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 2012 INTERIM RESULTS

- Revenue amounted to RMB10,648.1 million, up by 21.0%
- Group gross margin of 34.6%, up by 6.4 percentage points
- EBITDA of RMB967.1 million, up by 124.6%
- Profit attributable to equity holders of the Company of RMB504.9 million, up by 185.9%

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 2012 (the "period under review"). 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 2012, the global financial market continued to be beset by the European debt crisis. Accordingly, the government of the People's Republic of China (the "PRC") has adjusted the country's economic structure and continued its prudent monetary policies to allow more flexibility in policy implementation and minimise the risk during economic downturn. According to the data released by National Bureau of Statistics of China in July, gross domestic product ("GDP") for the first half of 2012 recorded a year-on-year growth of 7.8% with the first quarter and second quarter growth rate being 8.1% and 7.6%, respectively, showing signs of slowdown of economic growth.

FINANCIAL RESULTS

Notwithstanding the slowdown in economic growth and intensifying competition within the industry in the PRC, the growth in revenue and gross profit margin of the Group's core businesses was strong during the period under review. This proved that beyond the Group's stable growth and strengthened operation, the focused operating strategies and emphasis on brand equity has further enhanced its operating efficiency. For the period under review, the Group recorded a revenue of RMB10,648.1 million, representing an increase of 21.0% from RMB8,798.9 million for the corresponding period last year. During the period under review, the Group's gross profit increased by 48.3% to RMB3,679.8 million and gross profit margin rose by 6.4 percentage points to 34.6% from 28.2% for the corresponding period last year. The rise in both gross profit and gross profit margin during the period under review was mainly attributable to the surging proportion of products with high profit margin under the Group's optimised product mix, the economies of scale brought by the increasing sales of key branded products as well as the decrease in the prices of major raw materials during the period under review as compared with the corresponding period last year. As the growth of the PRC economy as a whole has been cooling down and the competition within the industry faced by the core businesses has been acute in 2012, the Group increased its investment in brand promotion and strengthened its sales channels aggressively so as to broaden its customer base, resulting in an increase in selling and marketing expenses during the period under review to RMB2,882.5 million (first half of 2011: RMB2,157.2 million). During the period under review, administrative expenses amounted to RMB353.0 million (first half of 2011: RMB251.8 million), which was mainly due to the increase in the PRC urban construction and maintenance tax and education surcharges as compared with the first half of 2011 as well as an increase in the expenses in respect of the construction of new production bases to enlarge production capacity. During the period under review, attributable to the increase in earnings of 今麥郎飲品股份有限公司 (Jinmailang Beverage Co., Ltd.*) and 武漢紫江統一企業有限公司 (Wuhan Zijiang President Enterprises Co., Ltd.*), the Group recorded an increase in the share of net profit of jointly controlled entities and associates to RMB63.6 million (first half of 2011: RMB41.7 million). Profit attributable to equity holders of the Company for the period under review increased significantly by 185.9% to RMB504.9 million (first half of 2011: RMB176.6 million).

BUSINESS REVIEW

During the period under review the Group recorded a revenue of approximately RMB10,648.1 million, representing a growth of 21.0% as compared with the corresponding period last year. Revenue from the beverages business and instant noodles business amounted to approximately RMB7,113.9 million and RMB3,420.5 million respectively, representing a respective increase of 21.9% and 22.4% as compared with the corresponding period last year. The results and performance of each of the major business segments are as follows:

Instant Noodles Business

According to Nielsen, general sales of instant noodle in the market grew by 16.6% in the first half of 2012 with an increase in sales volume of 4.8% only. The instant noodles business of the Group recorded a revenue of RMB3,420.5 million for the first half of 2012, representing a growth of 22.4% as compared with the corresponding period last year, which has surpassed the growth rate of the market in general. Its market share rose from 12.6% for the first half of 2011 to 15.1% for the first half of 2012, representing an increase of 2.5 percentage points, ranking first in the industry in terms of growth rate.

* *for identification purpose only*

The performance of the Group's instant noodles business outran both the market in general and its major competitors mainly thanks to its focus on Lao Tan Pickled Cabbage and Beef Flavoured Noodles（老壇酸菜牛肉麵）. During the first half of 2012, sales of Lao Tan Pickled Cabbage and Beef Flavoured Noodles continued to drive the performance of the Group by growing at a relatively high speed of 31.6% as compared with the corresponding period last year. Furthermore, the whole industry was revolutionised by the Group's pickled cabbage flavours. Nielsen reported that the market share of pickled cabbage flavoured noodles surged to 15.5% for the first half of 2012 from 10.3% for the corresponding period last year, representing a significant increase of 5.2 percentage points. They have replaced spicy beef flavoured noodles as the first and second largest product line in the spicy noodles market and the market in general respectively, as the share of braised meat flavoured and spicy meat flavoured noodles in the market at large went down by 3.6 and 1.1 percentage points respectively. Among the 15.5% share of all pickled cabbage flavours, 8.2% share was accounted for by Lao Tan Pickled Cabbage and Beef Flavoured Noodles of the Group, which have secured a leading position in the industry.

While fortifying its leadership among the pickled cabbage flavours in the market, the Group was also actively marketing its new Braised Meat Flavoured Noodles（滷肉麵）with an aim of establishing it as the second star product and establishing a foothold in the braised meat flavoured noodles market. Following its trial launch in selected regions in August 2011, Braised Meat Flavoured Noodles has achieved satisfactory results. Since the nationwide promotion in 2012, it rose to become the second largest flavour of the Group's instant noodles in terms of sales in the first half of 2012 and came to the fore among new products in the market. The success of Braised Meat Flavoured Noodles will allow the Group's instant noodles business to have two key products with huge growth potential, thereby speeding up the revenue growth of the instant noodle business.

By taking advantages of the popularity of its featured products, the Group continued to expand its sales channels and put more resources in seeking new customers. The Group has completed the dealer and distributor networks in the southern Chinese market covering first-tier cities, prefecture-level cities, counties and rural towns. It will develop new channels such as railway, highway, airports, factories, mines, construction sites and hotel chains. It has also completed the construction of the dealer network from first-tier cities to prefecture-level cities in the northern China, while those in county-level cities and rural towns is expected to be completed by the end of 2012 through rapid expansion in rural markets utilising rural sales fair and promotion vehicles in marketplaces. The Group's instant noodles have great potential in the northern Chinese market and will turn into a major source of growth for the Group in the future.

In respect of brand communication and promotion, competitors also launched various pickled cabbage flavoured products following the hot sale of the Group's successful Lao Tan Pickled Cabbage Flavoured Noodles. To differentiate Lao Tan Pickled Cabbage and Beef Flavoured Noodles from other brands' pickled cabbage flavoured products, the Group emphasised the authenticity of Lao Tan Pickled Cabbage and Beef Flavoured Noodles by promoting concepts such as "Made by 81-day Double Fermentation with Traditional Pickling Jars（傳統老壇，雙重發酵，九九八十一天）" through various media. The endorsement for the product by Mr. Wang Han, a famous TV show host, in his TV commercials strengthened the memory of consumers. Braised Meat Flavoured Noodles continued its marketing campaign under the theme of "Enjoy the Perfect Taste of Braised Meat（完美的滷香體驗）" and promoted the concept of "Long-Pickled and Slow-Braised with 18 Selected Pickling Ingredients, Delivering Rich Aroma and Taste（精選十八味滷料，老滷慢燉，香透入味）". The Group also held free tasting activities called "Invitation to a Feast Full of Braised Flavour（滷香盛宴，邀您共享）" and exhibited the Box of 18 Pickling Ingredients（十八香滷料盒）to give full demonstration of the product's quality and a vivid image to consumers.

Following the profit-making 2011, the Group's instant noodles business delivered remarkable results for the first half of 2012 and recorded a substantial profit growth over the corresponding period last year. In addition to the reduction in prices of major raw materials, which has relieved much of the cost pressure on the instant noodles business and left more room for profit making, the remarkable results were also attributable to the optimisation and capacity expansion of the production lines, which has achieved the production scale required for the further development of the Group's instant noodles business and led to a higher production effectiveness and efficiency.

BEVERAGE BUSINESS

Tea Drinks

The tea drinks market remained in struggle in the first half of 2012. According to Nielsen, the overall sales growth of tea drinks (without milk) for the first half of 2012 was 0.9%. Such momentum lagged behind the double-digit growth of other major beverages. Besides seasonal factors, the introduction of other product lines, such as milk tea, functional drinks and other beverages (e.g. Crystal Sugar Pear Drink（冰糖雪梨）) to the market has taken up a certain extent of sales of tea drinks.

Revenue of the Group's tea drinks business for the first half of 2012 was RMB3,117.1 million, largely similar to that for last year. Nevertheless, the business's market share showed an upward trend while its profit increased substantially. Revenue of the Group's key products, namely Uni Ice Tea（統一冰紅茶）and Uni Green Tea（統一綠茶）rose by 8.8% for the first half of 2012 as compared to the corresponding period last year, and their market shares increased from 19.9% in the first half of 2011 to 21.4% in the first half of 2012.

In 2012, the Group carried on its focused product strategy and continued to put resources into the promotion of the key products, Uni Ice Tea and Uni Green Tea. In order to attract new consumers, the Group has made tangible improvements by bringing in new formula and packaging in the first half of 2012. For example, after adjustments in the already-fresh taste that blends sourness and sweetness as well as the packaging that uses traditional red color so as to stand out from other products, Uni Ice Tea managed to catch the attention in the young consumers market. For Uni Green Tea, the Group has improved the color of the tea, sharpened its design and secured eye-catching shelf position. Beyond that, the brand marketing campaign of Uni Ice Tea and Uni Green Tea fully launched in April 2012 has strengthened the brand building efforts. Centred around the brand slogan of "Youth Unlimited（年輕無極限）", Uni Ice Tea used its sponsorship of the whole CX (China X-game), which involved the nationwide event "Skateboarding Unlimited（酷玩滑板無極限）"that combines extreme skateboarding with trendy and cool music, street dancing and graffiti, to highlight the brand images of showing the true self, being bold and leaping without limits, and identify with the youth. For Uni Green Tea, to strengthen its brand image of naturalness, the Group delivered marketing campaigns that hinged on the theme of "Experience Lake Kanas and close to the nature（親近自然　體驗喀納斯）" in 20 key large cities in China. With regards to sales channels, in addition to the construction of the dealer network, the Group has strengthened the management of sales terminals in peak seasons, such as closely monitoring and managing their stock levels, displays and refrigerating capability at major retail stores.

The Group will continue to allocate resources to marketing the Group's tea drinks according to its established strategies and plans in the second half of 2012 with an aim of securing additional market share. To echo with the "Skateboarding Unlimited" event, Uni Ice Tea will organise "Uni Ice Tea Music Unlimited Party（「統一冰紅茶」極限音樂派對）" at the National Stadium – Bird's Nest, Beijing in October 2012, which will be the highlight of its brand building activities, and will fortify the "Youth Unlimited" brand image. The "Experience Lake Kanas and close to the nature" event of Uni Green Tea to be launched in the third quarter will combine virtual and real life events. Furthermore, Uni Jasmine Tea（統一茉香清茶）and Uni Jasmine Tea with Honey（統一茉香蜜茶）were introduced in June 2012 and will fight for a share in the jasmine tea market in the peak season in the second half of the year.

Juice Drinks

The performance of the Group's juice drinks business for the first half of 2012 was outstanding with a growth in sales of 20.8% to RMB1,947.1 million as compared with the corresponding period last year. According to Nielsen, the growth rate of the Group's juice drinks business for the first half of 2012 exceeded the general growth of 10.9% in the juice drinks market. Crystal Sugar Pear Drink under the new brand, "Seasonal Drinks（飲養四季）", grew rapidly and led the performance of the whole juice drinks business with an increase in market share in terms of sales from 11.0% in the first half of 2011 to 11.9% in the first half of 2012, representing a growth of 0.9 percentage point.

In the first half of 2012, the cost of the major raw materials of juice drinks subsided. The Group also went on perfecting its product mix in an innovative and progressive manner, improving the taste and upgrading its production techniques in order to enhance the competitiveness and gross profit margin of the products, which further led to the improvements in the results and product mix of the juice drink business.

The "More" Juice Series（統一多果汁）featuring "More" Orange Juice（鮮橙多）has been the key product of the Group's juice drinks business since its launch 13 years ago. Being a pioneer in the Chinese juice drinks market, it has actively changed its profile as the consumers of juice drinks are becoming younger and younger. With the help of young and trendy star to endorse the product, the Group has implemented a series of modernisation efforts involving new positioning, images, packaging, endorsements and experience. The new 450ml "More" juice series successfully improved its gross profit margin through improvements in its packaging and taste. Ever since its launch in April 2012, the new 450ml "More" juice series has been well received by the consumers. It has revitalised the brand slogan of "Boosting Your Beauty with Vitamin C（多C多漂亮）" and made the brand image more youthful. In addition to placing advertisements on traditional media such as television and outdoor media, the Group has also utilised platform that are most attractive to young people, such as microblogging, social networking services and online videos. It has launched prize-winning activities such as "Experience Beauty with our Magical Drink（魔瓶奇跡，漂亮新體驗）", "Show Us Your Determination to Stay Charm（show出你的漂亮宣言）" and "Show Your Picture, Win the Tickets（曬合照贏門票）" that used interactive methods to market its products for the young consumers in person and establish the unique brand character of being young and beautiful. The successful press conference for product launch and signing of endorsement deal held on 31 May 2012 in Beijing in collaboration with MusicRadio（音樂之聲）of CNR（中央人民廣播電台）was the first of a series of integrated marketing events including the Born to be A Star（漂亮新聲）host contest with the aim of differentiating its innovative marketing campaign, and the image of the brand in general, from that of the other juice drinks.

Crystal Sugar Pear Drink, the first of its kind in the market when it was launched in March 2011, has become widely popular with its unique flavour and nourishing values. The astonishing growth in sales gave the pear juice market a shot in the arm. In 2012, flocks of juice manufacturers put crystal sugar pear products into the market, proving the Crystal Sugar Pear Drink is the new favourite beverage of the year. Facing severe competition, the Group renamed its brand "Uni Youth Series（輕養系）" as "Seasonal Drinks" and held on to the traditional Chinese healthcare concept. The Group invited Ms. Fish Leong, a famous love song singer, for her endorsement for Crystal Sugar Pear Drink intending to associate the Seasonal Drinks series with the sense of quenching and soothing（一口潤心田） in order to highlight the character of and promote the preference for the brand. In north-eastern, north-western and central China where the sales growth of juice drinks lagged behind, the launch of Crystal Sugar Pear Drink received excellent consumer response with outstanding results for the first half of 2012. By focusing on Crystal Sugar Pear Drink, the Group managed to achieve fruitful results and profits and has reached a significant milestone in the development of the juice drink business. To further promote beverages with traditional Chinese taste, Crystal Sugar Haw Drink, which was developed in May 2012, was first rolled out in north-eastern China and has gained quick and wide acceptance among consumers.

In the second half of 2012, the Group's juice business will commit itself to further improving the product mix and adjusting its marketing strategies of driving sales of large bottled juice with small-sized juice drinks. Brand building efforts for small packages will be enhanced so as to achieve a better balance between the proportion of juices in large packages and small packages. For the small packages of the More series, the endorsement by celebrities will still play an important role in product promotion and, building on the effectiveness of the interactive marketing campaign in the first half of the year, more online activities will be launched and the endorsement during large concerts in Shanghai and Shenzhen and the final of the hosting contest "Born to be a Star（漂亮新聲）" will be emphasised. The Group intends to give consumers a brand new experience with the product, enhance brand image and catch the attention of new consumer groups by creating a brand uniqueness of charm and self-confidence. The large packages of the More series will reappear in new designs especially for the Mid-Autumn Festival, National Day and the Chinese Lunar New Year. In respect of the Seasonal Drinks series, based on the strong momentum in the first half of the year, the Group will organise five fan-meeting events of Ms. Fish Leong, who has been invited to endorse the beverages under the Seasonal Drinks series, across China and will market the product together with the release of her new album, particularly the sponsored song "Love for All Seasons（環遊四季的愛）". Such marketing strategy is aimed at associating the album/song with the beverage brand. The Group will also focus on using the combination of television as the primary marketing media and channel promotion to enlarge the market of Crystal Sugar Pear Drink in the market, and stronger efforts will be made in the north-eastern China for Crystal Sugar Haw Drink, in order to enhance the overall share in the juice drinks market.

Milk Tea

Revenue from the Group's milk tea business for the first half of 2012 rose by 91.4% as compared to the corresponding period in 2011. According to Nielsen, Uni Milk Tea has maintained its leading market position with a market share of 62.1% for the first half of the year, and the ready-to-drink milk tea market accounted for 18.4% of the overall ready-to-drink tea market in the first half of 2012 due to the rapid growth of ready-to-drink milk tea, which was 9.2 percentage points higher than that of 9.2% in the first half of 2011. The roll-out of Assam Milk Tea (阿薩姆奶茶), which was a result of the Group's persistent effort in developing new products, has been an important driving force of the expansion of the ready-to-drink milk tea market as well as the entire industry, thereby strengthening the position of ready-to-drink milk tea in the Chinese beverage market.

During the first half of 2012, Assam Milk Tea remained the key product of the Group's milk tea business. The sales of Assam Milk Tea has climbed further as the Group has launched an integrated marketing campaign for the target consumers, carrying the theme "Joyful Walk through Cities (暢遊城市好心情)" comprising TV commercials on China Central Television and regional satellite TV channels, a promotional website, promotional activities on Weibo and the endorsement by Ms. Charlene Choi, a Hong Kong celebrity. The Group's continuing success in the milk tea business and the resulting reputable image of quality milk tea have caused industry peers to start focusing on the milk tea market and increase marketing efforts and attracted more manufacturers into the ready-to-drink-milk tea industry. On one hand, industry competition is intensified, but on the other hand, it helps further expanding the consumer base and enlarging the industry. The Group, as a market leader, will take advantage of this opportunity to sustain its business development.

In the second half of 2012, the Group will stick to the value-oriented marketing model for driving further growth of Uni Milk Tea. It will focus on value differentiation by offering products with higher value-for-money rather than competing on price. Building on its established market share, the Group has seen the opportunity of offering a series of milk tea with larger volume for consumption during parties or gatherings, at special occasions or events, or in restaurants, and hence, Assam Milk Tea, the key product, is now available in larger capacity. The wide offering in different capacities, packagings and designs is aimed at catering for consumers' needs for consumption at various occasions and increasing market share. While reinforcing the leading status of Assam Milk Tea, the Group will launch Earl Grey Milk Tea (伯爵奶茶) as its 2nd key product under the milk tea business in the second half of 2012. Such flavour, developed from the idea of traditional English afternoon tea, offers a taste of England and enriches the product mix of the Group's ready-to-drink milk tea. By marketing with TV commercials and experience-oriented promotional activities, Earl Grey Milk Tea has gained foothold in selected cities and the Group will further its promotional efforts in other selected locations.

Coffee

The ready-to-drink coffee market in China maintained a steady growth in the first half of 2012. According to a market research carried out by Nielsen in four major Chinese cities, namely, Beijing, Shanghai, Guangzhou and Shenzhen, the average sales growth of ready-to-drink coffee for the first half of 2012 was 33.1%. Under such favourable trend, the Group's coffee business has made tremendous strides with a higher-than-market-average growth in revenue of 39.9% for the first half of 2012.

The size of ready-to-drink coffee market in China is relatively small as it is in the initial stage. However, after years of development under the brand of "A-Ha", the Group has built up invaluable brand prestige and market experience. Responding to the market trend for the last two years, the Group has refined its key products and launched A-Ha Coffee（雅哈冰咖啡）and A-Ha Aromatic Latte（雅哈醇香拿鐵）with a rich body and a perfect balance with milk and in PET packaging so as to tailor them to suit consumers' preferences. Following their launch, the two new products have been well received in the market. In particular, for the first half of 2012, A-Ha Aromatic Latte recorded a year-on-year growth of 153.4% in revenue as compared to the corresponding period last year. Such impressive results showed that the richness and the smoothness of the coffee drinks has won the consumers' recognition.

In the first half of 2012, A-Ha brand continued to promote its brand philosophy of "A-Ha and Relax（雅哈一下 輕鬆一下）". In order to cater to the lifestyle and needs of the youths, a series of three advertisements with a theme on attitude to life was launched and has become the hot talk in the target market with remarkable promotion effect.

In the second half of 2012, A-Ha coffee will continue its focus on the key products and further its brand establishment. Following the successful strategy in selecting media in the first half of the year, the Group will extend its marketing reach to a wider range of ready-to-drink coffee consumer groups in the second half of the year while maintaining its existing customer base with an aim to lay a solid foundation for its coffee market for the future.

Bottled Water

During the first half of 2012, the bottled water business recorded an increase of 9.4% in revenue, which was mainly generated from the sale of mid-to-high-priced natural spring water. The Group continued its product portfolio restructuring, which began in 2011, to focus on mid-to-high-priced natural spring water so as to withdraw from the price competition of the low-priced mineralized water market. For the first half of 2012, the proportion of Uni Mineral Water（統一礦物質水）plummeted to below 20%, while that of Alkaqua and Uni Natural Spring Water（統一礦泉水）increased to over 80% of the total revenue, indicating the effectiveness of the Group's restructuring efforts.

Alkaqua showed a triple-digit growth in revenue in the first half of 2012 as compared to the corresponding period in 2011, significantly surpassing the overall growth of 22.2% of the bottled water market according to Nielsen. The improvement in results was due to the noticeable differentiation from similar products in terms of appearance and price and the resulted wide acceptance in specific consumer groups. Gross profit of the Group's bottled water business also surged to over 30% as the products moved upscale. With a flourishing bottled water market supported by the increasing spending power and the growing concern with the quality of bottled water in China, it is anticipated that the sale and performance of the Group's bottled water business will be further enhanced with the overall restructuring of the product portfolio and the construction of production bases of spring water. While speeding up securing quality spring water sources and setting up plants across the country, the Group will leverage on its nationwide sales network in order to achieve the goal of becoming the leading brand of mid-to-high-priced spring water in China within three years.

FINANCIAL POSITION

Cash and Borrowings

The Group mainly finances its working capital and capital expenditure by internally generated cash flows and credit facilities from principal bankers. As at 30 June 2012, the Group had cash and cash equivalents of approximately RMB3,816.6 million (31 December 2011: approximately RMB2,369.1 million). There was an increase in cash inflow from operating activities resulting from the surge in profit during the first half of 2012.

As at 30 June 2012, the Group had total borrowings of RMB4,103.6 million (31 December 2011: approximately RMB3,096.1 million), among which 41.6% were repayable over 1 year and over 95.3% were denominated in USD.

Cash Flow

During the first half of 2012, the Group recorded a net increase in cash and cash equivalents of approximately RMB1,447.5 million, mainly comprising net cash inflow from operating activities of approximately RMB1,766.8 million, net cash inflow from financing activities of approximately RMB907.6 million, and net cash outflow from investing activities of approximately RMB1,227.1 million. The net cash outflow from investing activities was mainly applied to the expansion in scale of production and machinery and equipment.

Capital Expenditure

During the first half of 2012, the Group had capital expenditure of approximately RMB1,440.0 million (first half of 2011: RMB1,250.7 million), which were mainly attributable to the production plants, machinery and equipment for enhancing the production capacity of instant noodle and drinks businesses to meet the consumers' demand.

	30 June 2012 *RMB'000*	31 December 2011 *RMB'000*
Total borrowings	**4,103,592**	3,096,132
Less: cash and cash equivalents	**(3,816,596)**	(2,369,050)
Net liabilities	**286,996**	727,082
Total equity	**7,287,667**	6,810,895
Total capital	**7,574,663**	7,537,977
Gearing ratio (net liabilities/total capital)	**3.79%**	9.65%

Inventory Analysis

Inventory mainly comprised raw and packing materials, finished goods and low value consumables. As at 30 June 2012, inventory balance decreased by approximately RMB318.7 million as compared to the beginning of the year, mainly due to the higher inventory turnover of finished goods.

Trade Receivables

Sales to most customers in the PRC are made on a delivery on payment basis. The Group's trade receivables are generated from credit sales to credit customers from modern channels with credit terms normally ranging from 30 to 60 days.

Trade Payables

The Group's trade payables mainly arise from credit purchases of raw materials. For the six months ended 30 June 2012 and the year ended 31 December 2011, the Group recorded an increase in trade payables of approximately RMB301.4 million, mainly due to the increase in purchase of raw materials resulting from the substantial growth in sales performance for the period.

	30 June 2012	31 December 2011
Inventory turnover days	**29**	37
Trade receivables turnover days	**10**	10
Trade payables turnover days	**35**	34

TREASURY POLICY

The Group consistently employed a prudent treasury policy during its development. To seize the opportunities brought by the developing PRC economy, the Group incurred capital expenditures in the construction of new factories for expanding its current production capacities in accordance with its mid-to-long-term sustainable development strategies and objectives. The Group financed its operation and business development primarily with internally generated resources. The Group also adopted flexible and prudent fiscal policies to effectively manage the Company's assets and liabilities, and gradually strengthen the Group's financial position. The Group's treasury policy aimed at mitigating the impacts of fluctuations in interest and exchange rates on the overall financial position of the Group and minimizing its financial risks.

PROSPECTS

Looking forward to the second half of 2012, notwithstanding the slowdown of the PRC economic growth, the Group remains optimistic about the development of its operations. It will carry on its operating strategies that target at focusing and streamlining its operation. It will also promote its brand actively, extend and strengthen its sales network, and continue to optimise its product mix so as to enhance its operating efficiency. In terms of food safety, the Group will implement stringent quality control in order to ensure the safety compliance of its products. The Group aims at enhancing its corporate value and maximising the value for its shareholders.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2012, the Group had 31,234 employees. In view of the huge market opportunities for dairy beverages and food in China, the Company is actively expanding its foothold on a large scale, thus fueling a huge demand for talents. It aims at fulfilling the human resources demand arising from the rapid business and production expansion by adopting a more prudent and effective approach in the selection and hiring process. In respect of the new grass roots staff, the Company devotes considerable resources in staff training and monitoring their development and progress in a timely manner in order to familiarize them with the working environment and build up team spirit. Meanwhile, the Company recognizes the value of its key personnel in maintaining team morale and competitiveness. It uses both internal promotion and external recruitment to select and promote top employees for vacant positions and attract qualified candidates to join the Company. On the other hand, the Group ensures the continuity of the senior management by grooming management talents with various measures, such as continuous internal training and appropriate job rotation as well as external on-the-job training.

The Group and its employees has entered into separate employment contracts regarding the terms on wages and salaries, national allowances, social security benefits, employee benefits, work place safety and hygiene environment, confidentiality of commercial secrets and termination conditions. Apart from those with middle and senior management officers, the employment contracts have terms ranging from one to three years. New employees are subject to a probationary period of two months.

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 2012.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2012
(All amounts in thousands of Renminbi unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Note	**2012**	2011
Revenue	*3*	**10,648,116**	8,798,916
Cost of sales		**(6,968,271)**	(6,318,145)
Gross profit		**3,679,845**	2,480,771
Other gains, net		**51,974**	7,875
Other income		**87,358**	76,335
Other expenses		**(43,242)**	–
Selling and marketing expenses		**(2,882,481)**	(2,157,226)
Administrative expenses		**(352,994)**	(251,784)
Operating profit	*4*	**540,460**	155,971
Finance income		**50,997**	39,381
Finance costs		**(39,330)**	(9,549)
Finance income – net		**11,667**	29,832
Share of profits from jointly controlled entities and associates		**63,619**	41,663
Profit before income tax		**615,746**	227,466
Income tax expense	*5*	**(110,892)**	(50,889)
Profit for the period, attributable to equity holders of the Company		**504,854**	176,577
Earnings per share for profit attributable to equity holders of the Company *(expressed in RMB per share)*			
– Basic and diluted	*6*	**14.03 cents**	4.91 cents
Dividends	*7*	**–**	–

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

(All amounts in thousands of Renminbi unless otherwise stated)

	Unaudited Six months ended 30 June	
	2012	2011
Profit for the period	**504,854**	176,577
Other comprehensive income		
Fair value gains on available-for-sale financial assets	**66,977**	23,278
Transfer of fair value gain previously taken to reserve to income statement upon disposal of available-for-sale financial assets	**(12,098)**	(8,870)
Transfer of fair value loss previously taken to reserve to income statement upon impairment of available-for-sale financial assets, net of tax	**10,621**	–
Other comprehensive income for the period	**65,500**	14,408
Total comprehensive income for the period, attributable to equity holders of the Company	**570,354**	190,985

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2012

(All amounts in thousands of Renminbi unless otherwise stated)

	Note	**Unaudited 30 June 2012**	Audited 31 December 2011
ASSETS			
Non-current assets			
Land use right		**1,341,898**	1,272,155
Property, plant and equipment		**6,346,037**	5,579,385
Investment properties		**137,604**	101,469
Intangible assets		**6,522**	8,054
Interests in jointly controlled entities and associates		**1,259,265**	1,182,213
Available-for-sale financial assets		**556,103**	511,207
Deferred income tax assets		**189,880**	156,479
Other non-current receivables		**15,892**	309,410
		9,853,201	9,120,372
Current assets			
Inventories		**955,418**	1,274,163
Trade receivables	*8*	**651,306**	513,305
Prepayments, deposits and other receivables		**734,581**	442,894
Pledged bank deposits		**26,290**	17,608
Cash and cash equivalents		**3,816,596**	2,369,050
		6,184,191	4,617,020
Total assets		**16,037,392**	13,737,392

	Note	Unaudited 30 June 2012	Audited 31 December 2011
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		**–**	93,582
– Others		**5,009,640**	4,439,286
Total equity		**7,287,667**	6,810,895
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		**163,198**	165,181
Borrowings		**1,705,346**	1,511,915
Other payables – non-current portion		**186,703**	162,822
		2,055,247	1,839,918
Current liabilities			
Trade and bills payables	*9*	**1,497,205**	1,195,779
Other payables and accruals		**2,690,169**	2,244,265
Borrowings		**2,398,246**	1,584,217
Current income tax liabilities		**108,858**	62,318
		6,694,478	5,086,579
Total liabilities		**8,749,725**	6,926,497
Total equity and liabilities		**16,037,392**	13,737,392
Net current liabilities		**(510,287)**	(469,559)
Total assets less current liabilities		**9,342,914**	8,650,813

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2012 have 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 2011, 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 below, the accounting policies adopted are consistent with those of the annual financial statements of the Group for the year ended 31 December 2011, as described in the annual financial statements.

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

(b) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted:

- HKFRS 9 'Financial instruments' addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. The Group has not yet decided when to adopt HKFRS 9.

- HKFRS 10 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess HKFRS 10's full impact and intends to adopt HKFRS 10 no later than the accounting period beginning on or after 1 January 2013.

- HKFRS 12 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess HKFRS 12's full impact and intends to adopt HKFRS 12 no later than the accounting period beginning on or after 1 January 2013.

- HKFRS 13 'Fair value measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs. The Group is yet to assess HKFRS 13's full impact and intends to adopt HKFRS 13 no later than the accounting period beginning on or after 1 January 2013.

- HKAS 19 (Amendment) 'Employee benefits' eliminate the corridor approach and calculate finance costs on a net funding basis. The Group is yet to assess the amendments to HKAS 19's impact.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

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

The segment information for the six months ended 30 June 2012 is as follows:

	Six months ended 30 June 2012				
	Beverages	**Instant noodles**	**Others**	**Unallocated**	**Group**
Segment results					
Revenue	**7,113,892**	**3,420,482**	**113,742**	**–**	**10,648,116**
Segment profit/(loss)	**428,574**	**177,541**	**7,633**	**(73,288)**	**540,460**
Finance income – net					**11,667**
Share of profits/(losses) from jointly controlled entities and associates	**64,596**	**–**	**–**	**(977)**	**63,619**
Profit before income tax					**615,746**
Income tax expense					**(110,892)**
Profit for the period					**504,854**
Other income statement items					
Depreciation and amortisation	**243,911**	**92,640**	**4,503**	**21,962**	**363,016**
Capital expenditure	**1,187,102**	**240,364**	**11,156**	**1,414**	**1,440,036**

	As at 30 June 2012				
	Beverages	**Instant noodles**	**Others**	**Unallocated**	**Group**
Segment assets and liabilities					
Assets	**7,182,777**	**2,268,069**	**102,594**	**5,224,687**	**14,778,127**
Interests in jointly controlled entities and associates	**1,045,948**	**–**	**–**	**213,317**	**1,259,265**
Total assets	**8,228,725**	**2,268,069**	**102,594**	**5,438,004**	**16,037,392**
Total liabilities	**3,028,353**	**1,162,285**	**24,789**	**4,534,298**	**8,749,725**

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 31 December 2011				
	Beverages	Instant noodles	Others	Unallocated	Group
Segment assets and liabilities					
Assets	6,279,697	2,518,792	171,817	3,584,873	12,555,179
Interests in jointly controlled entities and associates	967,919	–	–	214,294	1,182,213
Total assets	7,247,616	2,518,792	171,817	3,799,167	13,737,392
Total liabilities	2,208,944	1,209,764	30,655	3,477,134	6,926,497

4 Operating Profit

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

	Six months ended 30 June	
	2012	2011
Cost of inventories	**6,273,137**	5,650,315
Promotion and advertising expenses	**1,406,610**	871,258
Employee benefit expenses, including directors' emoluments	**1,115,327**	908,261
Transportation expenses	**488,518**	439,638
Depreciation and amortization	**363,016**	232,920
Operating lease in respect of buildings	**75,893**	70,325
Provision (reversal of provision) for impairment of		
– Property, plant and equipment	**–**	10
– Trade receivables	**1,652**	(634)
– Available-for-sale financial assets	**16,786**	–
Reversal of write-down of inventories to net realizable value	**(7,789)**	(4,852)
Losses from disposal of property, plant and equipment	**271**	3,135
Gains from disposal of available-for-sale financial assets	**(12,098)**	(9,899)
Dividend income from available-for-sale financial assets	**(4,827)**	(5,724)
Government grants	**(35,706)**	(30,000)
Subsidy income	**(5,263)**	(15,292)

5 Income taxes

	Six months ended 30 June	
	2012	2011
Current income tax		
– Mainland China corporate income tax ("CIT")	**149,448**	78,071
Deferred income tax	**(38,556)**	(27,182)
	110,892	50,889

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	
	2012	2011
Profit attributable to equity holders of the Company	**504,854**	176,577
Weighted average number of ordinary shares in issue *(thousands)*	**3,599,455**	3,599,455
Basic earnings per share *(RMB per share)*	**14.03 cents**	4.91 cents

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

7 Dividends

Dividends in relation to the years ended 31 December 2011 and 2010 amounting to approximately RMB94 million and RMB156 million were paid in June 2012 and June 2011, respectively.

The directors do not recommend an interim dividend in respect of the six months ended 30 June 2012 (2011: Nil).

8 Trade receivables

	30 June 2012	31 December 2011
Trade receivables		
– third parties	**651,338**	517,606
– related parties	**10,653**	4,814
	661,991	522,420
Less: provision for impairment	**(10,685)**	(9,115)
Trade receivables, net	**651,306**	513,305

The credit terms granted to customers by the Group are usually 60 to 90 days. At 30 June 2012, the ageing analysis of trade receivables is as follows:

	30 June 2012	31 December 2011
Trade receivables, gross		
– Within 90 days	**621,648**	474,468
– 91-180 days	**35,514**	44,696
– 181-365 days	**4,542**	3,120
– Over 1 year	**287**	136
	661,991	522,420

9 Trade and bills payables

	30 June 2012	31 December 2011
Trade payables		
– third parties	**1,370,929**	1,108,368
– related parties	**124,614**	85,526
	1,495,543	1,193,894
Bills payable – third parties	**1,662**	1,885
	1,497,205	1,195,779

At 30 June 2012, the ageing analysis of trade payables is as follows:

	30 June 2012	31 December 2011
Trade payables		
– Within 180 days	**1,478,987**	1,180,331
– 181 to 365 days	**8,897**	5,473
– Over 1 year	**7,659**	8,090
	1,495,543	1,193,894

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 2012 and has recommended their adoption by the Board.

CORPORATE GOVERNANCE CODE

In the opinion of the directors of the Company, the Company had complied with all the code provisions of (i) the former Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules during the period from 1 January 2012 to 31 March 2012 and (ii) the revised and renamed Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the period from 1 April 2012 to 30 June 2012, except:

According to the code provision A.6.7 of the Corporate Governance Code, the independent non-executive directors and other non-executive directors should attend general meetings of the Company. Mr. Kao Chin-Yen, Mr. Lin Chang-Sheng and Mr. Lin Lung-Yi, each a non-executive director, and Mr. Chen Sun-Te, an independent non-executive director, were unable to attend the annual general meeting and the extraordinary general meeting of the Company both held on 17 May 2012 due to unexpected business engagement.

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 Company's shares during the six months ended 30 June 2012.

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

The 2012 interim report of the Company will be dispatched to shareholders and made available on the website of The Stock Exchange of Hong Kong Limited and the Company's website (http://www.upch.com.cn) in due course. The 2012 interim financial information set out above does not constitute the Company's statutory financial statements for the six months ended 30 June 2012 but is extracted from the financial statements for the six months ended 30 June 2012 to be included in the 2012 interim report.

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

Hong Kong, 24 August 2012

As at the date of this announcement, the Board comprised Mr. Lo Chih-Hsien and Mr. Hou Jung-Lung 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.