following segments were affected by the change in policy:

	Segment profits	**Segment assets**	**Segment liabilities**
Beverages	300	29,600	26,551
Instant noodles	255	26,322	24,127
Others	11	1,151	1,149
	566	57,073	51,827

(ii) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and (HK)IFRIC 4 Determining whether an Arrangement contains a Lease.

(b) The Group's leasing activities and how these are accounted for

The Group leases various offices and warehouses. Rental contracts are typically made for fixed periods of 2 to 8 years but may have extension options as described in (i) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to income statement on a straight-line basis over the period of the lease. Payments for land use rights were recorded in prepayments for land use rights assets and amortisation was charged to income statement on a straight line basis over the period of the land use rights.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability

- any lease payments made at or before the commencement date less any lease incentives received

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

(i) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors consider the business only from a product perspective as over 90% of the Group's sales and business activities are conducted in the PRC. From a product perspective, management assesses the performance of beverages, instant noodles and others.

The executive directors assess the performance of the operating segments based on segment profit or loss. Other information provided, except as noted below, to the executive directors is measured in a manner consistent with that in the financial statements.

The majority of the Group's sales are through distributors and no revenue from transactions with a single external customer account for 10% or more of the Group's revenue.

Addition to non-current assets comprise addition to land use rights, property, plant and equipment, right-of-use assets, investment properties, intangible assets and investments accounted for using the equity method.

The segment information for the six months ended 30 June 2019 is as follows:

	Six months ended 30 June 2019				
	Beverages	**Instant noodles**	**Others**	**Unallocated**	**Group**
Segment results					
Revenue	**6,795,387**	**4,267,998**	**406,152**	**–**	**11,469,537**
Timing of revenue recognition					
At a point in time	**6,795,387**	**4,267,998**	**319,952**	**–**	**11,383,337**
Over time	**–**	**–**	**86,200**	**–**	**86,200**
	6,795,387	**4,267,998**	**406,152**	**–**	**11,469,537**
Segment profit/(loss)	**1,051,459**	**343,781**	**35,155**	**(125,099)**	**1,305,296**
Finance income – net	**–**	**–**	**–**	**69,558**	**69,558**
Share of profits/(losses) of investments accounted for using the equity method	**17,566**	**–**	**–**	**(407)**	**17,159**
Profit before income tax					**1,392,013**
Income tax expense					**(394,539)**
Profit for the period					**997,474**
Other income statement items					
Depreciation and amortization	**487,639**	**129,396**	**22,148**	**31,417**	**670,600**
Addition to non-current assets	**4,256**	**53,876**	**4,202**	**67,012**	**129,346**

	As at 30 June 2019				
	Beverages	**Instant noodles**	**Others**	**Unallocated**	**Group**
Segment assets and liabilities					
Assets	**8,667,698**	**2,565,636**	**811,094**	**7,692,419**	**19,736,847**
Investments accounted for using the equity method	**555,054**	**–**	**–**	**235,586**	**790,640**
Total assets					**20,527,487**
Liabilities	**2,837,705**	**1,987,867**	**301,392**	**2,227,433**	**7,354,397**
Total liabilities					**7,354,397**

The segment information for the six months ended 30 June 2018 is as follows:

	Six months ended 30 June 2018				
	Beverages	Instant noodles	Others	Unallocated	Group
Segment results					
Revenue	6,755,860	4,152,321	315,696	–	11,223,877
Timing of revenue recognition					
At a point in time	6,755,860	4,152,321	221,756	–	11,129,937
Over time	–	–	93,940	–	93,940
	6,755,860	4,152,321	315,696	–	11,223,877
Segment profit/(loss)	884,742	223,133	(4,946)	(170,416)	932,513
Finance income – net	–	–	–	54,751	54,751
Share of profits/(losses) of investments accounted for using the equity method	10,633	–	–	12,161	22,794
Profit before income tax					1,010,058
Income tax expense					(295,769)
Profit for the period					714,289
Other income statement items					
Depreciation and amortisation	503,743	142,998	26,036	34,678	707,455
Addition to non-current assets	332,427	112,906	15,784	71,486	532,603

	As at 31 December 2018				
	Beverages	Instant noodles	Others	Unallocated	Group
Segment assets and liabilities					
Assets	10,447,079	3,157,950	709,294	6,670,398	20,984,721
Investments accounted for using the equity method	551,143	–	–	196,694	747,837
Total assets					21,732,558
Liabilities	3,498,190	2,448,781	360,300	2,202,980	8,510,251
Total liabilities					8,510,251

6 OPERATING PROFIT

An analysis of the amounts presented as operating items in the financial information is given below.

	Six months ended 30 June	
	2019	2018
Cost of inventories	**6,092,834**	6,481,060
Promotion and advertising expenses	**736,166**	659,376
Employee benefit expenses, including directors' emoluments	**1,614,849**	1,604,792
Transportation expenses	**425,761**	443,879
Depreciation and amortization	**670,600**	707,454
Operating lease in respect of buildings	**49,861**	69,724
Reversal of impairment of trade receivables	**(1,179)**	(2,558)
(Reversal of)/write-down of provision for inventories to net realizable value	**(3,654)**	6,387
(Gains)/losses from disposal of property, plant and equipment	**(334)**	6,122
Government grants *(Note)*	**(55,169)**	(68,614)

Note:

The income from government grants represented subsidy received from various local governments in the PRC as rewards to the Group's subsidiaries for their contributions to the economy and development of the regions in which the subsidiaries are located. Such government grants were unconditional and with no future commitment to be fulfilled. Accordingly, they were recognised as income in the condensed consolidated interim income statement.

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2019	2018
Current income tax		
– Mainland China corporate income tax (“CIT”)	**361,353**	326,473
Deferred income tax	**33,186**	(30,704)
	394,539	295,769

(a) Mainland China CIT

Subsidiaries established in Mainland China are subject to CIT at the rate of 25% (2018: 25%) during the year.

According to the Caishui (2011) No. 58 “The notice on the tax policies of further implementation of the western region development strategy issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs” (財稅[2011]58號“關於深入實施西部大開發戰略有關稅收政策問題的通知”), companies set up in the western region and falling into certain encouraged industry catalogue promulgated by the PRC government will be entitled to a preferential tax rate of 15%. Some of the Group’s subsidiaries in the PRC set up in the western development region are entitled to the above mentioned preferential tax rate of 15% during the year.

(b) Other income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

Subsidiaries incorporated in Taiwan and Hong Kong are subject to income tax at the prevailing rates of 17% and 16.5% (2018: 17% and 16.5%) respectively.

8 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2019	2018
Profit attributable to equity holders of the Company	**997,474**	714,289
Weighted average number of ordinary shares in issue (thousands)	**4,319,334**	4,319,334
Basic earnings per share (RMB per share)	**23.09 cents**	16.54 cents

Diluted earnings per share are the same as basic earnings per share as there are no dilutive ordinary shares.

9 DIVIDENDS

Dividends in relation to the years ended 31 December 2018 and 2017, amounting to approximately RMB1,047 million and RMB619 million, were paid in June 2019 and June 2018, respectively.

The directors do not recommend an interim dividend in respect of the six months ended 30 June 2019 (2018: Nil).

10 TRADE RECEIVABLES

	30 June 2019	31 December 2018
Trade receivables		
– third parties	**675,334**	537,528
– related parties	**4,646**	6,183
	679,980	543,711
Less: provision for impairment	**(12,383)**	(13,649)
Trade receivables, net	**667,597**	530,062

The credit terms granted to customers by the Group are usually 60 to 90 days. At 30 June 2019, the ageing analysis of trade receivables is as follows:

	30 June 2019	31 December 2018
Trade receivables, gross		
– Within 90 days	**641,353**	504,102
– 91-180 days	**34,299**	35,402
– 181-365 days	**2,326**	2,337
– Over one year	**2,002**	1,870
	679,980	543,711

As credit terms are short and most of the trade receivables are due for settlement within one year, the carrying amounts of these balances approximated their fair values as at the balance sheet date.

11 TRADE PAYABLES

	30 June 2019	31 December 2018
Trade payables		
– third parties	**1,086,498**	1,193,954
– related parties	**541,204**	360,265
	1,627,702	1,554,219

At 30 June 2019, the ageing analysis of trade payables is as follows:

	30 June 2019	31 December 2018
Trade payables		
– Within 180 days	**1,542,804**	1,501,223
– 181 to 365 days	**56,191**	21,640
– Over one year	**28,707**	31,356
	1,627,702	1,554,219

The carrying amounts of trade payables approximated their fair values as at the balance sheet date due to short-term maturity.

AUDIT COMMITTEE REVIEW

The Audit Committee comprises Mr. Fan Ren-Da, Anthony, Mr. Chen Johnny, Mr. Chen Sun-Te, Mr. Su Tsung-Ming and Mr. Lo Peter. Except for Mr. Su Tsung-Ming who is a non-executive Director, the other members of the Audit Committee are independent non-executive Directors. The Audit Committee has reviewed with the management accounting principles and practices adopted by the Group and discussed financial reporting matters. The Audit Committee has reviewed the unaudited interim results of the Group for the Period under Review and has recommended their adoption by the Board.

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company had complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the Period under Review.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the Period under Review.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules to regulate securities transactions of the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standard set out in the Model Code throughout the Period under Review.

PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND OF THE COMPANY

The Company's 2019 interim report will be despatched to the shareholders of the Company and made available on the website of The Stock Exchange of Hong Kong Limited and the Company's website (www.uni-president.com.cn) in due course.

The interim condensed consolidated financial information set out above does not constitute the Company's statutory financial statements for the Period under Review but is extracted from the condensed consolidated financial statements for the Period under Review to be included in the 2018 interim report.

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

6 August 2019

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.