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UNI-PRESIDENT CHINA HOLDINGS LTD.
統一企業中國控股有限公司

(a company incorporated in the Cayman Islands with limited liability)
(Stock Code: 220)

ANNOUNCEMENT OF 2012 FINAL RESULTS

- Revenue amounted to RMB21,405.7 million, up by 26.4%
- Group gross margin of 34.6%, up by 5.4 percentage points
- EBITDA of RMB1,932.8 million, up by 101.8%
- Profit attributable to equity holders of the Company of RMB855.9 million, up by 174.4%
- Proposed final dividend for 2012 of RMB4.756 cents per share

CHAIRMAN'S STATEMENT

In 2012, the global economy was yet to recover. The US economy remained weak, whereas the European debt crisis saw temporary relief. Export trading in the People's Republic of China (the "PRC") performed poorly, with growth of only 6.2%, which was far below 22.5% in 2011. All these have shown that the global economic landscape remained in doldrums. Accordingly, the domestic economic was inevitably affected. However, as the PRC government implemented effective supporting measures and made changes to industry structure. Despite that various economic figures slowed down as compared with 2011, the GDP in 2012 grew by 7.8% on a year-on-year basis and the total consumable retail sales increased by 14.3% on a year-on-year basis. The market remained prudent and optimistic about the domestic economy with improvement in people's livelihood and growing consumption demand.

In the face of intensifying industry competition, Uni-President China Holdings Ltd. (the "Company" and, together with its subsidiaries, the "Group") endeavored to focus on its operating strategy to enhance brand value. With a practical, progressive and effective implementation of such strategy, in 2012, the Group achieved a record high of RMB20 billion in revenue, grew by 26.4% to RMB21,405.7 million. In only two years after hitting the threshold of RMB10 billion revenue in 2010, and at the 20th year of our establishment in the PRC, we achieved the second revenue record of more than RMB10 billion with exponential growth. A number of products have set new sales records. Our key tea drink products, Uni Ice Tea (統一冰紅茶) and Uni Green Tea (統一綠茶) generated a record revenue of RMB5 billion. Lao Tan Pickled Cabbage and Beef Flavoured Noodles (老壇酸菜牛肉麵) generated a revenue of over RMB4 billion. Assam Milk Tea (阿薩姆奶茶) generated a revenue of over RMB3 billion. It is expected that more products will achieve record setting results in 2013.

The solid operating foundation, the sound financial position, the core competitiveness and efficient operating management allowed us to expand our market share and accomplish the operating targets set by the board (the "Board") of directors (the "Directors") of the Company through organisational advancement and increased marketing. In order to achieve the corporate goals, we have stepped up the modification of our internal structure, improved our product mix and enhanced our management. The continual improvement of product portfolio and profitability was the most important element in assessing segment performance. Through better control over operating expenses and overheads and streamlining operation, our overall competitiveness was enhanced with higher organisational efficiency. We have also prepared for any future market opportunities by speeding up the construction of production base and increasing investments. The highlights of our work in 2012 are summarised as follows:

STAY FOCUSED IN BUSINESS STRATEGY AND STREAMLINE OPERATIONS

It is crucial to have a progressive operating plan in order to get ahead in the vast Chinese market. We opted to begin with building our advantages in selected regions by adapting our market strategies to local features. First, we set foot in selected cities where we can excel ourselves and gain competitive edges over industry peers, and our network stretched from such urban footholds to outer peripheral areas and other cities to allow consumers to purchase our products in major cities and nearby towns and rural areas. In the long run, market focus would also be placed on county-level cities with a population over 1 million with a view to centralising our resources input.

In 2012, we pursued the strategy of developing the mid-to-high end instant noodles market. Since the second half of 2008, we have adjusted the product mix by retaining only products which are well-performed and in line with our development strategies. Such approaches were proven effective as our key product, Lao Tan Pickled Cabbage and Beef Flavoured Noodles (老壇酸菜牛肉麵), became the second favourite flavoured noodles in the PRC. Overall operating income from instant noodles grew by 22.5% to

RMB7,269.6 million compared to the corresponding period last year and hit its peak. We also introduced the second key product at the right time, Braised Meat Flavoured Noodles (滷肉麵), which is hoped to be another driving force of the instant noodles business. The enhancement in the product mix of the instant noodles business has led to another record high in profit amounting to RMB225.3 million in 2012, and created a healthier product structure. Looking forward, we will make further investments in brand building so as to work towards corporate goals and achieve better results.

For the beverage business, our revenue increased by 30.2% compared with the corresponding period last year to RMB13,913.6 million in 2012, significantly outperformed the growth in the major beverage peers. Tea drinks business showed strong growth despite the market downturn, whereas juice drinks and milk tea businesses both performed satisfactorily. In particular, our new juice drink product, Crystal Sugar Pear Drink (冰糖雪梨) achieved exponential growth. Milk tea business continued to record strong growth and maintain its leading market position with a market share of over 60.0%.

The Group will adhere to its key product strategy and develop products which are well-liked by consumers and with high value for money to achieve better operations with an aim to offer quality products and acquire greater profits.

VIGOROUSLY EXPAND PRODUCTION CAPABILITY AND SET UP NEW PRODUCTION BASE

The Group has implemented its plant expansion plan, in which new production bases will be set up in various locations and new production lines will be added to existing production bases to replace obsolete ones. The objective of the plan is to boost overall productivity and it is anticipated that the Group will enter into a stage of rapid capacity expansion in 2012 and 2013. The introduction of new production lines with advanced technology will relieve the problem of capacity shortage, long transport distance and delivery time control.

FUTURE PROSPECTS

Even with the uncertainties of the global economy, it is expected that the economy of the PRC will be able to sustain a steady growth under the national policy of stimulating internal demand. The PRC government's constant efforts in narrowing the gap between urban and rural areas will bring about structural changes to the consumption market, and the rising disposal income per capita will offer tremendous development opportunities for the fast-moving consumer goods, food, beverages and retailing industries.

Under the guidance of the "Twelve Five-Year Plan", the "four East-West corridors and four North-South corridors" of the high-speed rail network will significantly reduce travel distance and time, thereby expanding the "one-day living circle". The top six special economic zones will steer the PRC economic development by spreading their economic influence over other developing areas.

By taking a pragmatic attitude towards its development, the Group will observe the direction of government policies in the PRC and focus on developing its target markets. It is believed that with a progressive development of our market presence, together with our popular products and excellent product mix, we will be able to generate higher revenue and profit.

GOALS AND STRATEGIES

The operating goals of the Group are to bring shareholders' value to a maximum and constantly offer healthy and pleasant products to consumers. We will adhere to the following key principles in our long-term growth strategies:

1. *To become a leading global enterprise by showing care and concern:*

   We aim at integrating into local communities by paying extra attention in localising our operations and showing our care and concern about enhancing the prosperity and development of local economies.

2. *To please our customers and stay ahead of the industry:*

   We emphasise on adapting to local operating environments with high flexibility and establishing an effective system for handling customer feedbacks. By bearing the idea of putting customers first in our marketing objectives, we devote considerable resources to satisfy the demand of end consumers.

3. *To inherit and maintain the core values of the corporation:*

   We believe that some important virtues are necessary in our acts: be honest, work hard, be innovative, dare to change, be optimistic and positive, have a good attitude and be harmonious. We also treasure our following corporate values: be strong, be fair, think positive, stay humble, be considerate, think well, be upright, respect what we do, share happiness and be thankful for the society.

4. *To recruit local talents to form operation teams with a global perspective:*

   We hire local talents and cultivate them to exhibit their edges for contributing to the Group. We require our operation teams to possess global perspectives and visions and the expertise in global operations.

5. *To establish an operating and management system which stresses product quality and safety:*

   The first priority in our operating focus is to provide consumers with quality and safe products by closely monitoring our production and supply chain.

ACKNOWLEDGEMENT

The sustainable development of the Company rides on the staunch support and concerted efforts of different parties. On behalf of the Board, I hereby extend my sincere gratitude to our clients, suppliers, business partners and shareholders for their full support and to our staff for their dedications and contributions over the past year.

Lo Chih-Hsien
Chairman

26 March 2013

GROUP RESULTS

Uni-President China Holdings Ltd. (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2012.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2012

	Note	**2012**	2011
		RMB'000	*RMB'000*
Revenue	3	**21,405,723**	16,931,929
Cost of sales	4	**(14,003,879)**	(11,989,317)
Gross profit		**7,401,844**	4,942,612
Other gains – net		**118,664**	69,173
Other income		**214,231**	135,972
Other expenses	4	**(87,276)**	(45,930)
Selling and marketing expenses	4	**(6,043,037)**	(4,292,431)
Administrative expenses	4	**(722,909)**	(548,153)
Operating profit		**881,517**	261,243
Finance income		**116,701**	126,206
Finance costs		**(52,877)**	(31,144)
Finance income – net	5	**63,824**	95,062
Share of results of jointly controlled entities and associates		**131,588**	40,086
Profit before income tax		**1,076,929**	396,391
Income tax expense	6	**(221,041)**	(84,451)
Profit for the year and attributable to equity holders of the Company		**855,888**	311,940
Earnings per share for profit attributable to equity holders of the Company during the year (expressed in RMB per share) – Basic and diluted	7	**23.78 cents**	8.67 cents
Dividends	8	**171,178**	93,582

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Note	**2012** **RMB'000**	2011 RMB'000
Profit for the year		**855,888**	311,940
Other comprehensive income:			
Transfer of fair value gains previously taken to reserve to income statement upon disposal of available-for-sale financial assets		**(14,039)**	(20,322)
Fair value gains on available-for-sale financial assets, net of tax		**98,981**	15,452
Transfer of fair value loss previously taken to reserve to income statement upon impairment of available-for-sale financial assets, net of tax		**12,925**	–
Other comprehensive income for the year, net of tax		**97,867**	(4,870)
Total comprehensive income for the year and attributable to equity holders of the Company		**953,755**	307,070

CONSOLIDATED BALANCE SHEET
As at 31 December 2012

	Note	**2012** *RMB'000*	2011 *RMB'000*
ASSETS			
Non-current assets			
Land use right		**1,426,756**	1,272,155
Property, plant and equipment		**7,911,655**	5,579,385
Investment properties		**167,880**	101,469
Intangible assets		**6,937**	8,054
Interests in jointly controlled entities		**189,300**	158,941
Interests in associates		**1,140,272**	1,023,272
Available-for-sale financial assets		**586,272**	511,207
Deferred income tax assets		**173,070**	156,479
Other receivables – non-current portion		**20,418**	309,410
		11,622,560	9,120,372
Current assets			
Inventories		**1,284,940**	1,274,163
Trade receivables	9	**512,579**	513,305
Prepayments, deposits and other receivables		**824,261**	442,894
Pledged bank deposits		**4,664**	17,608
Cash and cash equivalents		**2,290,809**	2,369,050
		4,917,253	4,617,020
Total assets		**16,539,813**	13,737,392

	Note	2012 RMB'000	2011 RMB'000
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**34,047**	34,047
Share premium account		**2,243,980**	2,243,980
Other reserves			
– Proposed dividends		**171,178**	93,582
– Others		**5,221,863**	4,439,286
Total equity		**7,671,068**	6,810,895
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		**161,111**	165,181
Borrowings		**3,562,321**	1,511,915
Other payables – non-current portion		**197,130**	162,822
		3,920,562	1,839,918
Current liabilities			
Trade and bills payables	10	**1,441,944**	1,195,779
Other payables and accruals		**2,995,557**	2,244,265
Borrowings		**408,558**	1,584,217
Current income tax liabilities		**102,124**	62,318
		4,948,183	5,086,579
Total liabilities		**8,868,745**	6,926,497
Total equity and liabilities		**16,539,813**	13,737,392
Net current liabilities		**(30,930)**	(469,559)
Total assets less current liabilities		**11,591,630**	8,650,813

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Uni-President China Holdings Ltd. (the "Company") was incorporated in the Cayman Islands on 4 July 2007 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

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

The Company completed its global initial public offering and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 December 2007 (the "Listing").

These consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors on 26 March 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS"). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Changes in accounting policies and disclosures

(a) *New and amended standards adopted by the Group*

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2012:

- The Hong Kong Institute of Certificated Public Accountant has amended HKAS 12, 'Income taxes', to introduce an exception to the principle for the measurement of deferred income tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred income tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012.

  The Group has adopted this amendment for the financial year ended 31 December 2012, however it has no impact on the consolidated financial statements.

(b) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted*

The Group's assessment of the impact of these new and amended standards is set out below.

- HKFRS 7 (Amendment), 'Financial instruments: Disclosures – Offsetting financial assets and financial liabilities' requires new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. Group is yet to assess HKFRS 7 (Amendment)'s full impact and intends to adopt HKFRS 7 (Amendment) upon its effective date, which is for the accounting period beginning on or after 1 January 2013.

- HKFRS 9, 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess HKFRS 9's full impact and intends to adopt HKFRS 9 upon its effective date, which is for the accounting period beginning on or after 1 January 2015.

- 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. HKFRS 10 will be effective for accounting periods beginning after 1 January 2013 and the Group assessed that adoption of HKFRS 10 did not result in any change in the consolidation status of its subsidiaries, and would not have material impact to the Group's consolidated financial statements.

- HKFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The Group is yet to assess HKFRS 11's full impact and intends to adopt HKFRS 11 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.

- Amendments to HKAS 1 'Presentation of financial statements' regarding OCI. The main change resulting from these amendments is a requirement for entities to group items presented in OCI on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The Group is yet to assess full impact of the amendments and intends to adopt the amendments no later than the accounting period beginning on or after 1 January 2013.

- HKAS 19 (Amendment) 'Employee benefits'. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. The Group is yet to assess full impact of the amendments and intends to adopt HKAS 19 no later than the accounting period beginning on or after 1 January 2013.

- HKAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of HKAS 27 (revised 2011) have been included in the new HKFRS 10. The Group is yet to assess HKAS 27 (revised 2011)'s full impact and intends to adopt HKAS 27 (revised 2011) no later than the accounting period beginning on or after 1 January 2013.

- HKAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of HKFRS 11. The Group is yet to assess HKAS 28 (revised 2011)'s full impact and intends to adopt HKAS 28 (revised 2011) no later than the accounting period beginning on or after 1 January 2013.

- HKAS 32 (Amendment) clarifies the requirements for offsetting financial instruments on the statement of financial position: (i) the meaning of 'currently has a legally enforceable right of set-off'; and (ii) that some gross settlement systems may be considered equivalents to net settlement. The Group is yet to assess HKAS 32 (Amendment)'s full impact and intends to adopt HKAS 32 (Amendment) no later than the accounting period beginning on or after 1 January 2014.

3. REVENUE AND 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 from a product perspective as over 90% of the Group's sales and business activities are conducted in the PRC. From a product perspective, management assesses the performance of beverages, instant noodles and others.

The executive directors assess the performance of 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 year ended 31 December 2012 and 2011 is as follows:

	2012				
	Beverages *RMB'000*	**Instant noodles** *RMB'000*	**Others** *RMB'000*	**Unallocated** *RMB'000*	**Group** *RMB'000*
Segment results					
Revenue	**13,913,636**	**7,269,580**	**222,507**	**–**	**21,405,723**
Segment profit/(loss)	**764,385**	**225,258**	**(3,430)**	**(104,696)**	**881,517**
Finance income – net					**63,824**
Share of results of jointly controlled entities and associates	**134,630**	**–**	**–**	**(3,042)**	**131,588**
Profit before income tax					**1,076,929**
Income tax expense					**(221,041)**
Profit for the year					**855,888**
Other segment items included in the income statement					
Depreciation and amortisation	**545,295**	**207,448**	**6,476**	**43,803**	**803,022**
Segment assets and liabilities					
Assets	**8,337,870**	**2,903,484**	**134,662**	**3,834,225**	**15,210,241**
Interests in jointly controlled entities	**181,477**	**–**	**–**	**7,823**	**189,300**
Interests in associates	**928,374**	**–**	**–**	**211,898**	**1,140,272**
Total assets					**16,539,813**
Liabilities	**2,971,311**	**1,515,471**	**28,356**	**4,353,607**	**8,868,745**
Total liabilities					**8,868,745**
Capital expenditure	**2,739,487**	**780,130**	**18,502**	**39,889**	**3,578,008**

	2011				
	Beverages	Instant noodles	Others	Unallocated	Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment results					
Revenue	10,688,584	5,936,314	307,031	–	16,931,929
Segment profit/(loss)	228,765	165,089	(21,416)	(111,195)	261,243
Finance income – net					95,062
Share of results of jointly controlled entities and associates	43,429	–	–	(3,343)	40,086
Profit before income tax					396,391
Income tax expense					(84,451)
Profit for the year					311,940
Other segment items included in the income statement					
Depreciation and amortisation	341,775	155,060	6,572	26,856	530,263
Segment assets and liabilities					
Assets	6,279,697	2,518,792	171,817	3,584,873	12,555,179
Interests in jointly controlled entities	150,644	–	–	8,297	158,941
Interests in associates	817,275	–	–	205,997	1,023,272
Total assets					13,737,392
Liabilities	2,208,944	1,209,764	30,655	3,477,134	6,926,497
Total liabilities					6,926,497
Capital expenditure	2,510,908	694,713	91,764	864,669	4,162,054

Assets grouped under unallocated category consisted primarily of deferred income tax assets, available-for-sale financial assets, pledged bank deposits and cash and cash equivalents, investment properties and affiliated land use rights.

Liabilities grouped under unallocated category comprised primarily of deferred income tax liabilities, current income tax liabilities and borrowings.

Capital expenditure comprised additions to land use right, property, plant and equipment, investment properties and intangible assets.

4 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses, administrative expenses and other expense are analysed as follows:

	2012	2011
	RMB'000	*RMB'000*
Raw materials, packaging materials, consumables and purchased commodity used	**12,243,362**	10,501,388
Changes in inventories of finished goods	**1,422**	69,346
Manufacturing outsourcing expenses	**184,914**	233,579
Promotion and advertising expenses	**2,790,366**	1,698,700
Employee benefit expenses, including directors' emoluments	**2,503,129**	1,877,393
Transportation expenses	**980,069**	832,853
Amortisation of land use right	**32,605**	20,838
Depreciation of property, plant and equipment	**761,713**	503,686
Depreciation of investment properties	**5,301**	1,915
Amortisation of intangible assets	**3,403**	3,824
Operating lease in respect of buildings	**171,663**	153,689
City construction tax, property tax and other tax surcharges	**212,517**	131,762
Reversal of provision for impairment of property, plant and equipment	**(307)**	(17)
(Reversal of)/provision for impairment of trade receivables	**(2,769)**	679
Provision for impairment of an available-for-sale of financial asset	**16,786**	–
Reversal of provision of inventories to net realisable value	**(10,003)**	(6,305)
Auditors' remunerations	**7,018**	6,230
Others	**955,912**	846,271
Total	**20,857,101**	16,875,831

5. FINANCE INCOME – NET

	2012	2011
	RMB'000	*RMB'000*
Finance income – interest income on cash and cash equivalents	**102,710**	61,164
Net foreign exchange gains	**13,991**	65,042
	116,701	126,206
Interest expenses on bank borrowings	**(52,877)**	(31,144)
Finance income – net	**63,824**	95,062

6. INCOME TAX EXPENSE

	2012	2011
	RMB'000	*RMB'000*
Current income tax		
– Current tax on profit for the year	**243,580**	113,644
Deferred income tax	**(22,539)**	(29,193)
	221,041	84,451

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.

Effective from 1 January 2008, the Company's subsidiaries incorporated in the PRC are subject to Corporate Income Tax ("CIT") in accordance with the New CIT Law as approved by the National People's congress on 16 March 2007 and the Detailed Implementations Regulations of the New CIT Law (the "DIR") as approved by the State Council on 6 December 2007. According to the New CIT Law and DIR, the income tax rates for both domestic and foreign investment enterprises would be unified at 25% effective from 1 January 2008. For enterprises which were established before the publication of the New CIT Law and entitled to preferential treatments of reduced CIT rates granted by relevant tax authorities, the new CIT rate will be gradually increased from the preferential rates to 25% within 5 years after 1 January 2008. 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. For enterprises that have not yet benefited from such preferential policies due to their accumulated loss positions, the preferential policies shall be deemed to commence from the 2008 tax year to kick-start the grandfathering period.

According to the New CIT Law, the profits of the PRC subsidiaries of the Group derived since 1 January 2008 are subject to withholding tax at a rate of 5% upon the distribution of such profits to foreign investors.

Subsidiaries incorporated in Taiwan and Hong Kong are subject to income tax at the prevailing rates of 25% and 16.5% (2011: 25% and 16.5%) respectively.

7. EARNINGS PER SHARE

Basic

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

	2012	2011
Profit attributable to equity holders of the Company *(RMB'000)*	**855,888**	311,940
Weighted average number of ordinary shares in issue *(thousands)*	**3,599,445**	3,599,445
Basic earnings per share (RMB per share)	**23.78 cents**	8.67 cents

Diluted earnings per share is the same as basic earnings per share as there are no potential dilutive ordinary shares of the Company.

8. DIVIDENDS

The dividends paid by the Company in 2012 and 2011 amounted to RMB93,582,000 (RMB2.600 cents per share) and RMB155,712,000 (RMB4.326 cents per share)respectively.

A dividend in respect of the year ended 31 December 2012 of RMB4.756 cents per share, amounting to a total dividend of RMB171,178,000, is to be proposed at the annual general meeting to be held on 14 May 2013. These financial statements do not reflect this dividend payable.

	2012	2011
	RMB'000	*RMB'000*
Proposed final dividend of RMB4.756 cents (2011: RMB2.600) per ordinary share	**171,178**	93,582
	171,178	93,582

9. TRADE RECEIVABLES – GROUP

	2012	2011
	RMB'000	*RMB'000*
Trade receivables from independent third parties	**508,693**	517,606
Less: provision for impairment	**(6,346)**	(9,115)
Trade receivables from independent third parties, net	**502,347**	508,491
Trade receivables from related parties	**10,232**	4,814
Trade receivables, net	**512,579**	513,305

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

	2012	2011
	RMB'000	*RMB'000*
Trade receivables, gross		
– Within 90 days	**489,653**	474,468
– 91-180 days	**27,755**	44,696
– 181-365 days	**1,250**	3,120
– Over 1 year	**267**	136
	518,925	522,420

10. TRADE AND BILLS PAYABLES – GROUP

	2012	2011
	RMB'000	*RMB'000*
Trade payables		
– to independent third parties	**1,202,767**	1,108,368
– to related parties	**239,177**	85,526
	1,441,944	1,193,894
Bills payable		
– to independent third parties	**–**	1,885
	1,441,944	1,195,779

The credit terms granted by suppliers to the Group are usually 30 to 45 days. The ageing analysis of trade payables is as follows:

	2012	2011
	RMB'000	*RMB'000*
Trade payables		
– Within 180 days	**1,423,589**	1,180,331
– 181 to 365 days	**10,275**	5,473
– Over 1 year	**8,080**	8,090
	1,441,944	1,193,894

Majority of the trade and bills payables are denominated in RMB. Their carrying amounts approximate their fair values as at the balance sheet dates.

11. COMMITMENTS

(a) Capital commitments

The Group's capital commitments in respect of property, plant and equipment are as follows:

	2012	2011
	RMB'000	*RMB'000*
Contracted but not provided for	**307,862**	254,701

There is no capital commitment of the Company as at 31 December 2012.

(b) Operating lease commitments

The Group is the lessee:

The Group leases buildings under non-cancellable lease agreements. The Group's future aggregate minimum lease payments under these non-cancellable operating leases are as follows:

	2012	2011
	RMB'000	*RMB'000*
Not later than 1 year	**27,714**	23,499
Later than 1 year and not later than 5 years	**39,121**	35,286
Later than 5 years	**122,280**	131,108
	189,115	189,893

The Group is the lessor:

The Group leases out investment properties, plant and equipment under non-cancellable operating lease agreements. The leases have various terms and renewal rights. The future aggregate minimum rental receipts under these non-cancellable operating leases are as follows:

	2012	2011
	RMB'000	*RMB'000*
Not later than 1 year	**41,860**	28,859
Later than 1 year and not later than 5 years	**87,316**	61,872
Later than 5 years	**38,815**	24,330
	167,991	115,061

(c) Investment commitments

As at 31 December 2012, the Group has following significant commitments in respect of capital contribution to investments:

(i) Pursuant to a subscription agreement entered into in November 2010, the existing shareholders of Wondersun Dairy agreed to subscribe for additional shares in proportion of their respective equity interests. As at 31 December 2012, the Group has made additional capital contribution of approximately RMB51,665,000 to Wondersun Dairy, representing 50% of the committed new subscription of share capital. The remaining commitment of investment of approximately RMB51,665,000 is payable no later than 31 October 2013.

(ii) In April 2009, the Group together with other investors set up a Sino-foreign joint venture company in the PRC, China F&B, for the purpose of investments in companies engaging in food and beverage business in the PRC. The Group has agreed to subscribe, in aggregate, 39.74% of the registered capital of China F&B at a total subscription price of RMB245,000,000. As at 31 December 2012 and up to the date of approval of these consolidated financial statements, the Group has made capital injection of RMB232,750,000, with the remaining investment commitment of RMB12,250,000, which has been committed to be paid no later than April 2014.

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC ENVIRONMENT

In 2012, although the European debt crisis saw temporary relief, there were still fundamental problems unresolved, and the global economy did not significantly improve. The United States continued to pursue quantitative easing monetary policy in order to boost the economy amid the economic downturn. The PRC government implemented macroeconomic control and made changes to the industrial structure through a series of effective supporting measures. Despite that various economic figures slowed down as compared with 2011, the GDP in 2012 grew by 7.8% on a year-on-year basis and the total consumable retail sales increased by 14.3% on a year-on-year basis. The market remained prudent and optimistic about the domestic economy with improvement in people's livelihood and growing consumer demand.

BUSINESS REVIEW

The Group accomplished another milestone and recorded more than RMB20 billion in revenue in 2012. In only two years after hitting the threshold of RMB10 billion revenue in 2010, we achieved another revenue record of more than RMB10 billion upon the 20th year of our presence in the PRC market with exponential growth and ushered in another period of peak growth.

In face of intensifying competition in the consumer market of the PRC, the Group endeavoured to focus on its business strategies and streamline operations. Under the concerted efforts of our diligent employees, we recorded continuous rapid growth in our instant noodles and beverage businesses, outpacing average industry growth rate. The market share of all main products increased steadily. The annual profit increased due to the effective utilisation of marketing resources which successfully enhanced brand value. Production cost reduced significantly because of decreasing raw material costs, optimised product portfolio and enhancement of efficiency during production process. With capacity expansion due to new plant and continuous development of distribution channels, the Group's operating profit in 2012 reached new record high and rose substantially by 237.4% as compared with 2011. The principal activities of the Group are set out below.

FINANCIAL RESULTS

For the year ended 31 December 2012 (the "Year"), the Group recorded a revenue of RMB21,405.7 million, representing an increase of 26.4% from RMB16,931.9 million for the corresponding period of last year. Revenue from the instant noodles and beverages products increased by 22.5% and 30.2% to RMB7,269.6 million and RMB13,913.6 million respectively, accounting for 34.0% and 65.0% respectively of the Group's total revenue. During the Year, gross profit increased by 49.8% from RMB4,942.6 million to RMB7,401.8 million while gross profit margin increased by 5.4 percentage points from 29.2% for the corresponding period of last year to 34.6%.

During the Year, due to growth in earnings and continuous improvement of the product mix and production process, the proportion of high profit margin products increased. In addition, the prices of major raw materials dropped during the Year compared with the corresponding period of last year, therefore gross profit and gross profit margin rose substantially. During the Year, in light of the proactive efforts of the Group in brand building to create brand value, development of sales network to stabilise and expand its customer base, the selling and marketing expenses for the Year increased by 40.8% to RMB6,043.0 million (2011: RMB4,292.4 million). During the Year, administrative expenses amounted to RMB722.9 million (2011: RMB548.2 million), which was mainly attributable to increase in urban construction tax and education surcharge and corresponding increase in expenses from new production base construction and capacity expansion. During the Year, share of results of jointly controlled entities and associates surged by 228.3% to RMB131.6 million (2011: RMB40.1 million) due to the increase in earnings of Jinmailang Beverage Corporate Limited during the Year.

During the Year, profit attributable to equity holders of the Company was RMB855.9 million, representing an increase of 174.4% as compared with RMB311.9 million of the corresponding period last year, and earnings per share were RMB23.78 cents (2011: RMB8.67 cents).

Instant Noodles Business

Following the rapid growth in 2011, the Group's instant noodles business continued its growth momentum in 2012, and recorded an annual revenue of RMB7,269.6 million, representing a growth rate of 22.5% compared to the corresponding period last year, which exceeded the growth rate of the instant noodles industry in general. ACNielsen's research reported an increase of 2.5 percentage points in the market share of the Group's instant noodles, from 13.3% in 2011 to 15.8% in 2012. The Group has achieved the highest growth in the industry for three consecutive years.

ACNielsen's 2012 data showed that the total sales volume of the instant noodles industry only grew by 4.8% over the corresponding period last year but the sales amount grew by 14.6%, reflecting the change in instant noodles consumption trend. The pattern of sales amount outperforming sales volume in 2011 continued, clearly demonstrating the upgrade of instant noodles industry. The Group has launched the strategy of focusing on mid-to-high priced instant noodles operation since the second half of 2008. We focused on "value marketing" and strived to provide differentiated and high value-added products to consumers. Our key product, "Lao Tan Pickled Cabbage and Beef Flavoured Noodles (老壇酸菜牛肉麵)" continued to grow rapidly, further driving the change in overall market flavour and remained the second favourite flavoured instant noodles in the PRC. According to ACNielsen, market share of pickled cabbage flavoured noodles increased by 4.3 percentage points from 10.4% to 14.7% in 2012, hence securing a leading position in the spicy flavour market, ahead of spicy beef flavoured noodles and ranked second in the overall noodles market. Among the 14.7% market share attributable to pickled cabbage flavoured noodles, the Group's Lao Tan Pickled Cabbage series accounted for 8.8 percentage points, maintaining the leading market position in the industry under intensifying peer competition in the market. The new product, "Braised Beef Flavoured Noodles (滷肉麵)", launched by the Group, was well-received by consumers since its nationwide launch in 2012, with a growth rate exceeding Lao Tan Pickled Cabbage and Beef Flavoured Noodles at its initial launch. It became another instant noodles product of the Group with high growth momentum.

In 2012, prices of the major raw materials of instant noodles dropped and cost pressure eased. As various manufacturers enhanced marketing efforts, the market competition was intense. The Group continued to focus on the operations of Lao Tan Pickled Cabbage and Beef Flavoured Noodles, adhering to the concept of "authenticity of Lao Tan" (正宗老壇) in face of increasing more competitive followers and high homogenisation in the market. On the product side, we continued to improve the flavour and maintained leading position in terms of consumer preference, brand building and publicity, to differentiate Lao Tan Pickled Cabbage and Beef Flavoured Noodles from other brands' pickled cabbage flavoured products. The Group strengthened in-depth communication with consumers through endorsement for the product by Mr. Wang Han, a famous TV show host, and 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. It developed the concept that "Uni-President represented authenticity of Lao Tan pickled cabbage (正宗老壇酸菜就選統一)" and further consolidated the leading position of Lao Tan Pickled Cabbage and Beef Flavoured Noodles in the spicy flavoured noodles market. The Group endeavoured to develop the new product, Braised Beef Flavoured Noodles, which was the second nationwide product focused by the Group with a concept being "Braised Beef Flavoured Noodles is the instant noodles for new generation consumers (滷肉麵是新一代的方便麵)" and proactively captured the non-spicy flavoured market share. 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 Flavours (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. For the second half of 2012, we invited renowned TV programme host Mr. He Jiong as pitchman, who introduced the "unbelievably divine taste of such unique product (一滷香天下)" to consumers and enhanced our popularity and promoted our second popular product.

In respect of sales network construction, we continued to adopt the strategy of "celebrity products driving development of sales channels (明星產品帶動通路建設)" and targeted at enhancing sales channels by allocating resources to expand new customers. The Group basically completed its dealership or distribution network from first-tier cities to prefecture-level cities, counties and rural towns. We also expanded into township markets through township exhibitions and bazaar vehicle sales. Regarding development of new and special channels, the Group devoted great efforts to develop railway, highway, airport, factory, mine, construction site and chain hotel channels. With these added new type of sales channels, the Group was exposed to sales opportunities to different consumer groups.

In 2012, the major raw materials cost of instant noodles (such as flour and palm oil) showed a decreasing trend, which greatly eased the cost pressure on instant noodles segment. The Group also improved and adjusted its nationwide production lines, replacing part of its obsolete production lines and upgrading to high-speed ones to further enhance production efficiency. In addition, after conversion of production base layout, Changsha factory commenced production in 2012. The demand for business growth was achieved by capacity expansion, and the profitability of instant noodles segment was further enhanced.

Looking ahead, the Group will continue to focus on the operations of Lao Tan Pickled Cabbage and Beef Flavoured Noodles and Braised Meat Flavoured Noodles in 2013. The Group will strengthen the stable growth of Lao Tan Pickled Cabbage and Beef Flavoured Noodles business, and enhance the product flavour of Braised Meat Flavoured Noodles by secret ingredients and greatly increased promotional efforts. At the same time, capitalising on the R&D and product innovation, the Group prepares to develop high-end products and further expands its share in high-end and non-spicy flavour markets. In respect of channel construction, we will devote great efforts to launch the "focused channel development (通路精耕)" to strengthen network construction between dealers and sales points to continuously inject momentum in sustainable sales growth. Regarding production base layout, new production bases will commence production as planned to further satisfy the demand due to rapid growth in production scale.

Beverage Business

Tea Drinks

In 2012, the sales amount and sales volume of tea drinks industry (excluding milk tea) as a whole recorded negative growth. According to ACNielsen, general sales of milk beverages went up by 14.4%, compared with the corresponding period last year. However, sales of tea drinks market (excluding milk tea) decreased by 4.7%. There was noticeable shift in consumer preference to milk tea and functional drinks which became more popular.

Although the general tea drink market was lacklustre in 2012, the Group's tea drinks business recorded promising results with a revenue of RMB5,597.1 million, substantially outperforming the industry in 2012. It grew by 12.2% as compared to corresponding period last year. Its market share increased by 3.3 percentage points from 19.4% in 2011 to 22.7% in 2012, representing the highest growth rate in the industry. The Group's featured products, Uni Ice Tea (統一冰紅茶) and Uni Green Tea (統一綠茶) performed remarkably. The two brands recorded a combined revenue growth of 17.5% compared with the corresponding period last year.

In 2012, the Group's tea drinks business grew amid industry downturn, and its market share also attained remarkable growth, mainly attributable to the focused operational strategy and success in brand building. The tea drinks business recorded high growth rate in 2009 and 2010 attributable to the large-scale promotion plans but entered a period of nil growth and recession in 2011 and 2012, respectively. The Group would like to take this opportunity to adjust its tea beverage business, focusing on operations of Uni Ice Tea and Uni Green Tea, investing marketing resources in brand building and upgrading product flavour and packaging. For Uni Ice Tea, the Group joined hands with China X-game in organising the nationwide event "Skateboarding Unlimited (酷玩滑板無極限)", which was in line with the core brand theme of "Youth Unlimited (年輕無極限)". For Uni Green Tea, its main promotional campaign themed "Experience Lake Kanas and feel the nature (親近自然　體驗喀納斯)" was launched in over 20 major cities nationwide. As the outstanding performance of these two major brands was recognised by consumers, the revenue of the Group's tea drinks greatly outperformed the industry in 2012. The results were promising despite the industry downtown.

In 2013, capitalising on the favourable development trend, for Uni Ice Tea and Uni Green Tea, the Group will continue to invest in brand development and product upgrade. The Group will invite, for the first time, an international rock star, Avril Lavigne, for her endorsement for Uni Ice Tea. Apart from continuing the event of "Skateboarding Unlimited", together with the thematic activity of "In Pursuit of Unlimited, Dare to Reach Target (極限潮趴　巔峰我敢造)", the Group would like to attract young consumers through organising skateboarding party and creating trendy and cool publicity topics. For Uni Green Tea, we will continue to upgrade product flavour and improve packaging, and launch nationwide annual event of "Experience the nature with my own tracks (親近自然　我有我騎跡)" for brand building and publicity. We would like to take the lead in the green ride trend and enhance promotional effects.

In 2013, the Group will endeavour to develop its featured products. The Group will also proactively launch new products, such as pure tea and plant tea products, to satisfy the demand of different consumers. Leverage on its R&D capability, the Group will stimulate consumption and drive the overall development of tea drinks through innovative product concepts and formula.

In 2013, the Group will enhance the dealer's network construction and channel streamlining. We will place refrigerators in key sales outlets to proactively capture sales channels and increase product distribution rate. Looking ahead, capitalising on consumption trends and dynamics, the Group's tea drink business will pursue its focused operations and invest in brand development, and further expand market share.

Juice Drinks

In 2012, the Group's juice drinks business continued to grow, with a revenue of RMB3,996.4 million, representing an increase of 24.2% as compared with the same period last year, while the general juice drinks market rose by 16.0% in 2012. Growth in our juice drinks revenue outperformed the general juice drinks market by 8.2 percentage points, with an increased market share of 1.2 percentage points (according to ACNielson). The growth in revenue from juice drinks in 2012 was mainly attributable to the significant growth of Crystal Sugar Pear Drink (冰糖雪梨) under "Seasonal Drinks (飲養四季)" series, being Chinese health drinks, and the success of the innovative brand image and product packaging of the "More Juice Series (統一多果汁)", which successfully attracted the young consumers. In 2012, the Group constantly improved the product mix of the juice drinks business and gradually increased the ratio of high profit margin products to total sales. In addition, due to the general decline of major raw materials prices in 2012, the juice drinks business recorded remarkable growth in profit.

In 2012, the Group invited Asian famous artists namely Jang Keunsuk and Park Min Young to endorse its products, the "More Juice Series" featuring "More" Orange Juice (鮮橙多) with new packaging to target at young consumers born after the 1990s. The Group kicked off its revamp programme involving "new positioning, images, packaging, endorsements, experience and publicity (新定位、新形象、新包裝、新代言、新體驗、新傳播)" and it was well received by general consumers. It revitalised the brand assets of "Boosting Your Beauty with Vitamin C (多C多漂亮)" to present a youthful brand image. In addition to placing advertisements on traditional media such as television and outdoor media, the Group also utilised platforms that are most attractive to young people, such as blogs, social networks and online videos. With innovative consumer-oriented marketing campaign, the Group differentiated itself from its juice drinks peers. In 2012, the growth of "More" Juice series substantially surpassed the general juice drinks industry after changing to a smaller packaging.

Since its launch in 2011, Crystal Sugar Pear Drink has become widely popular with its unique flavour and nourishing values. Crystal Sugar Pear Drink became the new favourite beverage and a growth driver in 2012. The Group invited Ms. Fish Leong, a famous love song singer, to endorse Crystal Sugar Pear Drink, and organised various meetings nationwide to draw consumers, spokesperson and the brand closer. The Seasonal Drinks series is intended to associate with the sense of quenching and soothing (一口潤心田) to differentiate from the competing products and received excellent consumer response through the micro-film and MV of the spokesperson. For Crystal Sugar Pear Drink, the Group performed well in operational efficiency, market development and consumer recognition. In 2012, the revenue from Crystal Sugar Pear Drink soared by 306.8% as compared to the corresponding period last year, setting a new industry landscape of Chinese traditional health drinks.

The core task of "More" Orange Juice in 2013 is to promote the brand by leveraging the marketing effects of spokesperson. The Group will accumulate sustainable brand assets of "More" Orange Juice by meeting with spokesperson, new MV broadcasting, interactive network contact, real experience of "Beauty Inn (漂亮會館)", new TVC and network investment to accomplish three wins in brand building, performance boost and consumer preference by sculpturing the unique character of being beautiful and confident. In 2013, the Group will increase the general sales volume of Crystal Sugar Pear Drink, and launch new flavour drinks to enhance the brand of Seasonal Drinks series. We will work with major media bodies in the PRC by continuously leveraging on the spokesperson resources to enhance the brand of the sense of quenching and soothing, transforming the brand and spokesperson's preference into favourable assets and expanding the market share of the brand.

Milk Tea

Revenue from the Group's milk tea business for 2012 rose by 82.6% as compared to 2011. Uni Milk Tea (統一奶茶) maintained its leading market position with a market share of 61.4%, increased by 0.9 percentage point compared with 2011. The ready-to-drink milk tea market accounted for 18.6% of the overall ready-to-drink tea market in 2012 as compared to 9.6% in 2011 due to the rapid growth of ready-to-drink milk tea. Driven by the Group's milk tea products, the ready-to-drink milk tea market in Guangdong and Hunan provinces took over red tea and green tea to become the largest type of tea beverages (according to ACNielson).

In 2012, the Group's milk tea segment continued to focus on its superior product, Assam Milk Tea (阿薩姆奶茶). In addition, the Group endeavoured to develop British Earl Grey Milk Tea (英式伯爵奶茶) as its second key product under milk tea business. Ms. Charlene Choi, a Hong Kong artist acted as spokesperson for our commercials for Assam Milk Tea – cheerful mood and British Earl Grey Milk Tea – good mood in England, which were aired on CCTV and regional satellite channels. In addition, the Group launched an integrated marketing campaign themed "Joyful Tea (定格好心情)" and through a series of marketing activities tailored for its target customers including the cheerful mood interactive experience offered at the user-end stores, internet and weibo interactive marketing, sales of Uni Milk Tea continued to grow steadily. Under the strategy of "value marketing (價值行銷)" of the Group, the ready-to-drink milk tea business continued to record promising results and created a high-end brand image among its target consumers, which overcame the challenge from price competition and consolidated its leading market position.

In 2013, the Group will continue the value marketing strategy for Uni Milk Tea and will insist on not to participate in price competition but create a value brand to differentiate its products. Expanding the market size of ready-to-drink milk tea will be its top priority. Capitalising on the comparative advantage of the 500ml packaging, our featured product, Assam Milk Tea will satisfy the demand at parties and catering functions by combining with large packaging product series, and guiding the sales channels to penetrate to county and township markets. For British Earl Grey

Milk Tea, the Group will continue to develop the theme of good mood in England and promote the product through placing commercials and promoting ultimate consumer experience so as to build Uni Milk Tea as the preferred product among target consumers.

Coffee

The ready-to-drink coffee market in the PRC maintained steady growth in 2012. According to the market research carried out by ACNielsen in four major cities in the PRC, namely, Beijing, Shanghai, Guangzhou and Shenzhen, the sales growth of ready-to-drink coffee for 2012 was 30.0%. Leverage on the growth trends of consumer preference over rich and high unit price coffee, the Group timely launched 280ml A-Ha Aromatic Latte (雅哈醇香拿鐵) in rich flavour. As it suited the taste of Chinese consumers, coupled with the touching commercials targeted at young consumers, it successfully drove the growth in results. Revenue in 2012 rose by 117.7% as compared with the corresponding period last year, which became the major growth driver in the ready-to-make coffee market and promoted the rapid growth of the Group's coffee business. The annual revenue in 2012 increased by 42.7% as compared with the corresponding period last year, higher than the market average.

In 2012, the Group increased its resources in media commercials for A-Ha (雅哈) coffee concentrating on the first-tier cities including Shanghai, Guangzhou and Shenzhen. The high frequency commercials targeted at media accessible to the specific consumer groups. The commercial series successfully promoted the theme of "Relax by drinking A-Ha coffee (雅哈一下　輕鬆一下)". The brand recognition increased remarkably and the relaxation philosophy of A-Ha was recognised, which enhanced the brand value of A-Ha.

At the end of 2012, we studied on Italian espresso coffee process for A-Ha coffee, and launched A-Ha Italian Classic Coffee (雅哈意式經典) under a more differentiated Italian Moka Pot (意式摩卡壺) series. Together with the newly packaged A-Ha Aromatic Latte series, they became two featured products of the Group. We have obtained patent for the new innovative octagonal bottle packaging which presented look of the traditional Moka pot, and adopted Italian people and landscape as the design theme to demonstrate Italian romantic atmosphere. It has been accepted and recognised by customers since its launch. Along with two new commercials, we expressed in-depth interpretation of the aesthetic mood of Italian coffee by demonstrating relaxing and romantic Italian style through the originality of creative presentation, coupled with classical music background, and gained high recognition from consumers and the industry.

In 2013, A-Ha coffee will continue to adhere to the development direction of high-value and differentiation so as to promote the ready-to-drink coffee market in the PRC, enhance brand awareness and reputation. The Group will strive to promote in-depth development of the Italian Moka Pot series, and enhance development into capital cities and second-tier cities outside first-tier cities.

Bottled water

In 2012, the growth of total revenue from bottled water business was mainly attributable to the sale of mid-to-high-priced natural water and spring water. After continuous product portfolio restructuring, the proportion of Uni Mineralised Water (統一礦物質水) to total sales significantly dropped to below 20%, while that of mid-to-high-priced natural water and spring water increased to over 80% of the total revenue. The Group will continue its product portfolio restructuring, which began in 2011 and gradually terminate the production of the low-priced Uni Mineralised Water in 2013, and focus on mid-to-high-priced natural spring water.

The Group's bottled water brand, ALKAQUA, recorded a 92.6% growth in revenue as compared to the corresponding period last year, significantly surpassing the overall growth of 18.8% of the general bottled water market according to ACNielson. The improvement in results of ALKAQUA was due to the noticeable differentiation from similar products in terms of outlook and positioning which was widely accepted by the target consumers. With the continuous improvement in the standard of living, consumers have higher health awareness on water. In order to satisfy the pursuit of healthy and quality lifestyle of the affluent consumers, we launched "Bama Spring Mineral Water" (巴馬泉) from Bama, Guangxi (a famous longevity town) in early 2013.

As the Group is committed to providing consumers with more natural and healthier bottled water, it is actively looking for high-quality mineral water sources in the PRC, and will gradually establish garden mineral water production base throughout the country. Leverage on the nationwide sales network, it will expand sales scale and synergies in order to achieve the goal of becoming one of the leading brands of mid-to-high-priced spring water in the PRC within three years.

Research and Development

The research and development team of the Group is dedicated to develop safe, innovative and delicious healthy food products, establish leading technology and satisfy customers' growing needs. In order to enhance product development efficiency and enhance successful rate of launching the products, the Group has established the New Product Promotion Committee to coordinate all resources. It assesses and reviews the operation procedures including demand, development and launching of new products. It formulates new product development process through a series of quantitative criteria to ensure the orderly and procedural launch of new products and successful rate of new product promotion.

In order to increase the understanding of consumers' needs, the Group conducts research studies on consumer behaviour, preferences and attitudes regularly, to understand the changes in consumers' needs and spending habits, so as to develop consumers' favourite products. In recent years, along with rising consumer spending power and growing health consciousness, the Group has successively developed a series of new products such as Braised Beef Flavoured Noodles – spicy beef flavour, British Earl Grey Milk Tea, A-Ha Italian Classic Coffee, Corn Kernels (玉米粒道) and Grass Jelly Xianshuang (仙草鮮爽) in 2012, leading the market to shift from price competition to value competition.

The Group continuously monitors product quality and makes improvement to products. In 2012, in order to further strengthen the Group's leading position in tea drinks industry, we made improvement to our featured products, Uni Ice Tea and Uni Green Tea, and insisted on using higher quality tea leaves and other raw materials to produce fresher and more delicious tea drinks. Regarding Crystal Sugar Pear Drink, the Group collaborated with Hefei University of Technology to collect a variety of pear species across the country together to complete the fresh fruit flavour tasting and analysis on domestic pear aroma components, the main component indicators and characteristic components, to ensure the food safety of raw materials at the fundamental level and also identify the key components of the pear aroma and taste contribution. The results were applied to optimise the Group's products so that Crystal Sugar Pear Drink will be the market benchmark as always.

Regarding instant noodles, the Group adopted specific innovative process to develop "secret braised beef ingredients (秘製滷香包)" and applied to Braised Beef Flavoured Noodles to increase its product value. As the scale of Lao Tan Pickled Cabbage and Beef Flavoured Noodles expands, to regulate the product development of pickled cabbage flavoured noodles, the Group is also actively involved in the formulation of pickled vegetables and pickles industry standards. Through close communication and interaction with industry experts, we jointly promoted the safety and health standard in product development. In December 2012, the Group jointly held the China Pickle Industry Innovation and Safety Seminar (中國泡菜產業創新與安全研討會) with the Chinese Institute of Food Science and Technology (中國食品科學技術學會), and joined China Condiment Industries Association (中國調味品協會) to participate in drafting the pickle national standards.

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 Group offers safe, healthy and delicious food products to consumers. To enhance the level of food safety management system of the Group, a food safety and health committee and a food safety centre have been established. The committee and the centre focus their efforts on the deployment and establishment of a food safety protection system, the formulation of food safety policies, the promotion of food safety risk assessment, precaution and control so as to ensure food safety. They are responsible for the management of quality assurance as well as the formulation and implementation of quality assurance policies, ensuring product quality.

The Group perfected the control mechanism of supply chain of raw materials with special focus on the food safety management of supply chain source and the food safety control of finished products. The Group 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 to ensure the implementation of food quality safety control at the source of supply chain. The Group conducted qualification inspection on production plants and implemented an on-site assessment and appraisal system. To ensure food safety, all finished products must pass inspections strictly according to regulations before putting on the market and, further, were subject to three strict annual controls on every food safety check. During which the Group closely monitored various food safety incidents and conducted timely risk assessments, carried out inspections on similar raw materials and finished products and improved the food safety management system to ensure food safety. The Group actively participated in formulating related national standards, collecting and issuing food regulations and domestic and overseas information on food safety to boost awareness of food safety, coordinating and facilitating 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 centre has passed the annual expert evaluation organised by China National Accreditation Service for Conformity Assessment (CNAS Accreditation) and until now 148 assessments have been granted approval. Possessing equipments including GC/MSMS (gas chromatography/multi–stage mass spectrometry), UPLC-MSMS (ultra performance liquid chromatography/multi stage mass spectrometry), ICP/MS (inductively coupled plasma atomic emission spectroscopy/mass spectrometry), UPLC (ultra performance liquid chromatography), AFS (atomic fluorescence spectrometry), ICS (ion chromatography system), GPC (gel permeation chromatography) and mycotoxin testing equipment, the Group has commenced 185 assessments. The assessed items included, in respect of food safety assessments, pesticide residues, veterinary drug residues, heavy metals, 17 rare earth elements, 6 toxins, plasticizers, preservatives, artificial pigments, bromate and fluoride and, in respect of regular assessments, trace elements, amino acids, lipids and food nutrient analysis. The Group was equipped to conduct assessments on food safety items of 450 residual pesticides, 14 veterinary drug residues, 70 edible synthetic pigments and 60 antibiotics. Combining with the laboratories of the subsidiaries and external assessment units, the Group can meet the assessment requirements on the food safety items concerned, providing the Group with professional and recognised assessment services to ensure safety of the Group's food products.

By the end of 2012, 15 subsidiaries of the Group obtained the certification of ISO9001 international standard management system and 14 subsidiaries obtained ISO22000 food safety management system. Those certifications and awards require enterprises to keep improving their food safety and quality control systems and enhancing their capabilities in ensuring food safety. The certifications also show that the Group offers not only delicious products, but also healthy and safe food products to consumers.

STRATEGY

The solid operating foundation, the sound financial position, the core competitiveness and efficient operating management will continue to allow us to expand our market share and accomplish the operating targets set by the Board through organisational advancement and increasing marketing. In order to achieve the corporate goal, we will continue to modify our internal structure, improve our product mix and enhance our management. We will continue to focus on the continual improvement of our product portfolio and to enhance our overall competiveness through better control over operating expenses and overheads and streamlining operation. We have prepared for any future market opportunities by speeding up the construction of production base and increasing investment.

As a parallel strategy to expand the Group's production capacity, the Group, where appropriate, pursues strategic alliance and operations outsourcing by shifting certain of its manufacturing process across reliable and specialised service providers so as to enable the Group to use more efficiently its recourses for brand promotion, sales channel development, product research and other development of the Group's business in the PRC.

FINANCIAL ANALYSIS

Cash and Borrowings

As at 31 December 2012, the Group had a total cash and cash equivalents of RMB2,290.8 million (2011: RMB2,369.1 million), among which 92.2% were denominated in Renminbi. As at 31 December 2012, the Group had pledged bank deposit of RMB4.7 million (2011: RMB17.6 million). Current assets of the Group amounted to RMB4,917.3 million (2011: RMB4,617.0 million) with current liabilities of RMB4,948.2 million (2011: RMB5,086.6 million). Net current liabilities were RMB30.9 million (2011: RMB469.6 million). The Group mainly finances its working capital and capital expenditure by internally generated cash flows and credit facilities from principal bankers. As at 31 December 2012. The Group's total borrowings increased by RMB874.8 million to RMB3,970.9 million (2011: RMB3,096.1 million), at floating interest rates, among which 89.7% were repayable over one year and 76.8% were denominated in United States dollar. As at 31 December 2012, the Group did not have any secured bank borrowing (2011: RMB69 million). Due to the surge in profit for the Year, most of the capital expenditure was funded by cash inflow from the Group's operating activities.

The gearing ratios of the Group as at 31 December 2012 and 2011 were as follows:

	2012	2011
	RMB'000	*RMB'000*
Total borrowings	**3,970,879**	3,096,132
Less: cash and cash equivalents	**(2,290,809)**	(2,369,050)
Net debt	**1,680,070**	727,082
Total equity	**7,671,068**	6,810,895
Total capital	**9,351,138**	7,537,977
Gearing ratio	**17.97%**	9.65%

Cash Flow and Capital Expenditure

During the Year, the Group recorded a net decrease in cash and cash equivalents of RMB78.2 million, mainly comprising net cash inflow from operating activities of RMB2,541.0 million, net cash inflow from financing activities of RMB786.2 million, and net cash outflow from investing activities of RMB3,405.2 million. The net cash outflow from investing activities was mainly applied to the expansion in scale of production, establishment of new production base, and purchasing machinery and equipment for instant noodles business and beverage business for enhancing the production capacity to satisfy demand due to consumption market expansion and the Group's business growth. During the Year, the Group had capital expenditure of RMB3,578.0 million (2011: RMB4,162.1 million).

Analysis of Operating Efficiency

Sales to most customers 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. For the Year, trade receivables decreased by RMB0.7 million to RMB512.6 million. The Group's inventories mainly comprised raw and packaging materials, finished goods and low value consumables. The inventories turnover days decreased by 4 days as compared with 2011 as the finished products continuously sold well through the sales channels. As of 31 December 2012, the inventories balance increased by RMB10.8 million as compared to the beginning of the year. The Group's trade payables mainly arise from credit purchases of raw materials. For the Year, the Group recorded an increase in trade payables of RMB246.2 million, mainly due to the increase in purchase of raw materials and increase in accounts payable resulting from the substantial growth in sales performance for the Year.

	For the year ended 31 December 2012	
	2012	2011
Trade receivables turnover days	**9**	10
Inventories turnover days	**33**	37
Trade payables turnover days	**34**	34

Financial Management and Policy

In the face of slightly eased global economic crisis, stabilised economic situation of the PRC and the continuous growth of the Group's results, the Group adheres to the principle of financial prudence. We responded to risk factors and moved forward in a steady pace by moderate increase in capital expenditures and expansion of infrastructure.

The Group's financial department formulates financial risk management policies based on the policies and programmes approved by the Board and guided by the executive Director which were reviewed by the Group's internal audit department regularly. The Group's financial policy aims at reducing the impact of interest rate and exchange rate fluctuations on the Group's overall financial position, as well as minimising the Group's financial risk exposure.

The Group's financial department provides centralised financial risk (including interest rate and foreign exchange risk) and cash flow management, and cost-effective funding for the Group and its members. Most of the Group's functional currency is Renminbi since majority of the revenues of it are derived from operations in the PRC. Foreign exchange risk may arise from the future borrowings from overseas and recognised assets or liabilities, such as cash and cash equivalents and borrowings, part of which are denominated in United States dollar and Hong Kong dollar. The Group uses foreign exchange forward contracts outside the PRC for risk management and control of the Group's assets and liabilities in due course. Our policy is not to engage in speculative derivative financial transactions and not to invest the current capital in financial products with significant underlying leverage or risk, including hedge funds or similar instruments.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2012.

HUMAN RESOURCES AND EMOLUMENT POLICY

As at 31 December 2012, the Group had 36,802 employees. In view of the huge market opportunities for dairy beverages and food products in the PRC, the Group is actively expanding its foothold on a large scale, thus fuelling 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 familiarise them with the working environment and build up team spirit. Meanwhile, the Company recognises the value of its key personnel in maintaining team morale and competitiveness. Both internal promotion and external recruitment are applied 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 emolument policy of the Group is to reward its employees and Directors based on their performance, qualifications, competence displayed, market comparables and the performance of the Group. With regard to the Group's emolument policy, the Group have entered into separate employment contracts with its employees 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. Upon and after the listing of the Company's shares, the remuneration package may extend to include share options which may be granted under the share option scheme of the Company adopted pursuant to the written resolution passed on 23 November 2007. Apart from those with middle and senior management officers, the term of the employment contracts ranges from one to three years. New employees are subject to a probationary period of two months.

For the Year, the total staff costs (including Directors' emoluments) were RMB2,503.1 million (2011: RMB1,877.4 million).

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2012 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

AUDIT COMMITTEE

The audit committee of the Company 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 of the Company reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements for the year ended 31 December 2012 and has recommended their adoption by the Board.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of RMB4.756 cents per share for the financial year ended 31 December 2012.

The final dividend will be paid in Hong Kong Dollars based on the average exchange rate of Renminbi against Hong Kong Dollars as quoted by the People's Bank of China for five days prior to the date of the annual general meeting of the Company. The final dividend will be paid on or around Thursday, 7 June 2013 to shareholders whose names appear on the register of members of the Company on 23 May 2013 (Thursday).

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has complied with all code provisions of (i) the former Code on Corporate Governance Practices (effective until 31 March 2012) as set out in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the period from 1 January 2012 to 31 March 2012 and (ii) the revised and renamed Corporate Governance Code (effective from 1 April 2012) as set out in Appendix 14 to the Listing Rules for the period from 1 April 2012 to 31 December 2012, except for the deviations as disclosed below:

Code Provision A.2.7: Chairman of the Board is required to hold meetings at least annually with the non-executive Directors (including independent non-executive Directors) without the executive Directors present. As Mr. Lo Chih-Hsien, the Chairman of the Board, is also an executive Director, the Company has deviated from code provision A.2.7 of the Corporate Governance Code as it is not applicable.

Code Provision A.6.7: During the Year, there were two general meetings held (the annual general meeting ("AGM") and an extraordinary general meeting ("EGM") both held on 17 May 2012). Mr. Lo Chih-Hsien (Chairman of the Board, chairman of the investment, strategy and development committee and member of the nomination committee), Mr. Su Tsung-Ming, a non-executive Director, Mr. Fan Ren-Da, Anthony (chairman of both audit committee and nomination committee), Mr. Yang Ing-Wuu (member of the remuneration committee, the investment, strategy and development committee) and Mr. Lo Peter (member of the nomination committee, the audit committee and the investment, strategy and development committee) were present and available to answer any questions raised by the shareholders of the Company. The EGM was held for approving, among others, certain continuing connected transactions of the Company and the estimated maximum aggregate annual transaction values for the Year until the year ending 31 December 2014. The three independent non-executive Directors present at the EGM were available to answer any questions raised by the independent shareholders of the Company. 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, Mr. Chen Sun-Te, an independent non-executive Director and Mr. Hou Jung-Lung (an executive Director and the President) were unable to attend the aforesaid general meetings of the Company due to unexpected business engagement.

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

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the year.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 10 May 2013 to Tuesday, 14 May 2013 (both days inclusive) in order to determine the entitlement of the shareholders of the Company to attend the forthcoming AGM to be held on Tuesday, 14 May 2013, during which period no transfer of the shares in the Company will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 9 May 2013.

The register of members of the Company will be closed from Wednesday, 22 May 2013 to Thursday, 23 May 2013 (both days inclusive) in order to determine the entitlement of shareholders of the Company to receive the final dividend, during which period no transfer of the shares in the Company will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at the above address not later than 4:30 p.m. on Thursday, 23 May 2013.

Subject to the approval of shareholders of the Company at the forthcoming AGM to be held on Tuesday, 14 May 2013, the final dividend will be paid on or around Thursday, 7 June 2013.

PUBLICATION OF ANNUAL REPORT ON THE INTERNET WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The consolidated financial information set out above does not constitute the Company's statutory financial statements for the years ended 31 December 2011 or 2012 but is derived from those financial statements. The 2012 annual report of the Company will be published on the website of the Stock Exchange at http://www.hkexnews.hk and on the Company's website at http://www.upch.com.cn in due course.

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

Hong Kong, 26 March 2013

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