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 2011 INTERIM RESULTS

- Revenue reached RMB8,798.9 million, up by 42.8%
- Group gross margin of 28.2%, down by 6.2 percentage points
- EBITDA of RMB430.6 million, down by 21.0%
- Profit attributable to equity holders of the Company of RMB176.6 million, decreased by 40.8%

The board of directors (the "Board") 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") for the six months ended 30 June 2011. The interim condensed consolidated financial information is unaudited but has been reviewed by the audit committee of the Company and PricewaterhouseCoopers, the independent auditor of the Company, in accordance 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 2011 (the "period under review"), the economy of developed countries such as the US and Europe remained severe with complex uncertainties in the global economic landscape. The government of the People's Republic of China (the "PRC") continued to implement proactive fiscal policies and prudent monetary policies to maintain good economic performance in response to the global landscape. In the first half of 2011, the gross domestic product ("GDP") of the PRC recorded a year-on-year growth of 9.6%, with the first quarter and second quarter growth rate being 9.7% and 9.5% respectively. Accordingly, the economy continued to grow at a relatively faster pace in the early half of the year. The consumer price index ("CPI"), producer price index ("PPI") and total sales of consumer products rose by 5.4%, 7% and 16.8% respectively, as compared with the first half of last year. Overall, the national economy exhibited a healthy growth albeit the rising prices of commodities and raw materials worldwide indicated that an upward inflationary pressure would remain.

FINANCIAL RESULTS

For the half year ended 30 June 2011, the Group recorded revenue of RMB8,798.9 million, representing an increase of 42.8% from RMB6,163.6 million for the first half of last year. During the period under review, gross profit increased by 16.9% to RMB2,480.8 million and gross profit margin dropped 6.2 percentage points from 34.4% for the first half of last year to 28.2%. The increase in gross profit and the decrease in gross profit margin during the period under review were mainly due to the hike in the price of raw materials. Benefiting from the steady and relatively fast economic growth in the PRC, the Group expanded its customer base by strengthening product promotion, causing selling and marketing expenses during the period under review to increase to RMB2,157.2 million (first half of 2010: RMB1,659.0 million). During the period under review, administrative expenses increased by 47.6% to RMB251.8 million (first half of 2010: RMB170.6 million), which was mainly attributable to the PRC urban construction and maintenance tax and education surcharges on foreign enterprises since December of 2010. The net finance income for the period under review increased to RMB29.8 million (first half of 2010: net finance income of RMB26.0 million). During the period under review, the Group recorded an increase in the share of net profit of jointly controlled entities and associates to RMB41.7 million (first half of 2010: RMB28.2 million) and a sharp drop in profit attributable to equity holders of the Company for the period under review to RMB176.6 million (first half of 2010: RMB298.3 million).

BUSINESS REVIEW

During the first half of 2011, the Group recorded revenue of approximately RMB8,798.9 million, representing an increase of 42.8% as compared to the same period of last year. Among which, revenue from beverage products and instant noodles amounted to approximately RMB5,833.6 million and approximately RMB2,793.7 million respectively, representing an increase of 27.0% and 90.0% respectively as compared to the same period of last year. The results and performance of its major business segments is as follows:

Tea Drinks

During the first half of 2011, the best selling products of tea drinks, namely Uni Green Tea (統一綠茶) and Uni Ice Tea (統一冰紅茶) launched active marketing activities. With the brand building of "Youth Unlimited (年輕無極限)", its ice tea series continued to feature a young and energetic theme and consumers' interaction. In 2011, capitalizing on the strong impact of the movie "Kung Fu Panda (功夫熊貓)" which was aired worldwide, Kung Fu Panda products were launched and marketed along with the movie's promotion and channels. The Group successfully made use of trendy events and elements of popularity to capture the demand from young consumers. The Group appointed the movie superstar Sun Hong Lei as the spokesperson for its green tea series, coupled with the extensive TV media and outdoor media, the brand philosophy of "Uni Green Tea, Good & Natural! (統一綠茶，自然就好！)" was promoted. In face of the increasing costs and fierce market competition among various brands during the first half of 2011, the Group will continue to maintain its sharp market insights and adopt flexible and effective marketing strategies to ensure the sustainable growth of its tea drinks business.

In recent years, tea drinks' development has been increasingly diversified and can be classified into two major types: 1) strong texture tea drinks which focus on tea's own taste and tea's mellowness and aroma enhanced in the process; 2) diversified flavored tea drinks which target at the young and energetic consumer group, and feature the mix and match of tea and other drinks to create special tea drinks with excitement and diversity. The Group considers that the tea drinks market is expected to develop more intensively and extensively in the two directions above, i.e. high quality and diversified flavors. During the first half of 2011, the Group through adjusting its operating strategies in the backdrop of future market trends and leveraging on the research and development capabilities in tea drinks of its Taiwan-based parent company that has been built up for over 40 years launched a quality tea product King of Tea: Oolong Tea of Wuyi Mountain (茶裡王武夷山烏龍茶). In identifying the origin of the famous tea, the Group integrated innovative extraction techniques with the purple clay tea-making process to produce pure and traditional quality tea. Its unique chrysanthemum flavor Ice Honey Chrysanthemum (冰醇蜜菊) and fresh fruit tea brisk Fruit Tea No.2 (果茶2班) generated a brand new experience for the consumers and were popular in the flavored tea drinks market. The Group will endeavor to create new operating ideas to cater for increasingly demanding needs of consumers.

Juice Drinks

During the first half of 2011, revenue from sales of juice drinks rose 22.74% over the same period of last year. This was attributable to the steady growth of the "More" series as well as the successful launch of new product, Crystal Sugar Pear Drink (冰糖雪梨).

In recent years, numerous new offerings and diversified flavors have been introduced in the juice drinks market. As consumers are pleased to try and accept new things, all flavors in the juice drinks market recorded growth. Despite that orange flavor still accounted for the largest share, its percentage was gradually falling as the growth of other flavors outperformed that of orange flavor. Capitalizing such consumption trend, the Group has attached much importance to the multi-flavor development of the "More" series in recent years. In 2011, apart from its major product, "More" orange juice, which continued to maintain steady revenue growth, other flavors such as peach and grape juice drinks grew by 23.7% and 26.8% respectively, outperforming the growth of orange juice drink. In capturing the trend of diversifying tastes of consumers, the overall performance of "More" series still recorded growth in spite of the price adjustment in the first half of 2011.

To cater for the fast changing needs of consumers, Uni Juice Drinks (統一果汁) had been repositioned as China's traditional flavor healthy juice drink and renamed as Uni Youth Series (統一輕養系) in 2011. Uni Youth Series (統一輕養系) selects traditional fruits in China with the nutrition from natural fruits to create a new experience of nature and health to consumers. Kumquat and Lemon Mix Drink (金橘檸檬) and Crystal Sugar Pear Drink (冰糖雪梨) were rolled out successively. With its unique flavor and nourishing values, Crystal Sugar Pear Drink (冰糖雪梨) was very well-received by the consumers within a very short time and has indicated strong performance. In only three months after its launch, it recorded revenue from sales of RMB140 million. Currently, it accounted for the second largest share right after "More" orange juice. Given its remarkable operating results in differentiated products, it is expected to generate positive contribution to the expansion of market share in the future.

In 2011, prices of Brazilian orange juice, white sugar and polyester chips, being the major raw materials of juice drinks, continued to soar, adding pressure to the gross profit margin of juice drinks. In order to maintain sustainable and sound development of the enterprise, whilst safeguarding the interests of consumers, the Group began to moderately adjust the prices of its core products, the "More" series since March 2011, and through refining production costs, adjusted product and channel structures, as well as strictly controlled marketing expenses to implement effective cost control. Accordingly, gross profit margin of juice drinks improved in June 2011. In addition, the "More" mango juice introduced in July 2011 had a higher profit margin. By adjusting product structure, its profitability has been gradually improved. Besides, the Group can make use of new offerings to refresh brand image and bring new elements to the "More" series.

Riding on the good momentum of Crystal Sugar Pear Drink (冰糖雪梨) developed in the first half of the year, the Group will invest in online media in key areas and work closely with them in marketing in the second half of 2011 to further drive its results performance. The Group will push ahead its network expansion as well as county village marketing, and firmly seize the operations during Mid-Autumn Festival, National Day and Chinese New Year.

Milk Tea

The Group's milk tea business performed remarkably in the first half of 2011, representing an increase of 223% over the same period of last year. According to the survey of ACNielsen, the Group's milk tea market share in June 2011 is 58.4%, reflecting that the Group's growth in milk tea was far beyond the growth of the overall milk tea market. Its fast growing Assam Milk Tea (阿薩姆奶茶) has actively driven the fast expansion of the overall milk tea market where the sales amount of milk tea accounts for nearly 10% of the entire instant milk tea market, indicating its increasingly significant market position. As of May 2011, Uni Milk Tea (統一奶茶) outperformed its industry peers and accounted for 54.7% of the market share. In the second half of 2011, the Group will strive to expand the market leading edges of Uni Milk Tea (統一奶茶) with a view to further expanding its market share.

Another focus in 2011 was to quickly enhance the brand recognition of Uni Milk Tea (統一奶茶). Firstly, the Group appointed Charlene Choi, a Hong Kong artist, as spokesperson to arouse the interest and liking of the target consumer group with her positive public image. Secondly, the Group increased its investments in media resources. During the first half of the year, TV commercials of Uni Milk Tea (統一奶茶) were placed on CCTV, satellite TV stations and provincial TV stations in major markets. Coupled with over 10,000 terrestrial brand building activities, the brand recognition and influence of Uni Milk Tea (統一奶茶) was quickly enhanced. In the second half of the year, the Group will continue to focus on the advantages of Assam's flavor and market instant powder mix Assam Milk Tea (阿薩姆奶茶) to increase the consumption frequency and timing of consumers. In addition, the Group will further penetrate into the key markets and some second-tier and third-tier village towns to explore new consumers.

Coffee

A-Ha Coffee (雅哈咖啡) is the major brand in its coffee business. Revenue from sales grew by 93% in the first half of 2011 as compared with the same period of 2010. Since its launch, revenue from PET450ml A-Ha Coffee (雅哈冰咖啡) has been on the rise and achieved a year-on-year growth of 119%. Meanwhile, Aromatic Latte (醇香拿鐵), an espresso type of coffee with a smaller capacity of 280ml launched at the end of 2010, has drawn an overwhelming response from the market upon its launch, especially when it was sold in the form of hot drink during winter from January to March and achieved good sales performance. The two PET products above are the major drivers of performance of A-Ha Coffee (雅哈咖啡).

"A-Ha and Relax (雅哈一下 輕鬆一下)" is the new brand philosophy of A-Ha Coffee (雅哈咖啡), which aims at the affections of the target consumer group and differentiates itself from other brand products in terms of communication with consumers. It features the marketing of experience and in-depth communication. Coupled with its focus on Shanghai, currently being the largest coffee market, the Group will endeavor to enhance the consumers' brand preference with accurate media placement. In the second half of the year, the Group will "continue to activate new consumers" and strive to acquire the largest market share in Shanghai by the end of 2011.

Bottled Water

Since 2008, the Group has begun to adjust the direction of its operation of bottled water to focus on the high-end quality natural mineral water so as to break away from the low price competition in the mineral water market. The Group seeks mineral water sources nationwide and has set up mineral water bases in Bama, Guangxi and the western slope of Wuyi Mountain, the world's famous longevity areas as well as the so-called natural oxygen bar, Zixi County in Jiangxi Province. Recently, the Group plans to develop the existing mineral water plants in Wuxue, mineral water plants in Xiangtan whose water source is in Hengshan and mineral water plants in Wuyuan. The Group also continues to actively explore various quality mineral water sources and plans to set up mineral water plants nationwide. In addition, the Group targets at the needs of different consumers for product classification, namely super high quality "Bama Fountain" natural mineral water in Longevity Village, "Alkaqua" natural mineral water and Uni Mineral Water (統一礦泉水). Leverage on the sales network across the nation, the Group strives to become a leading brand amongst the mid- to high-priced mineral water products nationwide.

For the first half of 2011, the Group's bottled water was undergoing product structure adjustment where the Group gradually stepped away from the low-priced mineral water products. In June 2011, Uni Mineral Water (統一礦泉水) was launched for sales in eastern China, central China and southern China.

Instant Noodles

Since the second half of 2008, the Group has been specializing in the operation of mid- to high-priced noodles and 1+1 taste proposal which features one major flavor across the nation and one major local flavor for each region. In 2011, the Company's revenue from instant noodles grew significantly. Revenue growth for 2010 was 67.4% and reached 78.9% for the second half of 2010. In the first half of 2011, the Group recorded a revenue of approximately RMB2,793.7 million and achieved a half-yearly record of 90.0%. Operating profits amounted to approximately RMB51.8 million. The Group has been making profits for 2.5 consecutive years. The Company's instant noodles business is now officially on a profit track, with steady growth in market share from 11.2% in December 2010 to 13.2% in June 2011, according to figures of ACNielsen, and is ranked second in terms of market share.

For the first half of 2011, revenue from our featured marketing flavor across the nation, Lao Tan Pickled Cabbage and Beef (老壇酸菜牛肉), amounted to RMB1,639 million, representing a significant increase of 220% as compared to the same period of 2010. Not only did it effectively drive the overall growth performance, it has also become the top three flavors in terms of sales of instant noodles in China. Lao Tan Pickled Cabbage and Beef (老壇酸菜牛肉) is expected to become the top flavor in the spicy and hot flavor instant noodles market by the end of 2011 and achieve better results in the future.

In delivering the message of "Unbelievably sour and crispy (這酸爽，不敢相信)", Lao Tan Pickled Cabbage and Beef (老壇酸菜牛肉) emphasizes that its Lao Tan pickled cabbage is manufactured with the application of "Lao Tan second fermentation" process and "special red chili oil pickled cabbage" as its differentiated product features. Renowned TV program host Wang Han was appointed as spokesperson to boast the unbelievable divine taste of such unique product and deliver the food cravings and delicious taste to the consumers nationwide through CCTV, nationwide major satellite TV stations and regional TV stations. Coupled with the marketing of experience at the experience stations and water vans as well as consumers' interaction in various markets, the

Group promoted the message of "My first taste of Lao Tan pickled cabbage (我的第一口老壇酸菜)" to allow consumers to experience such "unbelievably sour and crispy" taste from the sense of sight, sense of smell and sense of taste, and ensure multiple contacts with consumers for over three times to establish its loyal consumer base.

In respect of network expansion, the Group will continue to increase distribution coverage and effectively penetrate into village towns. Currently, product penetration in the southern market has reached county towns and some village towns. Since the third quarter of 2010, the northern market has focused on the development of cities. Its revenue has been growing rapidly and reached 215% year-on-year for the first half of 2011, evidencing the development of the Group's weaker northern market is also gradually taking effect. In addition, the Group plans to extend its marketing into more key northern markets.

In face of the rising prices of raw materials in China in 2010, prices of flour and palm oil, being its major raw materials, continued to show an upward trend given the global economic environment, demand and supply relations and climatic changes during the first half of 2011. In optimizing the product structure, high-priced cup noodles products with a higher profit margin account for a significant percentage of the Group's total revenue from instant noodles. With the development of high-end brands namely Soup Expert (湯達人) and Man Han Fest Instant Noodles (滿漢大餐), the Group continued to communicate with consumers. Despite the price adjustment of Soup Expert (湯達人) in 2010, its sales for the first half of 2011 continued to maintain a steady double-digit growth rate. As a super high-priced product, Man Han Fest Instant Noodles (滿漢大餐) performed well for the first half of 2011. Given the fast growing economy of China and increasing consumption power of consumers, high-end products possess tremendous growth potentials.

Looking into the future, the Group will further develop products that meet consumers' need and possess unique tastes based on the successful experience of Lao Tan Pickled Cabbage. At the same time, the Group will continue to optimize its product structure and step up its efforts in the development of cup noodles and high profit margin products to enhance profitability.

Due to the fast growing instant noodles business, the Group has to quickly expand its production capacity. In 2011, the Group added the high-speed production lines for cup noodles and packaged noodles to cope with the increase in revenue from sales. As a result of the technology upgrade of new production lines, the production efficiency can also be enhanced.

Research and Development ("R&D")

In addition to new product R&D, the Group's research and development center, Central Research Institute, conducted a number of researches on improvement in terms of cost reduction, enhancement of existing brands and food safety assurance in view of the growing prices of food raw materials and frequent occurrence of food safety incidents in the first half of 2011.

New product development: The R&D of high-end and high profit margin products is the direction for the Group's growth. For new product development, the Company has formulated a set of strict quality control policies to ensure the provision of high quality, delicious and safe food products to consumers, thus maximizing their benefits.

Cost reduction: In view of the rising costs of bulk raw materials, various product development departments strive to develop technologies and explore alternative domestically produced raw materials, maintain or enhance product quality through innovative technologies and processes, and alleviate the impact of raw materials on products.

Product optimization: To ensure the market competitiveness of existing products and satisfy the changing needs of consumers at all times, the Group's Central Research Institute from time to time conducts a survey on the eating and drinking habits of external consumers and makes adjustments to the tastes and flavors to cater for the needs of consumers.

Quality assurance: To ensure product quality, the Group regularly conducts sampling tests on finished products in the plants and in the market as quality assurance measures. In view of the frequent occurrence of food safety incidents, the Group has formulated a set of preventive policies on the application of new raw materials with the procurement and food safety center. For example, small test tube inspection process, confirmation sheet for validity of formulae and confirmation letter of raw materials quality safety are introduced. The Group strictly implements the inspection of raw materials, semi-finished products and finished products of all products on the market, and reviews its legality from time to time based on the food safety indicators promulgated by the PRC government.

Food Safety

In adherence to the motto of "three goods and one fairness: good quality; good credit; good service and fair price (三好一公道，品質好，信用好，服務好，價格公道)", the Company offers safe, healthy and delicious food products to consumers. To enhance the level of food safety management system of the Group, the food safety and health committee led by the general manager has been established to take charge of the development of food safety management system. Meanwhile, the food safety center is committed to establishing the food safety protection system and pushing ahead the risk assessment, precaution and control of food safety to ensure food safety, as well as formulating and implementing quality assurance policies to ensure product quality.

In the first half of 2011, the Group attached great importance to strengthen the food safety management of supply chain source; implemented the food safety qualification audit on suppliers, food safety site appraisal of suppliers and established an inspection system on raw materials food safety projects; and rationalized the procedures for introduction of suppliers to ensure the implementation of food quality safety control at the source of supply chain. During the period under review, the Group closely monitored various food safety incidents and conducted timely risk assessments, as well as carried out inspection on raw materials and finished products to ensure food safety. The subsidiaries have each established a food safety committee to strengthen the food safety management in the course of production and actively introduced advanced production equipment and technologies for drinks and instant noodles so as to enhance the food safety risk protection ability. The Group actively participated in the formulation of related national standards; collected and published food regulations and local and overseas information on food safety to strengthen the awareness of food safety, coordinate and facilitate the thorough implementation of food regulations and safety standards with an aim to safeguard the interests of consumers.

Since 2005, the Group's food safety testing center has passed the annual expert evaluation organized by China National Accreditation Service for Conformity Assessment ("CNAS Accreditation"). Possessing facilities including GC, GC/MSMS, HPLC, AFS, ICP and ICS, the Group has commenced 165 testing projects of which 124 projects have passed as projects recognized by the national laboratories. In terms of the assessment items including food safety tests (such as residual pesticide, preservative, artificial color and bromate), trace heavy metal, amino acids, lipid stability and food composition analysis, the Group has a highly authoritative assessment report which is recognized by various national laboratories and 72 institutions covering 59 countries worldwide.

To strengthen the monitoring ability of the Group's food safety, advanced assessment facilities such as LC/MSMS were equipped in 2011 to conduct its own assessments on food safety items of 450 residual pesticides, 17 plasticizers, 70 edible synthetic pigments, 60 antibiotics and 22 heavy metals. Combining with the laboratories of the subsidiaries and external assessment units, the Group can meet the assessment requirements on the food safety project concerned, providing the group companies with professional and recognized assessment services to ensure food safety across the Group.

During the first half of 2011, 13 subsidiaries of the Group passed the ISO9001:2000 international standard management system certification and 12 drinks plants of its subsidiaries passed the Hazard Analysis Critical Control Point ("HACCP") certification and ISO22000:2005 food safety management system certification. The Company is committed to improving the food safety and quality control system and enhancing the food safety protection ability to offer not only delicious products, but also healthy and safe food products to consumers.

Production Technologies

In 2011, the Group's production technology units strived to introduce new technologies. As to drinks production, the Group has introduced the PET blow fill equipment. Compared with the traditional hot fill or hot pack lines, it can minimize the use of complementary production facilities, increase the level of automation, reduce labor costs, save the consumption of energy and reduce the consumption of raw materials.

Nowadays, as the prices of raw materials continue to accelerate, the Group takes into account the major raw material for drinks, polyester chips, and launches the PET light weight bottle proposal. Through technology upgrade, the mouth and body of PET bottles are redesigned to greatly reduce the consumption of polyester chips, thus minimizing the consumption of raw materials and reducing the costs of production.

With respect to the automation reform of instant noodles production lines, the Group has introduced the automated noodles making machine, bowl noodles automated box filling machine, high speed packaging machine, high speed parcel delivery machine and automated noodles lining machine to promote reasonable mechanization and reduce the costs of labor.

In response to the energy saving and emission reduction policies promulgated by the PRC government, the Group has adopted measures to increase the furnace's turndown ratio, introduce green energies such as solar energy and recycling of underground water for cooling. In the first half of 2011, the Group successfully reduced the consumption of water, power and steam to contribute to energy saving and carbon emission reduction.

Logistics System Development

In the first half of 2011, the Group completed the "comprehensive order tracking system" to track production orders in three major steps: shipment tracking, receipt recovery management and freight settlement. The system enables the enhancement of the standard of service in processing orders where the freight rate is automatically settled, achieving accurate, strict and real-time order control and whole process management.

Despite the increase in freight rate directly caused by the two raises in oil price by National Development and Reform Commission during the first half of 2011, the freight ratio (i.e. freight rate/revenue from sales) did not grow substantially in the first half of the year as a result of the implementation of planned transportation routes management.

Given the fast growth in results performance, in order to enhance logistics processing capabilities, the Group intended to set up five regional logistics centers across the nation at the beginning of 2011 to increase its shipment capacity. Looking ahead, the construction of modern and automated logistics centers will further increase the shipment processing capacity and place the Group in a better position to cope with the business growth in the coming five years.

FINANCIAL POSITION

As at 30 June 2011, the Group had cash and cash equivalents of approximately RMB2,675.8 million (31 December 2010: approximately RMB2,427.4 million). Current assets amounted to approximately RMB4,598.9 million (31 December 2010: approximately RMB4,401.7 million) and current liabilities were approximately RMB4,981.1 million (31 December 2010: approximately RMB2,903.9 million). Contingent liabilities were approximately RMB130.8 million (31 December 2010: approximately RMB199.0 million). Net current liabilities were approximately RMB382.3 million (31 December 2010: net current assets were approximately RMB1,497.8 million). The Group had bank borrowings of approximately RMB1,762.2 million (31 December 2010: approximately RMB165.6 million). The Group's gearing ratios are as follows:

	30 June 2011 *RMB'000*	31 December 2010 *RMB'000*
Total borrowings	**4,911,482**	2,841,265
Less: cash and cash equivalents	**(2,675,826)**	(2,427,362)
Net debt	**2,235,656**	413,903
Total equity	**6,694,810**	6,659,537
Total capital	**8,930,466**	7,073,440
Gearing ratio	**25.03%**	5.85%

TREASURY POLICY

During the period under review, in view of the uncertainties over the complex economic environment globally and domestically, the Group maintained its prudent strategies to cope with various severe challenges and to achieve its medium- to long-term objectives of sustainable development. In capitalizing on the ongoing and fast growth opportunities in the economy of China, coupled with its prudent treasury policies that are favorable to the Groups' overall development, the Group achieved a double-digit growth in revenue from its businesses. Although prices of most raw materials have increased significantly which resulted in lower gross profit margin, and the increase in debt-to-capital ratio as a result of expansion of production scale and construction of new facilities, the Group's overall financial position remained sound with a net cash increase position. The Group financed its operation and business development primarily with internally generated resources. The Group also adopted flexible and prudent fiscal policies to manage the financing arrangements due to expansion of production lines. The borrowings of the Group were utilized by its subsidiaries and were interest-bearing loans. Since most of the Group's monetary assets were denominated in Renminbi, its exposure to currency risk was minimal.

PROSPECTS

In view of the ongoing European debt crisis and the uncertainties over major economies such as the US and Japan, coupled with the intensifying global inflation, it is expected that the global market will continue to face many challenges and risks in the near term. As the PRC government places stabilization of commodity prices as a whole at the top of the agenda of macroeconomic control by the PRC government whilst actively drives economic development, it is anticipated that economic growth will be increasingly healthy and solid in the medium- to long-term. Looking into the second half of the year, the Group will seize the market opportunities in the future, continue to actively consolidate the existing markets and explore new markets, and establish closer relations with distributors and consumers. In addition, to enhance corporate value, maintain sustainable development and safeguard the best interests of shareholders, the Group will strive to refine its product portfolio and implement strict cost control to increase profit margin of products. The Group will also enhance the management efficiency of internal operation, human resources and finances according to the actual market needs so as to increase cost effectiveness. In executing strict quality control procedures, the Group ensures that the products are in full compliance with the safety standards.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2011, the Group had a total of 26,690 employees. Given the large-scale market expansion of the Company, manpower is wanting. Human resources development requires speedy and efficient training to cater for the manpower demand for fast growing business and production. Uni-President Enterprise University (統一企業大學) was established by the Group in 2011 with an aim to execute systematic and tentative human resources training. Each new joiner will undergo the new joiner training program to learn the corporate culture, employee handbook and career planning so as to quickly fit into the working environment and position. The Group will actively identify intermediate to senior management candidates for its business development. The Group will organize various suitable position and function programs, track their performance and prepare records, as well as establish a human resource database. Employees may also attend e-learning sessions via the training management system, or make enquiries on programs or attendance records to compete for the positions recruited by the Group in a self-directed and active approach, satisfying employees' needs for promotion and career planning. In addition, the Group will promote employees internally and recruit employees externally to meet the demand for manpower for the Group's large-scale expansion.

The Group enters into individual employment contracts with its employees, stating the wages and salaries, various national allowances, social security benefits, employee benefits, work place safety and hygiene environment, confidentiality of commercial secrets and termination conditions. Apart from the employment contracts between intermediate and senior management officers, these employment contracts have a term from one to three years. New joiners are subject to a probationary period of two months.

CONTRIBUTIONS TO EMPLOYEE BENEFITS

Pursuant to the applicable social insurance regulations in the PRC, we provide pension insurance, medical insurance, unemployment insurance and housing provident fund to our employees as required by the local governments. In addition, we maintain employer's liability insurance for our employees and subsidize our staff's additional medical insurance covering outpatient care and hospitalization.

The labour union of the Group is a member of All China Federation of Trade Unions. Our labour union is responsible for organizing the staff's recreational activities and improving the living quality of our employees. Furthermore, the labour union has held meetings to communicate with and receive feedback from our employees in the past few years which directly and indirectly created economic value for the Group. The Group has not experienced any strikes, material labour disputes or industrial actions.

GROUP RESULTS

The Board of the Company is pleased to announce the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2011.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011
(All amounts in thousands of Renminbi unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Note	**2011**	2010
Revenue	*3*	**8,798,916**	6,163,574
Cost of sales		**(6,318,145)**	(4,040,572)
Gross profit		**2,480,771**	2,123,002
Other gains, net		**7,875**	23,440
Other income		**76,335**	26,420
Selling and marketing expenses		**(2,157,226)**	(1,658,989)
Administrative expenses		**(251,784)**	(170,571)
Operating profit	*4*	**155,971**	343,302
Finance income		**39,381**	27,099
Finance costs		**(9,549)**	(1,083)
Finance income – net		**29,832**	26,016
Share of profits from jointly controlled entities and associates		**41,663**	28,235
Profit before income tax		**227,466**	397,553
Income tax expense	*5*	**(50,889)**	(99,218)
Profit for the period, attributable to equity holders of the Company		**176,577**	298,335
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share) – Basic and diluted	*6*	**4.91 cents**	8.29 cents
Dividends	*7*	**–**	–

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011
(All amounts in thousands of Renminbi unless otherwise stated)

	Unaudited	
	Six months ended 30 June	
	2011	2010
Profit for the period	**176,577**	298,335
Other comprehensive income		
Fair value gains on available-for-sale financial assets	**23,278**	60,532
Transfer of fair value gain previously taken to reserve to income statement upon disposal of available-for-sale financial assets	**(8,870)**	(12,827)
Other comprehensive income for the period	**14,408**	47,705
Total comprehensive income for the period, attributable to equity holders of the Company	**190,985**	346,040

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As At 30 June 2011

(All amounts in thousands of Renminbi unless otherwise stated)

	Note	**Unaudited 30 June 2011**	Audited 31 December 2010
ASSETS			
Non-current assets			
Leasehold land		**1,051,893**	255,505
Property, plant and equipment		**4,009,113**	3,120,990
Investment property		**102,905**	–
Intangible assets		**9,083**	10,705
Interests in jointly controlled entities and associates		**1,152,006**	828,458
Available-for-sale financial assets		**539,858**	532,828
Deferred income tax assets		**157,103**	130,147
Other non-current receivables		**309,639**	300,383
		7,331,600	5,179,016
Current assets			
Inventories		**1,005,642**	1,139,147
Trade and bills receivables	*8*	**582,734**	400,995
Prepayments, deposits and other receivables		**308,946**	429,492
Pledged bank deposits		**25,711**	4,673
Cash and cash equivalents		**2,675,826**	2,427,362
		4,598,859	4,401,669
Total assets		**11,930,459**	9,580,685

	Note	Unaudited 30 June 2011	Audited 31 December 2010
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**34,047**	34,047
Share premium		**2,243,980**	2,243,980
Other reserves			
– Proposed dividends		**–**	155,712
– Others		**4,416,783**	4,225,798
Total equity		**6,694,810**	6,659,537
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		**167,663**	17,251
Borrowings		**86,840**	–
		254,503	17,251
Current liabilities			
Trade and bills payables	*9*	**1,233,340**	1,019,984
Other payables and accruals		**2,002,738**	1,655,642
Borrowings		**1,675,404**	165,639
Current income tax liabilities		**69,664**	62,632
		4,981,146	2,903,897
Total liabilities		**5,235,649**	2,921,148
Total equity and liabilities		**11,930,459**	9,580,685
Net current (liabilities)/assets		**(382,287)**	1,497,772
Total assets less current liabilities		**6,949,313**	6,676,788

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2011 has been prepared in accordance with HKAS 34, 'Interim financial reporting'. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2 ACCOUNTING POLICIES

Except as described in Note (a) and (b) below, the accounting policies adopted are consistent with those of the annual financial statements of the Group for the year ended 31 December 2010, as described in the annual financial statements.

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

(a) Investment property

Investment property is defined as property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production of supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives. The residual values and useful lives of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date.

(b) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2011.

Relevant to the Group's operations:

- HKAS 24 (Revised), "Related Party Disclosures" is effective for annual periods beginning on or after 1 January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government. It also clarifies and simplifies the definition of a related party.

- Amendment to HKAS 34 'Interim financial reporting' is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in HKAS34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

Not relevant to the Group's operations:

- Amendment to HKAS 32 'Classification of rights issues' is effective for annual periods beginning on or after 1 February 2010. This is not currently applicable to the Group, as it has not made any rights issue.

- Amendment to HK(IFRIC) – Int-14 'Prepayments of a minimum funding requirement' is effective for annual periods beginning on or after 1 January 2011. This is not currently relevant to the Group, as it does not have a minimum funding requirement.

- HK(IFRIC) – Int-19 'Extinguishing financial liabilities with equity instruments' is effective for annual periods beginning on or after 1 July 2010. This is not currently applicable to the Group, as it has no extinguishment of financial liabilities replaced with equity instruments currently.

- Third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by the HKICPA, except for amendment to HKAS 34 'Interim financial reporting' as disclosed above and the clarification to allow the presentation of an analysis of the components of other comprehensive income by item within the notes, all are not currently relevant to the Group. All improvements are effective in the financial year of 2011.

(c) The HKICPA has also issued a number of new standards, amendments to standards and interpretations which are not effective for the financial year beginning 1 January 2011. The Group has not early adopted these standards:

- HKFRS 9, 'Financial instruments' addresses the classification, measurement and derecognition of financial assets and financial liabilities.

- HKAS 12 (Amendment) 'Deferred tax: Recovery of underlying assets' introduces an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value.

- HKFRS 7 (Amendment) 'Disclosures – Transfers of financial assets' introduces new disclosure requirement on transfers of financial assets.

3 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 Groups 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 segment information for the six months ended 30 June 2011 is as follows:

	Six months ended 30 June 2011				
	Beverages	**Instant noodles**	**Others**	**Unallocated**	**Group**
Segment results					
Revenue	**5,833,639**	**2,793,722**	**171,555**	**–**	**8,798,916**
Segment profit/(loss)	**145,224**	**51,800**	**(3,003)**	**(38,050)**	**155,971**
Finance income – net					**29,832**
Share of profits/(losses) from jointly controlled entities and associates	**43,500**	**–**	**–**	**(1,837)**	**41,663**
Profit before income tax					**227,466**
Income tax expense					**(50,889)**
Profit for the period					**176,577**
Other income statement items					
Depreciation and amortisation	**173,539**	**44,676**	**4,516**	**10,189**	**232,920**
Capital expenditure	**1,041,928**	**176,118**	**23,460**	**9,169**	**1,250,675**

	As at 30 June 2011				
	Beverages	**Instant noodles**	**Others**	**Unallocated**	**Group**
Segment assets and liabilities					
Assets	**4,696,914**	**1,397,924**	**91,780**	**4,591,835**	**10,778,453**
Interests in jointly controlled entities and associates	**951,491**	**–**	**–**	**200,515**	**1,152,006**
Total assets	**5,648,405**	**1,397,924**	**91,780**	**4,792,350**	**11,930,459**
Total liabilities	**2,234,026**	**883,066**	**38,507**	**2,080,050**	**5,235,649**

The segment information for the six months ended 30 June 2010 is as follows:

	Six months ended 30 June 2010				
	Beverages	Instant noodles	Others	Unallocated	Group
Segment results					
Revenue	4,593,742	1,470,622	99,210	–	6,163,574
Segment profit/(loss)	408,385	(12,558)	(12,631)	(39,894)	343,302
Finance income – net					26,016
Share of profits/(losses) from jointly controlled entities and associates	28,804	–	–	(569)	28,235
Profit before income tax					397,553
Income tax expense					(99,218)
Profit for the period					298,335
Other income statement items					
Depreciation and amortisation	130,820	34,928	3,021	4,986	173,755
Capital expenditure	391,359	25,623	3,186	3,476	423,644

	As at 31 December 2010				
	Beverages	Instant noodles	Others	Unallocated	Group
Segment assets and liabilities					
Assets	4,041,913	1,279,723	129,252	3,301,339	8,752,227
Interests in jointly controlled entities and associates	755,855	–	–	72,603	828,458
Total assets	4,797,768	1,279,723	129,252	3,373,942	9,580,685
Total liabilities	1,682,019	890,378	47,787	300,964	2,921,148

4 OPERATING PROFIT

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

	Six months ended 30 June	
	2011	2010
Cost of inventories	**5,650,315**	3,462,288
Employee benefit expenses, including directors' emoluments	**908,261**	614,213
Depreciation and amortization	**232,920**	173,755
Operating lease in respect of buildings	**70,325**	43,513
Provision (reversal of provision) for impairment of		
– Property, plant and equipment	**10**	(49)
– Trade receivables	**(634)**	541
(Reversal of write-down) Write-down of inventories to net realizable value	**(4,852)**	1,883
Losses (gains) from disposal of property, plant and equipment	**3,135**	(1,606)
Gains from disposal of available-for-sale financial assets	**9,899**	18,799
Government grants	**45,292**	8,279

5 INCOME TAXES

	Six months ended 30 June	
	2011	2010
Current income tax		
– Mainland China corporate income tax ("CIT")	**78,071**	132,317
Deferred income tax	**(27,182)**	(33,099)
	50,889	99,218

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

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

Effective from 1 January 2008, the Company's subsidiaries incorporated in the PRC are required to determine and pay the CIT in accordance with the Corporate Income Tax Law of the PRC as approved by the National People's Congress on 16 March 2007 and the related regulations (the "New CIT Law"). According to the new CIT Law, the income tax rates for both domestic and foreign investment enterprises have been unified at 25% effective from 1 January 2008. For enterprises which were established before the publication of the new CIT Law and were entitled to preferential treatments of reduced CIT rates granted by relevant tax authorities, the new CIT rates will be gradually increased from the preferential rates to 25% within 5 years after the effective date of the new CIT Law on 1 January 2008. For the regions that enjoy a reduced CIT rate of 15%, the tax rate would gradually increase to 18% for 2008, 20% for 2009, 22% for 2010, 24% for 2011 and 25% for 2012 according to the grandfathering rules stipulated in the related regulations. Enterprises that are currently entitled to exemptions or reductions from the standard income tax rate for a fixed term may continue to enjoy such treatment until the fixed term expires.

6 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	
	2011	2010
Profit attributable to equity holders of the Company	**176,577**	298,335
Weighted average number of ordinary shares in issue (thousands)	**3,599,455**	3,599,445
Basic earnings per share (RMB per share)	**4.91 cents**	8.29 cents

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

7 DIVIDENDS

Dividends in relation to the years ended 31 December 2010 and 2009 amounting to approximately RMB156 million and RMB352 million were paid in June 2011 and June 2010, respectively.

The directors do not recommend an interim dividend in respective of the six months ended 30 June 2011 (2010: Nil).

8 TRADE AND BILLS RECEIVABLES

	30 June 2011	31 December 2010
Trade receivables		
– third parties	**577,999**	403,503
– related parties	**10,327**	6,541
	588,326	410,044
Bill receivables – third parties	**2,500**	–
Less: provision for impairment	**(8,092)**	(9,049)
Trade and bills receivables, net	**582,734**	400,995

The credit terms granted to customers by the Group are usually 60 to 90 days. At 30 June 2011, the ageing analysis of trade receivables is as follows:

	30 June 2011	31 December 2010
Trade receivables, gross		
– Within 90 days	**547,473**	366,956
– 91-180 days	**38,709**	39,866
– 181-365 days	**1,887**	2,313
– Over 1 year	**257**	909
	588,326	410,044

9 TRADE AND BILLS PAYABLES

	30 June 2011	31 December 2010
Trade payables		
– third parties	**1,114,527**	1,001,325
– related parties	**116,147**	16,458
	1,230,674	1,017,783
Bills payable – third parties	**2,666**	2,201
	1,233,340	1,019,984

At 30 June 2011, the ageing analysis of trade payables is as follows:

	30 June 2011	31 December 2010
Trade payables		
– Within 180 days	**1,210,092**	1,009,374
– 181 to 365 days	**18,248**	5,092
– Over 1 year	**2,334**	3,317
	1,230,674	1,017,783

AUDIT COMMITTEE REVIEW

The audit committee comprises Mr. Fan Ren-Da, Anthony, Mr. Chen Sun-Te, Mr. Lin Lung-Yi and Mr. Lo Peter. Except for Mr. Lin Lung-Yi who is a non-executive director, the other members of the audit committee are independent non-executive directors. The audit committee reviewed with management the 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 six months ended 30 June 2011 and has recommended their adoption by the Board.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors of the Company, the Company had complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30 June 2011.

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

The Company has not redeemed any of its shares during the six months ended 30 June 2011. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the six months ended 30 June 2011.

PUBLICATION OF INTERIM REPORT ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The 2011 interim report will be dispatched to shareholders and made available on the website of The Stock Exchange of Hong Kong Limited and the Company's website at http://www.upch.com.cn in due course. The 2011 interim financial information set out above does not constitute the Company's statutory financial statements for the six months ended 30 June 2011 but is extracted from the financial statements for the six months ended 30 June 2011 to be included in the 2011 interim report.

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

Hong Kong, 23 August 2011

As at the date of this announcement, the Board of Directors of the Company consists of Mr. Lo Chih-Hsien and Mr. Lin Wu-Chung as executive directors, Mr. Kao Chin-Yen, Mr. Lin Chang-Sheng, Mr. Lin Lung-Yi and Mr. Su Tsung-Ming as non-executive directors and Mr. Chen Sun-Te, Mr. Fan Ren-Da, Anthony, Mr. Yang Ing-Wuu and Mr. Lo Peter as independent non-executive directors.

* *For identification purpose only*