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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 2018 INTERIM RESULTS

- Revenue amounted to RMB11,223.9 million, up by 6.0%
- Group gross margin of 33.5%, up by 1.7 percentage points
- EBITDA of RMB1,745.1 million, up by 13.4%
- Profit for the period, attributable to equity holders of the Company of RMB714.3 million, up by 25.4%

The board (the "Board") of directors (the "Directors") of Uni-President China Holdings Ltd. (the "Company") is pleased to present the unaudited interim condensed consolidated financial information of the Company and its subsidiaries (together, the "Group", "we" or "us") for the six months ended 30 June 2018 (the "Period under Review"). The interim condensed consolidated financial information is unaudited but has been reviewed by the audit committee of the Board (the "Audit Committee") and PricewaterhouseCoopers, the independent auditors of the Company, in compliance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

ECONOMIC ENVIRONMENT

In the first half of 2018, the gross domestic product (GDP) of the People's Republic of China (the "PRC") increased 6.8% year on year with its national economy maintaining a steady and upward development trend in general. The food and beverages industries saw rebounded prices and continued steady increase in sales. Consumption upgrade drove the launch of high quality and innovative products, which led to a new round of consumption trend and promoted economic development.

FINANCIAL RESULTS

Revenue and Gross Profit

The Group has recorded a revenue of RMB11,223.9 million during the Period under Review (first half of 2017 (restated): RMB10,589.5 million), representing an increase of 6.0% as compared with the corresponding period last year. Gross profit increased to RMB3,757.3 million (first half of 2017 (restated): RMB3,362.8 million), with gross profit margin increased by 1.7 percentage points to 33.5% from 31.8% (restated) for the corresponding period last year. The increase in revenue and gross profit mainly due to the recovery of sales of instant noodles and beverages and the adjustment on the profits of distribution channels.

Selling and Marketing Expenses

Selling and marketing expenses increased to RMB2,444.7 million (first half of 2017 (restated): RMB2,284.6 million), representing an increase of 7.0% as compared to the same period of last year, which was mainly attributable to the increased investment in brand development of instant noodles and beverages products during the Period under Review.

Administrative Expenses

Administrative expenses were RMB498.5 million (first half of 2017: RMB466.3 million), representing an increase of 6.9% as compared to the same period of last year, which was mainly due to the slight increase in the number of employees and labor cost during the Period under Review.

Operating Profit

Benefited from the increase of revenue, operating profit was RMB932.5 million for the Period under Review, increasing by 18.2% from the operating profit of RMB789.2 million for the first half of 2017.

Profit for the Period Attributable to Equity Holders of the Company

During the Period under Review, profit attributable to equity holders of the Company was RMB714.3 million, representing an increase of 25.4% compared with RMB569.6 million of the corresponding period last year.

BUSINESS REVIEW

Food Business

In line with the acceleration of life style evolution in recent years, the Group has been trying relentlessly to improve its instant noodle business as it strives to cater for the consumers' favorite tastes through persistent research and development and market survey while promoting industrial upgrade to earn the recognition of the consumers with higher-end and better-quality products. At the same time, the Group adheres to its core value of improving the quality of life while supporting consumers' pursuit of convenience and diversity, developed a variety of food in new forms that are favored by the young consumer groups. Following the frozen fresh noodles, the Group launched self-heating food and snacks in 2018, for consumers to enjoy the food they like in more convenient forms.

Instant Noodles Business

The instant noodles business of the Group recorded a revenue of RMB4,152.3 million for the first half of 2018, representing an increase of 8.0% as compared with the corresponding period last year. In terms of strategy, our main tune remained at focusing on pillar products while improving product structure and profitability. "Soup Daren (湯達人)", which is positioned as the main force of the mid and high end "Lifestyle Noodles (生活麵)", maintained a double-digit growth in revenue in the first half of 2018, powering the transformation of product structure of instant noodles. The innovative "Teng Jiao (藤嬌)" has opened a new field with the unique fragrance and rich numbness of Teng Jiao (a kind of pepper), successfully expanding the territory of instant noodles. The increasing revenue and continuous product structure optimization brought the profitability of the Group's instant noodle business to a new high in the first half of 2018.

In the first half of 2018, the "Uni-President Lao Tan Pickled Cabbage and Beef Flavoured Noodles (統一老壇酸菜牛肉麵)" of the Group continued its marketing principal axis of "Establishment for 15 years (開創十五周年)". More efforts were put on marketing to strengthen its position as a leader in the product category, and the memories of consumers recollected and their recognition on the brand were strengthened by reviewing classic slogans over the years. The Group also conducted marketing activities taking advantage of the eye-catching FIFA World Cup through broadcasting popular football matches videos the "Sour Moments of Goalkeepers (門將酸爽時刻)" and posting them online, which got the Group closer to the focus of consumers, thus enhancing brand assets of "Uni-President Lao Tan (統一老壇)".

"Teng Jiao (藤嬌)" "Teng Jiao Beef Noodles (藤椒牛肉麵)" has quickly captured the hearts of consumers since its launch, its unique spicy and refreshing taste and special fragrance has successfully impressed the consumers with a deep memory of taste. The Group focused on the development and innovation of the taste of Teng Jiao (a kind of pepper) with the brand of "Teng Jiao (藤嬌)". In the first half of 2018, through sponsoring the Tenth Session of National College Students Advertising Art Competition (第10屆全國大學生廣告藝術大賽), the Group encouraged college students to be creative and innovative, and as a unit to name topics, its brand awareness has been enhanced quickly among nearly one thousand participating colleges. "Fall in love on 520, teach you how to express love (觸電520，嬌你表白)", a large-scale promotion activity, attracted a large number of participants, and was widely spread among consumers later.

"Soup Daren (湯達人)", as the locomotive of the Group's reform of instant noodles and promotion of the "Lifestyle Noodles (生活麵)", delivered brilliant results again in the first half of 2018, driving the upgrade of product structure with a double-digit growth in revenue and becoming the engine of the Group's business growth. "Soup Daren (湯達人)" continued to pursue the core value of the brand of "Nourishing Soup (元氣高湯)". Through cooperation with the Internet platforms in the first half of 2018, it received intensive exposure. By launching the "Vitality Halls (元氣館)" at the high-speed railway stations in key cities, it aimed to create brand association for "Soup Daren (湯達人)" and "Full of Vitality (元氣滿滿)" among the consumers, which further expanded its popularity.

"Imperial Big Meal (滿漢大餐)" regards inheriting Chinese cuisine as its mission. It offers consumers uncompromising food experience with genuine meat and exquisite soup. It is very popular among high-income groups and has become a leading brand in high-end "Lifestyle Noodles (生活麵)".

Other Food

As the Group is optimistic about the competitive edge of self-heating food and the promotion of immediate demand for food by the evolution of lifestyle in the future, it entered the market of self-heating food in 2018 by launching the self-heating convenient hot pot "Lazy Time (煮時光)", the first "Chongqing Old Hotpot (重慶老火鍋)", which impressed the consumers with a deep spicy and enjoyable taste originating from rich fragrant ingredients, who will then voluntarily share and spread it on the media platforms. In May 2018, the Group launched the "Little Raccoon Pea Crisp (小浣熊豌豆脆)" series, which are high-quality puffed casual snacks prepared with carefully selected peas, aiming to let the consumers enjoy it anytime, anywhere. The classic cartoon image of "Little Raccoon" enjoys a high level of popularity, with which we can quickly attracted the consumers with brand extension. Following the initial offering through the e-commercial platforms, it received overwhelming applause. In the second half of 2018, the Group will continue to introduce more products to meet the favour of the consumers based on their lifestyle.

Beverages Business

With China's economic growth as well as the changes in lifestyle, the purchasing behavior of the Chinese consumers has been constantly evolving. As a result, the beverages market has become more diversified with refined products. The Group will continue to endeavor for innovation and evolve with time to win the love and recognition of consumers. The Group's beverages business recorded a revenue of RMB6,755.9 million for the first half of 2018, representing an increase of 5.3% as compared with the corresponding period last year. The performance of the Group's major beverages segments is set forth as follows:

Tea Drinks

Revenue from the Group's tea drinks business for the first half of 2018 amounted to RMB3,394.2 million, representing an increase of 5.6% as compared with the corresponding period last year. Sales of the classic products "Uni Ice Tea (統一冰紅茶)" and "Uni Green Tea (統一綠茶)" recovered. Revenues from the two products recorded double-digit growth, leading to the increase in the overall revenue from tea drinks.

In 2018, by working with the popular mobile game "Battle of Balls (球球大作戰)" and combining eSports-driven product purchases as well as brand interaction, "Uni Ice Tea (統一冰紅茶)" took "Stay Young for Ever, to Fight for Youth (青春無極限，不服就去戰)" as its marketing focus of the year, comprehensively rolled out online competitions and offline competitions in various cities. Meanwhile, it proactively promoted cross-industry cooperation by joining hands with web famous snacks to conduct product cooperation and joint marketing, with an aim to continuously cultivate new drinking scenes. In the second half of 2018, "Uni Ice Tea (統一冰紅茶)" continued to convey its brand spirit of youth and passion by enhancing interaction with consumers of the post-95 generation through games, street dance, quadratic-element and other platforms.

In 2018, "Uni Green Tea (統一綠茶)" continued to carry out the green-themed activities of "Close to Nature, Plant Trees with Real Actions (親近自然 行動才算樹)", interpret the value of "Close to Nature (親近自然)", highlight its green and healthy life attitude, creating a green charity event with attitude for the public to participate. In the second half of 2018, by capitalising on online program of "Chief Green Environmental Protection Officer (首席綠色環保官)" on Youku and its extended offline activity of "Green Exhibition of Innovation & Changes (綠色創變展)", "Uni Green Tea (統一綠茶)" will communicate in depth with consumers focusing the brand theme.

In the 2018, "Classmate Xiaoming (小茗同學)" upgraded its taste and packaging and introduced a new flavour, "Green kumquat flavoured oolong tea (超桔烏龍)". Taking advantage of the Year of the Dog in 2018, "Classmate Xiaoming (小茗同學)" actively promoted the fun-creating culture in a tricky and humorous way based on the interesting theme of "Scattering Dog Food in the Dog Year (狗年撒狗糧)" to subtly interact with the young consumers. In addition, "Classmate Xiaoming (小茗同學)" continued to support the football education in the secondary schools by kicking off the "Rising Star-Happy Football & Healthy Growth (茗日之星快樂足球健康成長)" campus carnivals in a number of secondary schools, as an effort to constantly promote the development of healthy sports for the youth in China. In the second half of 2018, "Classmate Xiaoming (小茗同學)" kicked off its summer promotional campaign in a number of theme parks in the key cities together with the "CARNI GO (奇趣狂歡節)", inspiring the consumers to further spread it and constantly building up its brand assets.

"Taimoxing (泰魔性)" is a differentiated Thai-style lemon tea featuring Thai lemon juice and special tea processing technology, providing consumers with an alternative choice, aiming to build a distinguished brand of "Thai-style Magic (泰式魔性)". Since its launch in the key cities in 2017, it has gradually gained recognition from the consumers. In 2018, it will continue to advertise itself via the Internet based on the theme of "Irresistibly magic flavour, too good to stop it (太太太魔性，吸吸吸不停)". In addition, in line with the consumption upgrade, our "Refreshing Tea (茶•瞬鮮)" refrigerated tea was launched in the key cities in May 2018, which preserves the essence of tea to a greater extent through its special process and delivers the fresh flavour of tea to the consumers through low-temperature cold chain distribution throughout the whole delivery process.

Juice Drinks

The juice drinks business of the Group recorded an revenue of RMB916.9 million in the first half of 2018. The juice drinks business continued to optimise its product mix with its focus on high-margin products and has opened a catering channel in the sales channels and developed new chilled juice field, which further enriched the brand strategic layout.

"Uni More Orange Juice (統一鮮橙多)" continued to focus on the operation of orange-flavour drinks in the first half of 2018, and interpreted beauty through poetry. By adopting "Poems and Beautiful Life (多詩多漂亮)" as its main brand communication, it created poetry bottles with "Three-lines Love Poetry (三行情詩)" which aimed to attract the attention of young customers and stimulate their desire to share. Furthermore, it launched "Beautiful Poets Society (漂亮詩社)" jointly with Meitu (美圖秀秀), an APP popular among the young generation, to interact with consumers and strengthen the brand message of "Beauty (漂亮)".

In 2018, "Haizhiyan (海之言)" continued to focus on the operation of lemon flavour, and strengthen its brand's unique positioning as a drink as refreshing as the sea through an online-offline integrated model by answering the call of "Take a Refreshing Walk to the Sea (清爽走 去大海)". Through promotional videos shot by the popular stars and network celebrities in sports, travel and fashion, it tries to influence the consumers who love sports and traveling; through the walking competition events held in various places under the brand name of "Take a Refreshing Walk to the Sea (清爽走 去大海)" which are certified by the Chinese Athletic Association as Class-B Events, it aims to improve the consumer's brand experience, creating a big refreshing event in the hot summer days, letting Haizhiyan (海之言)'s "Instant Refreshing (瞬間清爽)" experience occupy the minds of the consumers.

"Pear Juice Moistures your Mouth and Heart (真梨真汁潤)", bears the core appeal of "Crystal Sugar Pear Drink (冰糖雪梨)", and delivers a genuine pear juice to the consumers, thereby spreading the brand image of moisturising pear juice and rich texture continuously.

"Fighting (打氣)", a sparkling drink featuring lemon mint flavour with smooth refreshing taste, gradually established a new brand image of a food partner in the hearts of consumers, thus leading the new fashion of sparkling juice drinks. Revolving around the catering layout in 2018, the canned "Fighting (打氣)" has successively cooperated with many well-known enterprises in various industries such as Jiang Xiaobai and Zhou Hei Ya. "Fighting (打氣)" promoted the catering channel jointly with Jiang Xiaobai in Chongqing, and performed the promotion modes of "Fighting (打氣)" game hall and "Fighting (打氣)" Girls group, so as to interact with consumers and attract the attention of the young generation. Meanwhile, it launched a customised package jointly with Zhou Hei Ya during the World Cup period, which achieved a wonderful effect.

By actively responding to the trend of consumption upgrading and ingeniously combining traditional juice drinks with the modern street culture, the Group innovatively created an inspired chilled fruit drink with the triple taste of juice, pulp and fibre jelly – "Fruit Trio (果重奏)", which has been launched in selected core cities, aiming to explore opportunities in high-end chilled fruit drink market.

Combined Drinks Business

Milk Tea

The milk tea business of the Group continued to promote the management of freshness and further lower its inventory, allowing the consumers to buy fresher products from retailers, enjoy better tea drinking experience and improve satisfaction. In the first half of 2018, the Group's milk tea business income achieved a growth of 13.3% as compared to the corresponding period last year, maintaining its market leading position.

"Uni Assam Milk Tea (統一阿薩姆)" stayed attached to its brand promotion of "Smooth and Good Mood (順滑好心情)". In the first half of 2018, through its themed activity of "Non-stop Bumping Deliciousness with Happy Mood (美味撞不停，多點好心情)", "Uni Assam Milk Tea (統一阿薩姆)" expanded drinking opportunities in various occasions for milk tea. By focusing on popular topics of the post-95 and post-00 generations, such as comics and idols, the Group had close interactions with its target consumers, thus transmitting the core concept of its brand "Good Mood (好心情)" and building brand loyalty. Discriminative products gained various types of consumers through the launch of the innovative and special flavors, "Rock Salt Cheese (岩鹽芝士)" milk tea and "Fried Green Milk Tea (煎茶奶綠)", thereby enlarging the milk tea market together.

With "True Milk, True Tea (真奶真茶)" as its core value, "Assam Small Milk Tea (阿薩姆小奶茶)" focused on hot beverages for winter. In the first half of 2018, we continued the winter theme activities held in 2017, and cooperated with i-sharing and "Sharing Popo (雪鈴兔波波)" from Taiwan to deliver warmth. In the second half of 2018, we will continue to cooperate with i-sharing and "Sharing Popo (雪鈴兔波波)", and the theme of winter love and warmth will be jointly created to embody the love and warmth perceived by consumers during the winter so as to generate topics for discussion and enhance brand awareness through cooperation with celebrities or well-known companies.

Keeping abreast with the trend of refrigerated products market, a new product named "REMIX (REMIX愛混)" was launched in April 2018 in the market which features chilled milk tea with "Ingredients (加料)" to incorporate the fashion element of dessert into milk tea. For "REMIX (愛混)", its silky-smooth puddings mixed with smooth and rich texture of milk tea created a new product category of packaged instant milk tea. The unexpected mismatch of the product illustrated the enjoyment of a variety of tastes beyond description, and encouraged younger generations to pursue a more colourful life with innovative and novelty-seeking attitude of "REMIX (愛混)". At the initial stage of the launch, the Company focused on the promotion in the convenient store system with a relatively matured business experience in refrigerated products. We also focused retail sales in the cities with greater purchasing power on refrigerated products with an aim to establishing brand awareness and enhancing sales through tasting, topics for discussion and word of mouth.

Aqua More

"Aqua More (水趣多)" cooperated with the well-known brand "Tuzki (兔斯基)" for joint promotion to continue its core brand proposition – "Interest Your Boringness (趣你的乏味)" and established a brand image of "No Boring but Interesting (不乏味，有趣)", forming regional advantages through intensified development in core cities, interesting marketing campaigns, effective interactions between business districts and consumers in tandem with new media communications on the Internet. In the first half 2018, duplicating the successful experience in establishing regions with advantages, the Company successively expanded the operations of key areas, promoted consumer activities in business districts, parks and water parks so as to introduce brand new and interesting experience to consumers.

Others

Coffee

The acceptance of the consumers for coffee has been increasing in particular among young generation who desires better lifestyle in cities. Drinking coffee has gradually become an integral part of life. This not only speeds up the development of physical coffee chain brands and brewed coffee at convenience stores, but also leads to the increasing prosperity of instant coffee. The Group is committed to promoting the coffee culture. "A-Ha Iced Coffee (雅哈冰咖啡)" targets young people who are new to coffee. "A-Ha", together with the "Italian" series, the "Hey" series and the "Dear" fancy coffee series, aim to provide the consumers with better experience by catering for their different styles and tastes and cultivate their love of coffee. In 2018, the Group focused on the promotion of "A-Ha Iced Coffee (雅哈冰咖啡)", and continued the brand principal axis of "chat happily (愉快聊天)". A marketing event named "chat more, get more (愈聊愈有戲)" was launched, which enabled the precise communication with core target groups. Besides further penetrating into core markets, we have also actively expanded our presence in potential markets to expand market coverage.

Bottled Water

The Group recorded an increase in the revenue of the bottled water business compared with the corresponding period last year. "ALKAQUA (愛誇)", our major brand, introduced its new brand proposition – "a bottle of colorful and outstanding natural mineral water (一瓶出色的天然礦泉水)". New colorful and fashion advertising films starred by Mr. Wang Kai (王凱), the brand spokesperson, were shot to disseminate the feature of Changbai Mountain (長白山) water source of "ALKAQUA (愛誇)", such as "contents of H_2SiO_3 exceeding 50mg/L (偏硅酸含量大於50mg/L)", thus demonstrating that ALKAQUA (愛誇) is "born to be colorful and outstanding (天生出色)" internally and externally. With regard to publicity, it focused on the concept of "colorful and outstanding (出色)", and cooperated with PANTONE, the world famous color expert, to create color names and color stories exclusively for the "seven colors bottle (七彩瓶)" of "ALKAQUA (愛誇)", and an product upgrade launch was held in Shanghai in April 2018. It also cooperated with "i.t", a fashion brand in Hong Kong, to introduce jointly-designed product of the year, which was warmly welcomed by fashion groups.

In the second half of 2018, focusing on the core concept of "colourful and outstanding (出色)", it is planned to hold large-scale fluorescent night running activity named "Z.TRICK RUN (熱波電跑－潮著出色跑)" in five major cities across the country, gathering fashion youth who love sports to run toward "colorful and outstanding (出色)". The "ALKAQUA X Wang Kai Fans Meeting (愛誇X王凱見面會)" will be held again to communicate deeply with consumers that "ALKAQUA (愛誇)" is a bottle of excellent natural mineral water.

FINANCIAL ANALYSIS

Cash and Borrowings

As at 30 June 2018, the Group had a total cash and bank balances of RMB2,898.5 million (31 December 2017: RMB2,782.7 million), among which 99.3% were denominated in Renminbi and 0.6% were denominated in United States dollars. As at 30 June 2018, the Group had restricted bank deposit of RMB0.5 million. Current assets of the Group amounted to RMB6,431.6 million (31 December 2017: RMB5,820.5 million) with current liabilities of RMB6,598.3 million (31 December 2017: RMB6,295.6 million). Net current liabilities were RMB166.6 million (31 December 2017: RMB475.1 million). During the Period under Review, the Group mainly financed its working capital and capital expenditure by internally generated cash flows. As at 30 June 2018, the Group's total financial liabilities was RMB1,449.1 million (31 December 2017: RMB1,334.8 million), among which 34.5% were repayable over 1 year. 99.1% of the Group's total financial liabilities were denominated in Renminbi. As at 30 June 2018, all of the Group's financial liabilities bore floating interest rates save for the RMB500 million notes due in 2019, which was at fixed interest rate of 3.9% per annum. As at 30 June 2018, the Group did not have any secured bank borrowings (31 December 2017: Nil).

Financing

The Group aims to maintain an appropriate capital structure. Taiwan Ratings Corporation, a credit rating agency, issued a press release about the Group's credit rating on 26 June 2017, and upgraded the Group's long term credit rating from "twAA–" to "twAA", with its rating outlook standing at "Stable (穩定)". The gearing ratios of the Group as at 30 June 2018 and 31 December 2017 were as follows:

	30 June 2018 *RMB'000*	31 December 2017 *RMB'000*
Total borrowings	**1,449,133**	1,334,768
Less: cash and bank balances	**(2,898,455)**	(2,782,731)
(Cash)/net debt	**(1,449,322)**	(1,447,963)
Total equity	**12,910,134**	12,815,477
Total capital	**11,460,812**	11,367,514
Gearing ratio *(Note)*	**(12.65%)**	(12.74%)

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

Cash Flow and Capital Expenditure

For the six months ended 30 June 2018, the Group recorded a net decrease in cash and cash equivalents of RMB2,058.7 million, mainly comprising net cash inflow from operating activities of RMB1,243.2 million, net cash outflow from financing activities of RMB505.2 million, and net cash outflow from investing activities of RMB2,796.7 million. During the Period under Review, the Group had capital expenditure of RMB532.6 million (for the six months ended 30 June 2017: RMB386.0 million).

Analysis of Operating Efficiency

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

During the Period under Review, as the purchase from credit sales clients increased due to seasonal factors, net trade receivables increased by RMB48.0 million to RMB611.0 million (31 December 2017: RMB563.0 million). The Group's inventories mainly comprised raw and packaging materials, finished goods and low-cost consumables. The inventories turnover days decreased by two days as compared with 2017, which was attributable to proper freshness management. As at 30 June 2018, the inventories balance increased by RMB13.6 million to RMB1,172.9 million (31 December 2017: RMB1,159.4 million) as compared to the beginning of the year. The Group's trade payables mainly arise from credit purchases of raw materials. During the Period under Review, trade payables increased by RMB469.5 million to RMB1,865.5 million (31 December 2017: RMB1,396.0 million).

	30 June 2018	31 December 2017
Trade receivables turnover days	**9**	9
Inventories turnover days	**28**	30
Trade payables turnover days	**39**	32

Financial Management

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

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

Treasury Policy

It is the Group's treasury management policy not to engage in any highly leveraged or speculative derivative products and not to invest current capital in financial products with significant underlying leverage or risk, including hedge funds or similar financial products. The Group did not have any significant bank borrowings or carry out other financing activities in the capital market as it had stable balance of cash income and expenditure during the Period under Review.

Most of the Group's receipts and payments are denominated in Renminbi since the majority of its revenue is derived from operations in the PRC. The Group may use foreign exchange forward contracts, when appropriate, for risk aversion when it is exposed to foreign exchange risk arising from assets or liabilities, such as cash and cash equivalents and borrowings, which may be denominated in other currencies.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2018.

MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2018, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

SIGNIFICANT INVESTMENT

(1) Financial assets at fair value through other comprehensive income

As at 30 June 2018, the financial assets at fair value through other comprehensive income was RMB221.9 million (31 December 2017: RMB222.1 million), which is resulted from the fair value changes of listed securities. The financial assets at fair value through other comprehensive income mainly consist of the fair value of the equity of China Haisheng Juice Holdings Co., Ltd. ("Haisheng Holdings") (listed securities) of approximately RMB10.2 million (31 December 2017: RMB10.4 million) and the fair value of the equity of Heilongjiang Wondersun Dairy Joint Stock Co., Ltd. ("Wondersun") (non-listed securities) of approximately RMB211.7 million (31 December 2017: RMB211.7 million).

Haisheng Holdings is a company listed on the Stock Exchange (stock code: 359.HK), which is mainly engaged in manufacturing and processing of juice concentrate. In addition, Wondersun is a company limited by shares in the PRC, which is primarily engaged in manufacturing of milk powder and liquid milk products. The Group invested in established upstream raw material suppliers to enhance competitiveness in the overall beverages business. Currently, it has no further investment plans. The Group will persist to implement prudent investment strategies.

(2) Subscription of financial product

On 2 April 2018, Uni-President Enterprises (China) Investments Ltd.* (統一企業（中國）投資有限公司) ("President China Investments"), an indirect wholly-owned subsidiary of the Company, subscribed for the financial product named Monthly Profit No. 18010391 (月得盈18010391期) ("Financial Product") issued by Fubon Bank (China) Co., Ltd in the investment amount of RMB1,000 million ("Subscription"). The Financial Product is a structured deposit (interest rate type) financial product which is a principal guaranteed investment with non-guaranteed floating earnings. The expected return rate is 4.45% per annum. The period of Subscription is from 2 April 2018 to 28 December 2018. Further details of the Subscription were disclosed in the announcement of the Company dated 4 April 2018.

As at 30 June 2018, the fair value of the Subscription amounted to RMB1,000 million. As at 30 June 2018, the Subscription accounted for approximately 4.9% of the Group's total assets and approximately 6.8% of the Group's investments (including land use rights, property, plant and equipment, intangible assets, investment properties, investments accounted for using the equity method, financial assets at fair value through other comprehensive income and financial assets at amortised cost).

CHARGES ON GROUP ASSETS

The Group did not have any charges on group assets as at 30 June 2018.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

PROSPECTS

In the second of 2018, it is expected that the overall economy will continue its steady and upward development trend with rising consumer confidence. The Group will continue its research and development to improve its current products and develop new products, focus on the brand operation of all its products and gradually accumulate brand assets with steady steps. The Group will also continue to focus on building key markets, and use resources effectively to enhance output benefits, thus achieving the target for improvement.

HUMAN RESOURCES AND EMOLUMENT POLICY

As at 30 June 2018, the total number of employees of the Group was approximately 29,145. The Group's remuneration policy reward employees and directors based on individual performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance.

The total employee benefits expenses (including Directors' emoluments) amounted to RMB1,604.8 million during the Period under Review. The Group does not have any share option scheme for employees.

PRODUCTIVITY STRATEGY

The Group is committed to its focused strategy of creating brand value, enabling product research and development and innovation and establishing sales channels. We are convinced that along with long term efforts in building brand image, continuous product innovation and extensive sales networks are the keys to meeting consumer demand and allowing us to grow and achieve maximum efficiency continuously. In addition to its own productivity, in light of centralising the usage of resources for maximum efficiency, the Group has long been cooperating with professional beverages OEM factories (including professional OEM manufacturers who are external independent third parties and connected enterprises) to form strategic alliances. As a result, the Group is equipped with flexibility in terms of productivity to a certain extent by outsourcing production activities while maintaining its basic productivity, so that the Group's resources can be fully and most efficiently used in key projects.

SUBSEQUENT EVENTS

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

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
For the six months ended 30 June 2018
(All amounts in thousands of Renminbi unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Notes	**2018**	2017 (Restated)
Revenue	*4*	**11,223,877**	10,589,475
Cost of sales		**(7,466,562)**	(7,226,633)
Gross profit		**3,757,315**	3,362,842
Other (losses)/gains, net		**(12,353)**	1,042
Other income		**177,706**	215,010
Other expenses		**(46,956)**	(38,796)
Selling and marketing expenses		**(2,444,726)**	(2,284,564)
Administrative expenses		**(498,473)**	(466,322)
Operating profit	*5*	**932,513**	789,212
Finance income		**82,358**	38,934
Finance costs		**(27,607)**	(27,566)
Finance income – net		**54,751**	11,368
Share of profits of investments accounted for using the equity method		**22,794**	1,797
Profit before income tax		**1,010,058**	802,377
Income tax expense	*6*	**(295,769)**	(232,736)
Profit for the period, attributable to equity holders of the Company		**714,289**	569,641
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
– Basic and diluted	*7*	**16.54 cents**	13.19 cents

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2018
(All amounts in thousands of Renminbi unless otherwise stated)

	Unaudited Six months ended 30 June	
	2018	2017
Profit for the period	**714,289**	569,641
Other comprehensive income		
Item that may be reclassified to profit or loss		
Fair value losses on financial assets at fair value through other comprehensive income (2017 relating to available-for-sale financial assets), net of tax	**(230)**	(1,232)
Other comprehensive losses for the period	**(230)**	(1,232)
Total comprehensive income for the period, attributable to equity holders of the Company	**714,059**	568,409

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
As at 30 June 2018
(All amounts in thousands of Renminbi unless otherwise stated)

	Notes	**Unaudited 30 June 2018**	Audited 31 December 2017 (Restated)
ASSETS			
Non-current assets			
Land use rights		**2,075,891**	2,103,701
Property, plant and equipment		**10,356,400**	10,504,391
Investment properties		**345,049**	353,123
Intangible assets		**18,359**	18,959
Investments accounted for using the equity method		**692,654**	719,716
Available-for-sale financial assets		**–**	222,093
Financial assets at fair value through other comprehensive income		**221,863**	–
Deferred income tax assets		**314,836**	286,972
Other receivables – non-current portion		**–**	7,117
		14,025,052	14,216,072
Current assets			
Inventories		**1,172,944**	1,159,373
Trade receivables	*9*	**610,994**	562,952
Prepayments, deposits and other receivables		**649,255**	1,255,424
Financial assets at fair value through profit and loss		**–**	60,000
Financial assets at amortised cost		**1,100,000**	–
Cash and bank balances		**2,898,455**	2,782,731
		6,431,648	5,820,480
Total assets		**20,456,700**	20,036,552

	Notes	Unaudited 30 June 2018	Audited 31 December 2017 (Restated)
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**39,764**	39,764
Share premium account		**4,829,899**	4,829,899
Other reserves		**2,350,901**	2,384,476
Retained earnings		**5,689,570**	5,561,338
Total equity		**12,910,134**	12,815,477
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		**171,335**	174,175
Borrowings		**500,000**	500,000
Other payables – non-current portion		**276,978**	251,319
		948,313	925,494
Current liabilities			
Trade payables	*10*	**1,865,510**	1,396,000
Other payables and accruals		**3,079,449**	2,656,520
Contract liabilities		**548,558**	1,369,209
Borrowings		**949,133**	834,768
Current income tax liabilities		**155,603**	39,084
		6,598,253	6,295,581
Total liabilities		**7,546,566**	7,221,075
Total equity and liabilities		**20,456,700**	20,036,552

1 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2018 has been prepared in accordance with HKAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

1.1 Going concern basis

The Group meets its day-to-day working capital requirements through its bank facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated interim financial information.

2 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2017, as described in those annual financial statements except for the adoption of amendments to HKFRSs effective for the financial year ending 31 December 2018.

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

(a) New and amended standards adopted by the Group

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

- HKFRS 9 Financial Instruments, and

- HKFRS 15 Revenue from Contracts with Customers.

The impact of the adoption of these standards and the new accounting policies are disclosed in Note 3 below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

(b) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group

Standards and amendments		Effective for annual periods beginning on or after
HKFRS 16	Leases	1 January 2019
HK (IFRIC) 23	Uncertainty over Income Tax Treatments	1 January 2019
HKFRS 17	Insurance Contracts	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

HKFRS 16 Leases

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of RMB163,271,000. Part of these are related to payments for short-term and low-value leases which will be recognised on a straight-line basis as an expense in profit or loss.

However, the Group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

3 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

(a) Impact on the financial statements

As a result of the changes in the entity's accounting policies, prior year financial statements had to be restated.

HKFRS 9 was generally adopted without restating comparative information with the exception of certain aspects of hedge accounting. The Group used modified retrospective approach while adopting HKFRS 9. The reclassification and adjustments are therefore not reflected in the balance sheet as at 31 December 2017, but are recognised in the opening balance sheet on 1 January 2018.

The Group has adopted HKFRS 15 using the full retrospective approach and has restated comparatives for the 2017 financial year.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. The adjustments are explained in more detail by standard below.

Balance sheet (extract)	**31 December 2017 As originally presented**	**HKFRS 15**	**31 December 2017 Restated**	**HKFRS 9**	**1 January 2018 Restated**
Available-for-sale financial assets ("AFS")	222,093	–	222,093	(222,093)	–
Financial assets at fair value through other comprehensive income ("FVOCI")	–	–	–	222,093	222,093
Other payables and accruals	4,025,729	(1,369,209)	2,656,520	–	2,656,520
Contract liabilities	–	1,369,209	1,369,209	–	1,369,209
Other reserves	2,384,476	–	2,384,476	(33,345)	2,351,131
Retained earnings	5,561,338	–	5,561,338	33,345	5,594,683

Statement of profit or loss and other comprehensive income (extract) – Six months to 30 June 2017	**As originally presented**	**HKFRS 15**	**Restated**
Revenue	10,886,083	(296,608)	10,589,475
Selling and marketing expenses	2,581,172	(296,608)	2,284,564

(b) HKFRS 9 Financial Instruments – Impact of adoption

(i) Equity investments previously classified as AFS

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group elected to present in other comprehensive income ("OCI") changes in the fair value of all its equity investments previously classified as AFS, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of RMB222,093,000 were reclassified from AFS to financial assets at FVOCI and net impairment loss of RMB33,345,000 were reclassified from the retained earnings to fair value reserve on 1 January 2018.

The adoption of HKFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in Note 3(c) below. In accordance with the transitional provisions in HKFRS 9(7.2.15) and (7.2.26), comparative figures have not been restated as the Group does not have any hedge instrument.

Classification and measurement

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets – 1 January 2018	**AFS**	**FVOCI**
Closing balance 31 December 2017		
– HKAS 39	222,093	–
Reclassify non-trading equities from AFS to FVOCI	(222,093)	222,093
Opening balance 1 January 2018		
– HKFRS 9	–	222,093

The impact of these changes on the Group's equity is as follows:

	Effect on fair value reserves	**Effect on retained earnings**
Opening balance 1 January 2018		
– HKAS 39	(8,430)	5,561,338
Reclassify non-trading equities from AFS to FVOCI	(33,345)	33,345
Opening balance 1 January 2018		
– HKFRS 9	(41,775)	5,594,683

(ii) Impairment of financial assets

The Group has trade receivables for sales of products that are subject to HKFRS 9's new expected credit loss model, and the Group was required to revise its impairment methodology under HKFRS 9 for these receivables.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The adoption of new approach did not result in any impact on the amounts reported in the opening balance sheet on 1 January 2018 and the financial information during the six months ended 30 June 2018.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than 60-90 days past due (credit terms).

While cash and cash equivalents and financial assets at amortised cost are also subject to the impairment requirements of HKFRS 9, no impairment loss was identified.

(c) HKFRS 9 Financial Instruments – Accounting policies applied from 1 January 2018

(i) Investments and other financial assets

Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 January 2018, the Group assesses the expected credit losses associated with its financial assets on a forward looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(ii) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivative instruments held by the Group do not qualify for hedge accounting and are accounted for at fair value through profit or loss. Changes in fair value of these derivative instruments that do not qualify for hedge accounting are recognised immediately in the consolidated income statement.

(d) HKFRS 15 Revenue from Contracts with Customers – Impact of adoption

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Group has adopted the new rules retrospectively and has restated comparatives for the 2017 financial year. In summary, the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 January 2018):

	HKAS 18 carrying amount 31 December 2017	**Reclassification**	**HKFRS 15 carrying amount 1 January 2018**
Other payables and accruals	4,025,729	(1,369,209)	2,656,520
Contract liabilities	–	1,369,209	1,369,209

There was no impact on the Group's retained earnings as at 1 January 2018 and 1 January 2017.

(i) Accounting for refunds

The Group's obligations to provide a refund for faulty products are under the standard warranty terms. Accumulated experience is used to estimate such returns at the time of sale. Because of the large size and low value of each individual product, the amount of products returned were immaterial. It is highly probable that a significant reversal in the cumulative revenue recognised will not occur. Therefore, no refund liability for goods return was recognised. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. As a result, no accounting impact for refunds while applying HKFRS 15.

(ii) Accounting for customer loyalty programme

The Group does not introduce any customer loyalty programme which is likely to be affected by the HKFRS 15.

(iii) Accounting for payment to customers

The application of HKFRS 15 may result in the consideration payable to a customer recorded as a reduction of the arrangement's transaction price, thereby reducing the amount of revenue recognised, unless the payment is for a distinct good or service received from the customer. As a consequence, revenue and selling and marketing expenses for the six months to 30 June 2017 decreased by RMB296,608,000. For the six months to 30 June 2018, revenue and selling and marketing expenses decreased by RMB307,677,000.

(iv) Presentation of assets and liabilities related to contracts with customers

Reclassifications were made as at 1 January 2018 to be consistent with the terminology used under HKFRS 15:

- Contract liabilities in relation to advance receipts from customers were previously included in other payables and accruals (RMB1,369,209,000 as at 1 January 2018).

(e) HKFRS 15 Revenue from Contracts with Customers – Accounting policies

(i) Sales of goods

The Group manufactures and sells beverages and instant noodles. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The beverages and instant noodles are often sold with retrospective volume discounts based on aggregate sales over a period of time. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other payables and accruals) is recognised for expected volume discounts payable to customers in relation to sales. No element of financing is deemed present as the sales are made with a credit term of 60-90 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4 SEGMENT INFORMATION

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

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

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

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

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

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

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

	As at 30 June 2018				
	Beverages	**Instant noodles**	**Others**	**Unallocated**	**Group**
Segment assets and liabilities					
Assets	**10,571,232**	**3,696,016**	**686,313**	**4,810,485**	**19,764,046**
Investments accounted for using the equity method	**545,253**	**–**	**–**	**147,401**	**692,654**
Total assets					**20,456,700**
Liabilities	**3,390,134**	**1,978,545**	**461,021**	**1,716,866**	**7,546,566**
Total liabilities					**7,546,566**

The segment information for the six months ended 30 June 2017 is as follows:

	Six months ended 30 June 2017				
	Beverages	Instant noodles	Others	Unallocated	Group
Segment results					
Revenue (restated)	6,418,136	3,846,266	325,073	–	10,589,475
Timing of revenue recognition					
At a point in time	6,418,136	3,846,266	235,675	–	10,500,077
Over time	–	–	89,398	–	89,398
	6,418,136	3,846,266	325,073	–	10,589,475
Segment profit/(loss) (restated)	686,960	188,253	30,871	(116,872)	789,212
Finance income – net	–	–	–	11,368	11,368
Share of profits/(losses) of investments accounted for using the equity method	2,049	–	–	(252)	1,797
Profit before income tax					802,377
Income tax expense					(232,736)
Profit for the period					569,641
Other income statement items					
Depreciation and amortisation	504,907	139,227	24,879	39,895	708,908
Addition to non-current assets	240,963	75,212	13,083	56,713	385,971

	As at 31 December 2017				
	Beverages	Instant noodles	Others	Unallocated	Group
Segment assets and liabilities					
Assets	10,263,188	3,665,027	630,157	4,758,464	19,316,836
Investments accounted for using the equity method	575,265	–	–	144,451	719,716
Total assets					20,036,552
Liabilities	3,378,047	1,717,052	573,274	1,552,702	7,221,075
Total liabilities					7,221,075

5 OPERATING PROFIT

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

	Six months ended 30 June	
	2018	2017 (Restated)
Cost of inventories	**6,481,060**	6,110,040
Promotion and advertising expenses	**659,376**	549,139
Employee benefit expenses, including directors' emoluments	**1,604,792**	1,497,985
Transportation expenses	**443,879**	433,918
Depreciation and amortization	**707,454**	708,908
Operating lease in respect of buildings	**69,724**	69,330
(Reversal of)/provision for impairment of trade receivables	**(2,558)**	6,808
Write-down of inventories to net realizable value	**6,387**	15,453
Losses from disposal of property, plant and equipment	**6,122**	8,269
Government grants (Note)	**(68,614)**	(105,353)

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

6 INCOME TAX EXPENSE

	Six months ended 30 June	
	2018	2017
Current income tax		
– Mainland China corporate income tax ("CIT")	**326,473**	201,316
Deferred income tax	**(30,704)**	31,420
	295,769	232,736

(a) Mainland China corporate income tax ("CIT")

Subsidiaries established in Mainland China are subject to CIT at the rate of 25% (2016: 25%) during the year.

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

(b) Other income tax

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

Subsidiaries incorporated in Taiwan and Hong Kong are subject to income tax at the prevailing rates of 17% and 16.5% (2017: 17% and 16.5%) respectively.

7 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	
	2018	2017
Profit attributable to equity holders of the Company	**714,289**	569,641
Weighted average number of ordinary shares in issue (thousands)	**4,319,334**	4,319,334
Basic earnings per share (RMB per share)	**16.54 cents**	13.19 cents

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

8 DIVIDENDS

Dividends in relation to the years ended 31 December 2017 and 2016 amounting to approximately RMB619 million and RMB120 million were paid in June 2018 and June 2017, respectively.

The directors do not recommend an interim dividend in respect of the six months ended 30 June 2018 (2017: Nil).

9 TRADE RECEIVABLES

	30 June 2018	31 December 2017
Trade receivables		
– third parties	**621,201**	575,244
– related parties	**2,713**	3,186
	623,914	578,430
Less: provision for impairment	**(12,920)**	(15,478)
Trade receivables, net	**610,994**	562,952

The credit terms granted to customers by the Group are usually 60 to 90 days. At 30 June 2018, the ageing analysis of trade receivables is as follows:

	30 June 2018	31 December 2017
Trade receivables, gross		
– Within 90 days	**585,203**	532,329
– 91-180 days	**32,630**	41,368
– 181-365 days	**1,990**	3,366
– Over one year	**4,091**	1,367
	623,914	578,430

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

10 TRADE PAYABLES

	30 June 2018	31 December 2017
Trade payables		
– third parties	**1,320,913**	1,127,978
– related parties	**544,597**	268,022
	1,865,510	1,396,000

At 30 June 2018, the ageing analysis of trade payables is as follows:

	30 June 2018	31 December 2017
Trade payables		
– Within 180 days	**1,824,244**	1,361,723
– 181 to 365 days	**28,385**	22,133
– Over one year	**12,881**	12,144
	1,865,510	1,396,000

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

AUDIT COMMITTEE REVIEW

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

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company had complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the Period under Review except for the deviation as disclosed below and in the annual report of the Company for the year ended 31 December 2017:

Code provision A.2.7 of the Corporate Governance Code requires the Chairman of the Board 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 as it is not applicable.

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

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

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

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

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

The Company's 2018 interim report will be despatched to the shareholders of the Company and made available on the website of The Stock Exchange of Hong Kong Limited and the Company's website (www.uni-president.com.cn) in due course.

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

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

7 August 2018

As at the date of this announcement, the Board comprised Mr. Lo Chih-Hsien and Mr. Liu Xinhua as executive Directors; Mr. Chen Kuo-Hui and Mr. Su Tsung-Ming as non-executive Directors; and Mr. Chen Sun-Te, Mr. Chen Johnny, Mr. Fan Ren-Da, Anthony and Mr. Lo Peter as independent non-executive Directors.