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 2021 INTERIM RESULTS

- Revenue amounted to RMB13,006.7 million, up by 10.1%
- Group gross margin of 34.8%, down by 1.0 percentage points
- EBITDA of RMB1,825.8 million, down by 16.3%
- Profit for the period, attributable to equity holders of the Company of RMB847.3 million, down by 20.4%

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 2021 (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.

ANALYSIS OF ECONOMIC ENVIRONMENT

During the first half of 2021, the gross domestic product ("GDP") of the People's Republic of China (the "PRC" or "China") recorded a year-on-year increase of 12.7%. Various economic indicators continued to rebound, reflecting the stable progression and gradual recovery of the overall national economy. However, the global outbreak of the COVID-19 pandemic has not yet been effectively contained, and raw material prices continue to rise, thus giving rise to a lot of uncertainties regarding the global economic recovery. The COVID-19 situation in China is currently well under control, and vaccines are rolled out in an orderly manner. With the momentum of consumer demand under recovery and returning to normal levels, consumer spending is expected to continue to steadily improve during the second half of the year.

FINANCIAL RESULTS

Revenue and Gross Profit

The Group has recorded a revenue of RMB13,006.7 million during the Period under Review (first half of 2020: RMB11,816.5 million), representing an increase of 10.1% as compared with the corresponding period last year, of which, the beverage business recorded a double-digit revenue growth. During the Period under Review, the gross profit of the Group increased to RMB4,532.7 million (first half of 2020: RMB4,226.1 million), representing an increase of 7.3% as compared with the corresponding period last year, while the gross profit margin decreased by 1.0 percentage points to 34.8% from 35.8% for the corresponding period last year, mainly due to the increase in bulk raw material prices.

Selling and Marketing Expenses

Selling and marketing expenses increased to RMB3,132.6 million (first half of 2020: RMB2,624.2 million), representing an increase of 19.4% as compared to the corresponding period last year, which was mainly due to the increase in operating costs as a result of the Group investing more resources in the expansion and development of our brands and marketing channels. The increase in revenue for the beverages business as compared with the corresponding period last year also resulted in the increase of transportation fees.

Administrative Expenses

During the Period under Review, administrative expenses were RMB508.9 million (first half of 2020: RMB458.1 million), representing an increase of 11.1% as compared to the corresponding period last year, which was due to the downward adjustment of social insurance by the PRC government during the COVID-19 pandemic in the corresponding period last year.

Operating Profit

As a result of the combined effect of the increase in bulk raw material prices, selling and marketing expenses and other expenses, the one-time gain from the disposal of part of the land occupied by a factory of the Group located in Hefei, the PRC during the corresponding period last year, the temporary reduction and exemption of social insurance premiums, the decrease in income from subsidies and other factors, operating profit was RMB1,057.6 million for the Period under Review (first half of 2020: RMB1,389.3 million), representing a decrease of 23.9% as compared to the corresponding period last year.

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 RMB847.3 million, representing a decrease of 20.4% as compared with RMB1,065.1 million of the corresponding period last year.

BUSINESS REVIEW

Food Business

In the post-pandemic era, challenges and opportunities co-exist, and consumer demand for instant food is gradually returning to normal levels. During the first half of 2021, the Group's food business recorded a revenue of RMB4,710.6 million. With consumer demand and satisfaction as our first priority, we responded to the new consumption trend of diversified development by continuing to focus on brand value, investing more resources, and continuing to manage product freshness. To satisfy our consumers by enabling them to conveniently enjoy delicious food, we launched new products with enhanced product strength and actively expanded consumption scenarios.

Instant Noodles Business

In the first half of 2021, the consumption of instant noodles continued to diversify. Guided by the value marketing strategy, the Group remained committed to building the brand value of our instant noodles business by setting consumer demand and satisfaction as our first priority, and empowered our business through enhanced product strength. With the easing of the COVID-19 pandemic and consumer demand returning to normal, the Group recorded a revenue of RMB4,397.7 million from the instant noodles business during the first half of 2021.

"Soup Daren (湯達人)" made active efforts on developing the high-end packaged cooking noodles market during the first half of 2021 by launching the "Gourmet's Selection (極味館)" brand to meet consumer demand for stay-at-home scenarios in the post-pandemic era. The collaboration with Mr. Wang Jun Kai (王俊凱), a nationally-recognised idol who possesses the traits of "sunshine and vitality (陽光、有元氣)", allowed the brand to stay young and the target consumer base of "Soup Daren (湯達人)" to be expanded. This helped us increase our market penetration rate, accumulate loyal customers, and establish "vitality (元氣)" as the core spirit of the brand. Sticking to the branding route, "Soup Daren (湯達人)" has stayed in business in the noodles nourishing soup market for more than ten years. The brand has built a good reputation and awareness among consumers and earned itself a relatively high brand loyalty.

"Uni-President Lao Tan Pickled Cabbage and Beef Noodles (統一老壇酸菜牛肉麵)" identified "tasty sourness (酸爽)" as its selling point, and made strong efforts to associate the flavour with the travel scenario during the Spring Festival. We did this by collaborating with "Legend of Fei (《有翡》)", a blockbuster TV drama, to reach out to celebrity fans and young consumers during the Spring Festival. Staying true to its intentions, "Uni-President Lao Tan Pickled Cabbage and Beef Noodles (統一老壇酸菜牛肉麵)" will continue to enhance its product strength and develop new standards to provide consumers with a "tasty sourness (酸爽)" of an even better quality.

"Uni-President The King of Tomato (統一茄皇)" reported a strong performance during the first half of 2021. A new flavour named "Tomato Beef Noodles of Uni-President The King of Tomato (統一茄皇番茄牛肉麵)" was launched. It inherited the product design of the "tomato soup packet (番茄湯包)" brand and reaffirmed the significance of the "tomato-flavoured (番茄口味)" brand. Once it was launched, the product gained popularity among young consumers and was actively shared and recommended on social media platforms. As a result, consumers' awareness of and loyalty to the brand steadily increased.

"KNIFE-CHI Daoxiao Noodles (飛刀削麵)", a new brand of noodles, is going to be our major promotion target during the second half of 2021. The brand aims to replicate the chewy texture of traditional sliced noodles for consumers and penetrate the noodles market as a differentiated noodle product. Made from optimally selected wheat, the noodle dough is made springy by undergoing nine stages of skillful rolling and kneading; it is then rapidly sliced with a specialised tool to produce noodles with medium thickness and thin edges and shaped like willow-leaves. When cooked, the noodles are smooth on the outside and chewy on the inside, and are tender but not sticky. During the second half of 2021, we plan to advertise the "KNIFE-CHI Daoxiao Noodles (飛刀削麵)" brand under the slogan of "KNIFE-CHI Daoxiao Noodles Taste Super Bouncy (飛刀削麵 勁到飛起)" through online promotion and marketing, to bring this high-quality bowl of specially-cooked noodles to more consumers.

Dedicated to producing Chinese noodles with genuine beef, "Imperial Big Meal (滿漢大餐)" has "Craving Meat? Imperial Big Meal's For You (想吃肉，滿漢大餐)" as its tagline, and targets white-collar workers who have busy life but desire high-quality lifestyle. By choosing smooth and chewy noodles, we bring out the freshness and deliciousness of our ingredients through refined craftsmanship and creativity, producing quality food that resemble sophisticated artwork. "Imperial Big Meal (滿漢大餐)" launched the "Cantonese Noodles with Pepper Pork Stomach and Chicken (廣式胡椒豬肚雞麵)" product during the first half of 2021, which perfected its product structure. Meanwhile, we also collaborated with Mr. Xiao Zhan (肖戰) to develop a new marketing landscape in 2021.

Other Food Products

"Kai Xiao Zao (開小灶)" continued to be positively received by the market. During the first half of 2021, its revenue reported a rapid, double-digit growth. In terms of marketing, "Kai Xiao Zao (開小灶)" continued to collaborate with top-class artist Mr. Xiao Zhan (肖戰) and achieved brilliant results in expanding its consumer base and delivering the brand concept of a "cozy countryside (溫暖田園)". In terms of product development, we have launched the "Wonton Series (餛飩系列)", a breakfast scenario product, which, together with rice for dinner scenarios and hotpot for midnight snack scenarios, meet consumers' needs for three meals a day, and further complete our product portfolio.

The future trend in food innovation and development is to create products that are healthy, safe, and unique. Innovative products in the new era not only have to be outstanding in its appearance and quality, but also much safer and more nutritious. The Group will satisfy the development trends of the industry and continue to make efforts in enhancing our product strength, while also continuing to launch differentiated and innovative products to create a perfect consumption experience for consumers.

Beverages Business

The Group's beverages business recorded a revenue of RMB7,860.1 million during the first half of 2021, representing an increase of 25.0% as compared with the corresponding period last year. The Group insisted on creating brand value through brand building, continued to communicate and interact with young consumers via new marketing channels to accumulate brand assets, continued to adopt freshness management as the highest guiding principle of sales and aimed at improving profitability through continuous optimisation and innovation of products. The performance of the Group's major beverages during the first half of 2021 is set forth as follows:

Tea Drinks

Revenue from the Group's tea drinks business during the first half of 2021 amounted to RMB3,481.5 million, representing a 20.2% increase as compared with the corresponding period last year. The Group continued to respond to new consumption trends by actively expanding the diversity of our product flavours and specifications, enhancing investment in new e-commerce channels such as social e-commerce, B2C and O2O, to satisfy the experience and drinking needs of consumers in different scenarios.

"Uni Green Tea (統一綠茶)" continued to solidify its image as a nationally-recognised beverage and promote its healthy product characteristics of having "low sugar (低糖)" and containing "tea polyphenols (茶多酚)". In 2021, we featured the brand on variety shows by engaging new youth ambassadors. We also launched a promotion campaign called "Sunshine, Rainbow, Drink Green Tea (陽光彩虹喝綠茶)" on "May Fourth Youth Day (五四青年節)". Moreover, we utilised the collective appeal of key opinion leaders (KOLs) and key opinion consumers (KOCs) to encourage full community involvement. At the same time, we introduced "Go For It, Young People! (新青年加油罐)", a product with customizable beverage cans, to the market. This product incorporates the "Guochao (國潮)" design and attitude that the young generation favours, so as to attract their attention. We also adopted user-generated content (UGC) for secondary advertising, and enhanced brand favorability and recognition by reaching out to and having in-depth communication with young Chinese people. During the second half of the year, "Uni Green Tea (統一綠茶)" will continue to be promoted on mainstream media platforms where young people are active on. Through projects such as "Send coolness to delivery riders (我給小哥清涼加酚)", we aim to reach out extensively to teenagers to promote the low-sugar, healthy lifestyle that our brand values, and build a socially responsible brand image.

To expand our consumer base, the marketing efforts of the "Uni Ice Tea (統一冰紅茶)" brand continued to focus on the young generation, with an aim to make "Uni Ice Tea (統一冰紅茶)" a trendy brand. In March 2021, we engaged Dilraba Dilmurat (迪麗熱巴) as our new spokesperson to refresh our brand image. Meanwhile, we also worked hard among gaming circles and collaborated with "Game for Peace (和平精英)", a popular mobile game, to offer an innovative feature in its gameplay. During the first half of the year, we combined the influence of spokesperson and the reputation of the game and launched crossover marketing campaigns among 6 products and our spokesperson, and 3 tailor-made promotion campaigns for "Game for Peace (和平精英)". We also organised marketing events for gamers to purchase tickets for attending the product spokesperson's fan meetings and to buy in-game tools, so as to attract new consumers. In June 2021, we embedded our brand in "Game for Peace (和平精英)" in the form of "ice tea Pop-up Shop (冰小茶快閃店) " to achieve in-game advertisement and offline interaction, as well as to continue to build our young consumer base and enhance the brand's favourability. During the second half of the year, "Uni Ice Tea (統一冰紅茶)" will fully integrate its spokesperson and its game resources, and organise celebrity campaigns to boost fan economy. At the same time, together with "Game for Peace (和平精英)", we will co-organise gaming competitions at city and college levels, and roll out extensive promotions to target gamers to accumulate brand assets.

The "Classmate Xiaoming (小茗同學)" brand achieved a steady recovery. Its major objectives in 2021 were to establish the brand concept of mixed "Fruit Punch Tea (繽治茶)", launch a wide range of collaboration across different industries, enhance the "fruit punch-iness (繽治感)" of the brand, and highlight the brand's vibes of being optimistic, humorous, lively and courageous (樂觀幽默、活潑勇敢). We improved our product flavours and launched "Mingjituo (茗吉托)", a limited edition co-branded product in partnership with "Darlie Toothpaste (黑人牙膏)". Presented in an exquisite 330ml bottle, the product not only caters to the aesthetic preference of young people for "cute fashion (萌時尚)", but also meets the rational needs of young people for lightweight consumption and healthy lifestyle. During the second half of 2021, "Classmate Xiaoming (小茗同學)" will make a breakthrough with "Liuliuda (溜溜噠)" and "Mingjituo (茗吉托)", two products that embody its mix-and-match style and are differentiated in the market. Through the themed events of "Mix and Match Party (混搭狂歡派對)", "Starting a New School Year with the New Mix and Match Generation (混造新世代開啟新學年)" and "Go Fruit Punch-y, Mix Your Tea (繽治一下看你搭)", we target to increase the sales of the brand and establish consumers' awareness of the brand concept of "Fruit Punch Tea (繽治茶)".

In line with the trend of sugar-free tea market, "Chai Li Won (茶裏王)" captured consumers' desire for good tea and quality life. In 2021, by using "a sip of sweetness came after, the road to kingship (一口回甘一路稱王)" as its tagline, and leveraging on the influence of its brand spokesperson and their majestic image, the brand continued to increase its brand awareness in mainstream media by portraying the secret of producing its sweet taste through strictly-selected craftsmanship, professional aroma-making technology and a dual extraction process that involves high and low temperatures. The brand was marketed in subway stations, office buildings and other working and commuting scenarios via outdoor media to enhance its brand image. During the second half of the year, "Chai Li Won (茶裏王)" will take title sponsorship of the variety show "Play! Fridge (拜託了冰箱)" to create new drinking scenarios and reasons for drinking. It will also attract more young consumers by interacting with different fan circles with the aid of celebrity influence. At the same time, the convenience store system (CVS) and online channels will be developed to expand the scenarios of consuming, purchasing and drinking tea beverages.

Dedicated to providing the experience of tasting freshness, "Refreshing Tea (茶•瞬鮮)" set out to pursue a wonderful and refreshing life, to deliver consumers quality fresh products and a fresh attitude towards life. During the first half of 2021, we experimented with social media e-commerce channels such as "Foodie Blogs (達人探店)" with live streaming one-click purchase feature and "KOC Plant Grass (KOC種草)" recommendations, in order to improve interactions with consumers. During the second half of the year, we will continue to enhance communication and interaction on our online channels, to bring new experiences and sensations to our consumers.

Juice

During the first half of 2021, revenue from the Group's juice business amounted to RMB1,114.5 million, representing an increase of 40.5% as compared with the corresponding period last year. In the post-pandemic era, we continued to expand the product portfolio of high concentration juice market to meet consumers' demand for healthier juices with a larger variety of flavours; and in terms of channel operation, we focused on the purchasing powers of both restaurant scenario and family scenario, and provided suitable products that are in line with the changing consumption habits in the post-pandemic era, so as to meet consumers' demand for convenient access to healthy juices.

"Uni Orangeate (統一鮮橙多)" focused on its core value of "More Vitamin C, More Fiber, More Beauty (多纖多C多漂亮)". In April 2021, we optimised its product formula to enrich its dietary fiber and vitamin C contents to meet nutrition standards, to satisfy consumers' increasing demand for healthiness. During the Spring Festival, we seized the opportunity of the family dining scenario to strongly promote our family-sized products to thousands of households. At the same time, we rode the trend to actively assist sales channels such that they could focus on both products and resources to create a new image for "Orangeate (鮮橙多)" by promoting it as "go-to beverage (佐餐伴侶)".

"Haizhiyan (海之言)" permeated the sweating scenario in an orderly manner and continued to strengthen its association with "the sea (大海)" to accentuate the benefit that "Mediterranean Sea salt is rich in potassium and sodium ions and promptly supplements the lost salt and body water (地中海海鹽富含鉀、鈉離子，及時補充身體流失的鹽分、水分)", and to communicate the key appeal of "To replenish salt after sweating, just drink Haizhiyan (流汗補鹽，就喝海之言)" to consumers.

During the first half of 2021, "Uni Kumquat Lemon Beverage (統一金桔檸檬)" fully introduced a new product formula and a new packaging design, and launched a sensational promotion campaign targeting young consumers, bringing them a sweet and sour, moist and refreshing brand experience. The brand value of "Becoming More Outstanding with Sweet and Sourness (酸酸甜甜更出位)" was conveyed to leave consumers with the brand image of "Delicious Sweet and Sourness Makes Us Stand Out (酸甜好滋味，出位更出圈)".

With the key appeal of "Moisten and Soothe Your Heart (一口潤心扉)", "Uni Crystal Sugar Pear Drink (統一冰糖雪梨)" continued to promote its core value of "Moist (潤)" and turned public awareness into brand recognition. Through multiple online touchpoints and an offline focus on strong outdoor media exposure, we strengthened the product's benefits, enhanced brand favourability, and attracted new young consumers.

"A-Ha" is a carbonated drink with real fruit juice that contains enzymes and apple cider vinegar, and has the healthy benefit of having no phosphoric acid content. The "A-Ha" brand continued to expand its sales boundaries, create consumption scenarios, and strengthen consumer awareness.

"Fruit Trio (果重奏)" featured the triple taste of "juice+pulp+Vitamin C (果汁+果肉+維生素C)" as its experiential appeal in 2021, interpreting the triple experience of "The juice is fresh and plump, the flesh is soft and flavourful, a healthy supplement of vitamin C (果汁新鮮飽滿、果肉軟糯味豐、VC健康補充)" in an interesting way. The brand focused on the convenience store system (CVS) in target cities and e-commerce platforms and continued to build its consumer base.

"Uni Tomato Juice (統一番茄汁)" utilised the product benefit of lycopene to continuously create scenarios for a high-quality life characterised by "Double Vitality & Health (活力&健康翻倍)". Through the extensive development of contactless e-commerce platforms and multiple scenarios to attract purchases, we continued to cultivate target consumers' knowledge of lycopene and their habit of drinking tomato juice.

Committed to selecting quality and fully-ripened fruit from premium production regions around the globe, "Vitality Awakening (元氣覺醒)" launched a new flavour named "100% grape juice (100%葡萄汁)" in April 2021, which completely replicates the freshness and sweetness of fully-ripened fruits. By focusing on tier-one cities and strategically developing the convenience store system and e-commerce platforms, we will improve our family-sized products and expand the family and gifting scenarios, to satisfy consumers' needs for healthiness in diversified scenarios.

During the second half of 2021, the Group's juice business will be well-positioned to ride the trend and continue to capture the consumption tendency and changes in consumer demand. With the benefits of healthy juice products as the focus, we will continue to invest more resources in the family scenario and restaurant scenario, in order to expand the market share of the Group's juice business. Our juice business will stay attached to the business strategy of value marketing and focus on developing and optimising product strength, in order to provide consumers with healthy and tasty juices with different concentrations and temperatures to satisfy their diversifying demands.

Milk Tea

Revenue from the Group's milk tea business amounted to RMB2,973.4 million, representing an increase of 25.4% compared with the corresponding period last year, which enabled it to continue to take up the leading position in the market. In response to the progression of the social economy and consumption attitudes, we continued to perfect the portfolio of our milk tea brands and established a brand management system that acts as a powerful support to our milk tea products. "Uni Assam Milk Tea (統一阿薩姆奶茶)" is showing a trend of becoming a nationally-recognised product. During the first half of 2021, we expanded the family and restaurant consumption scenarios. Leveraging on the policy of "subcontracting business channels (通路大包賺)", we further expanded our business scope and penetrated into county and township markets. The addition of teenage milk tea consumers from small towns allowed our products with large serving sizes to steadily achieve growth. In respect of business operation, we are committed to our strategy of healthiness and steadiness. We will continue to perfect our freshness management and make efforts to provide better product experience to our consumers.

The "Uni Assam Milk Tea (統一阿薩姆奶茶)" brand is dedicated to its operating strategy of being "stable, fresh, and quick (穩、鮮、快)". Insisting that product quality is our core competitive strength, we ensure the stability of our product strength by having strict control on raw materials, production process and quality control. During the first half of the year, we accentuated the word "smooth (順)" as in the brand proposition of "Smooth and Good Mood (順滑好心情)" in our promotions. During the Spring Festival, we focused on the scenario of sharing drinks during meals, and continued to uphold our image as a caring brand through a themed activity called "Picking a Good Fortune Stick for a Year of Good Luck (搖順順簽，過順順年)". During the second half of the year, we will continue to communicate in ways favoured by the young generation in our promotions to attract their attention. We will use engaging ways to strengthen consumers' impression of the "East-meets-West" element in "Fried Green Milk Tea (煎茶奶綠)" and "Rock Salt Cheese (岩鹽芝士)". We will also collaborate with key opinion consumers (KOCs) of our brand, focus on our brand appeal of "Good Mood (好心情)", to deliver our brand values through activities featuring themes such as "A Special Blend of Milk Tea for Good Mood (特調好心情)", "Sharing of Good Mood (分享好心情)", "Exploration of Good Mood (探索好心情)", in order to expand drinking scenarios and achieve stronger brand association among consumers.

"Pure and Noble Milk Tea (布諾乳茶)" is a new high quality and mellow milk tea product that targets young white-collars who enjoy life, gourmet, afternoon tea and aspire to lead a wonderful and fruitful life. Characterised by thick milk and freshly extracted Ceylon black tea, "Pure and Noble Milk Tea (布諾乳茶)" is a differentiated product highlighted by its rich and mellow texture. With its brand positioning of "50% Milk, Savor the Pure Richness (一半牛乳，樂享純厚)" and its advertising theme revolving around "Full-flavoured, Extra Rich Milk Tea (奶味足，厚得住)", and leveraging on celebrity endorsement and promotion on Xiaohongshu, TikTok, Microblog and other platforms, circles and scenarios, the brand created a new concept of "thick milk tea" and established brand awareness for middle to high priced milk tea in no time.

Coffee

In respect of our coffee business, the Group continued to exert main efforts on "A-Ha Iced Coffee (雅哈冰咖啡)" during the first half of 2021. Our primary task was to create target places of business, where we explore opportunities to effectively move our business down to lower tier markets in target cities, so as to steadily expand our consumer base. Meanwhile, we are also actively satisfying the consumption needs of Generation Z by launching the new "A-Ha Italian Mellow Series (雅哈意式醇香系列)". By empowering our existing products and optimizing our brand structure, we can bring about a long-lasting momentum into the coffee business.

During the second half of 2021, we will continue to focus on our iced coffee strategy by putting emphasis on our operating principles of creating principal places of business in urban areas and expanding our markets in cities, in pursue of significant growth and new breakthroughs. "A-Ha Italian Mellow Series (雅哈意式醇香系列)" will focus on the establishment and activation of modernised and traditional channels in target cities, and will aim to build up local consumer bases with "Feel relaxed at any time (隨享愜意時光)" as the focus of communication. "La Rive Gauche de la Seine (左岸咖啡館)" will be continued as its active development of the frozen coffee market and launched seasonal flavours when opportunities arise, in order to satisfy the needs of consumers for seasonal products.

Bottled Water

With COVID-19 persisting during the first half of 2021, shopping for health and safety reasons has become a normality. The Group continued to focus on the operations of mid-to-high-priced natural mineral water brand "ALKAQUA (愛誇)" to provide consumers with healthy and safe water choices. We communicate with consumers through our brand proposition of "ALKAQUA, simple appearance with unusual properties (愛誇礦泉，從不簡單)" – our water is unusual because it is sourced from the deep underground water of the Changbai Mountains; our craftsmanship is unusual because we utilize an EU-certified membrane separation technology to prevent the generation of bromate; and our ingredients are unusual because our "H_2SiO_3 (偏矽酸)" content is twice the national standard. Focusing on core cities, we convey our brand proposition to white collar workers, our core target audience, through media such as office buildings and subway stations, calling for healthy and safe drinking water. Meanwhile, we also devoted our efforts on the target places of business of the brand, and consolidated our core markets by focusing on the expansion of points-of-sale (POSs), the performance improvement of quality POSs, and the addition of temperature-controlled cabinets on modernised channels etc. during the first half of the year.

During the second half of 2021, we plan to collaborate with office sharing platforms to organise an offline activity called "Unconventional Pantries (不簡單的茶水間)", which, together with online livestreaming and other forms of promotion, will enable us to further convey our brand proposition.

FINANCIAL ANALYSIS

Cash and Borrowings

As at 30 June 2021, the Group had total cash and bank balances of RMB6,031.5 million (31 December 2020: RMB6,068.4 million), among which 99.92% were denominated in Renminbi and 0.03% were denominated in United States dollars. As at 30 June 2021, the Group had RMB0.5 million restricted bank deposits. Current assets of the Group amounted to RMB6,002.5 million (31 December 2020: RMB6,161.0 million) with current liabilities of RMB7,849.8 million (31 December 2020: RMB7,666.0 million). Net current liabilities were RMB1,847.2 million (31 December 2020: RMB1,505.0 million). During the Period under Review, the Group mainly financed its working capital and capital expenditure by internally generated cash flows and short-term bank borrowings. As at 30 June 2021, the Group's total financial liabilities were RMB1,707.9 million (31 December 2020: RMB532.4 million). 100.0% of the Group's total financial liabilities were denominated in Renminbi. As at 30 June 2021, all of the Group's financial liabilities bore floating interest rates. As at 30 June 2021, the Group did not have any secured bank borrowings (31 December 2020: Nil).

Financing

The Group aims to maintain an appropriate capital structure. The gearing ratios of the Group as at 30 June 2021 and 31 December 2020 were as follows:

	30 June 2021 *RMB'000*	31 December 2020 *RMB'000*
Total borrowings (including lease liabilities)	**1,707,915**	532,388
Less: cash at bank and on hand *(Note 1)*	**(6,031,468)**	(6,068,431)
Net cash	**(4,323,553)**	(5,536,043)
Total equity	**13,111,563**	13,886,533
Total capital	**8,788,010**	8,350,490
Gearing ratio *(Note 2)*	**(49.20%)**	(66.30%)

Note 1: As at 30 June 2021, the Group's purchase of financial products issued by commercial banks was not included under cash at bank and on hand. As at 30 June 2021, the Group had financial assets at fair value through profit or loss of RMB1,531.4 million (31 December 2020: RMB1,621.6 million).

Note 2: The gearing ratio is computed as the net cash divided by the sum of total equity and net cash.

The Group reviews its gearing ratio on a regular basis. According to the capital plan for the future, the Group tries to strike a balance between shareholder's return and capital safety, and adjusts our capital structure according to the changes in the operating environment.

Cash Flow and Capital Expenditure

For the Period under Review, the Group recorded a net decrease in cash and cash equivalents of RMB6.6 million, mainly comprising net cash inflow from operating activities of RMB442.2 million, net cash outflow from financing activities of RMB465.6 million, and net cash outflow from investing activities of RMB16.8 million. During the Period under Review, the Group had capital expenditure of RMB198.9 million (first half of 2020: RMB155.8 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, attributable to the growth in percentage of sales through e-commerce channels and modern channels, and the increase in revenue, net trade receivables increased by RMB190.7 million to RMB771.2 million (31 December 2020: RMB580.5 million). The Group's inventories mainly comprised raw materials, packaging materials and finished goods. The inventories turnover days decreased by eight days as compared with 2020, which was attributable to more stringent inventory management of the channels. As at 30 June 2021, the inventories balance decreased by RMB404.2 million to RMB1,539.3 million (31 December 2020: RMB1,943.5 million) as compared to the beginning of the year. The Group's trade payables mainly arise from credit purchases of raw materials and finished goods. During the Period under Review, trade payables decreased by RMB9.9 million to RMB1,869.8 million (31 December 2020: RMB1,879.7 million).

	30 June 2021	31 December 2020
Trade receivables turnover days	**9**	9
Inventories turnover days	**37**	45
Trade payables turnover days	**40**	44

Trade receivables turnover days were calculated based on the average of trade receivables balances as at the beginning and the end of the year divided by revenue multiplied by the number of days in the year.

Inventory turnover days were calculated based on the average of inventory balances as at the beginning and the end of the year divided by cost of sales multiplied by the number of days in the year.

Trade payables turnover days were calculated based on the average of trade payable balances as at the beginning and the end of the year divided by cost of sales multiplied by the number of days in the year.

The Group reckons that inventory turnover days, trade receivables turnover days and trade payable turnover days in the distribution channel help the Group in understanding the efficiency of inventory liquidity and the sales and cash conversion cycle. Through reviewing and improving the aforesaid turnover days, the Group could improve its revenue, profit and the ability of on-going growth for the purpose of enhancing operational efficiency.

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 conditions, and making appropriate capital expenditures to optimise and expand the infrastructure and marketing assets for sales channels. The Group's finance department has formulated financial risk management policies based on the policies and procedures approved by the Board and guided by the executive Directors. These policies are reviewed by the Group's internal audit department and internal control department regularly. The Group's financial policy aims at reducing impacts of interest rate and exchange rate fluctuations on the Group's overall financial position, as well as minimising the Group's financial risk exposure.

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

Treasury Policy

It is the Group's treasury management policy not to engage in any highly risky investment or speculative derivative product and not to invest the working capital in financial products with significant underlying leverage or risks, including hedge funds or similar financial products. The Group continued to adopt a conservative approach in financial risk management with no significant bank borrowing during the Period under Review. Most of the Group's receipts and payments were denominated in Renminbi since a majority of its revenue was 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 2021.

MATERIAL ACQUISITION AND DISPOSAL

For the Period under Review, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

SIGNIFICANT INVESTMENT

As at 30 June 2021, the Group did not hold any significant investments with a value of 5% or more of the Group's total assets.

CHARGES ON GROUP ASSETS

The Group did not have any charges on group assets as at 30 June 2021.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

PROSPECTS

With the effective control of the pandemic, it is expected that the food and beverages industry in the PRC will continue to grow steadily during the second half of 2021. In the post-pandemic era, structural changes can be observed in both consumer demand and consumption scenarios. The development of social e-commerce, O2O and other new online channels are flourishing, and the integration and development of online and offline channels are becoming a major trend, consumer demand for healthy and safe food and beverage products is on the rise. The Group will adhere to value marketing to establish our brand values and maintain continuous and steady growth with a view to becoming an enterprise boasting its "Integrity (品格)", "Brand (品牌)" and "Taste (品味)".

HUMAN RESOURCES AND EMOLUMENT POLICY

As at 30 June 2021, the total number of employees of the Group was 31,740. The Group adheres to the policies of focused and streamlined operation, and organisational structure and staff structure were improved on a continuous basis to build a stronger and efficient enterprise. In terms of recruitment, the Group was streamlining its administration and progressing towards meritocracy. The Group insisted on building a stable and robust team through mechanisms including comprehensive training and humane care. Internal training, regular position transfer, external exchange and part-time study and other measures enhanced our overall performance and provided talents for key positions of the Group steadily. Meanwhile, priorities were given to internal promotion over external recruitment, and performance appraisal and other measures were implemented to keep the current management team ambitious and strong. To achieve the Group's annual goals, the Group had performance bonuses and incentive schemes in place to commend and encourage employees at all levels to make outstanding contributions to the Group's business. Performance bonuses were distributed on the basis of the realised earnings and profits objectives of individual business units and the Group as a whole, as well as the performance appraisal.

The Group's remuneration policy rewards our employees and directors with reference to their performance, qualifications, demonstrated capabilities, market comparable information and the performance of the Group. As part of the Group's remuneration policy, the Group entered into individual employment contracts with each of its employees, which covered wages, social security benefits, workplace safety and hygiene environment, confidentiality obligations on trade secrets and termination conditions.

The total employee benefits expenses (including Directors' emoluments) amounted to RMB1,875.8 million during the Period under Review. The Group does not have any share option scheme for its employees.

PRODUCTIVITY STRATEGIES

The Group did not solely rely on its own production resources. It outsourced its production to other professional beverages manufacturers (including external independent third parties and related party companies). A strategic alliance was formed under long-term cooperation with the external manufacturers, enabling the Group to outsource production mode to adjust production capacity in addition to the basic production capacity, providing the Group with production flexibility. Thus, the Group was able to fully utilise its resources on core operation and optimise its efficiency.

SUBSEQUENT EVENT AFTER THE PERIOD UNDER REVIEW

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 2021

(All amounts in thousands of Renminbi unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Notes	**2021**	2020
Revenue	4	**13,006,730**	11,816,519
Cost of sales		**(8,473,989)**	(7,590,406)
Gross profit		**4,532,741**	4,226,113
Other gains – net		**50,046**	63,039
Other income		**211,125**	258,686
Other expenses		**(94,824)**	(76,231)
Selling and marketing expenses		**(3,132,600)**	(2,624,248)
Administrative expenses		**(508,925)**	(458,086)
Operating profit	5	**(1,057,563)**	1,389,273
Finance income		**117,566**	107,423
Finance costs		**(19,853)**	(25,300)
Finance income – net		**97,713**	82,123
Share of profits of investments accounted for using the equity method		**26,076**	23,147
Profit before income tax		**1,181,352**	1,494,543
Income tax expense	6	**(334,091)**	(429,434)
Profit for the period, attributable to equity holders of the Company		**847,261**	1,065,109
Earnings per share for profit attributable to equity holders of the Company *(expressed in RMB per share)*			
– Basic and diluted	7	**19.62 cents**	24.66 cents

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

(All amounts in thousands of Renminbi unless otherwise stated)

	Unaudited Six months ended 30 June	
	2021	2020
Profit for the period	**847,261**	1,065,109
Other comprehensive income/(loss)		
Item that may not be reclassified to profit or loss		
Fair value gains/(losses) on financial assets at fair value through other comprehensive income, net of tax	**84**	(1,953)
Other comprehensive income/(loss) for the period, net of tax	**84**	(1,953)
Total comprehensive income for the period, attributable to equity holders of the Company	**847,345**	1,063,156

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2021

(All amounts in thousands of Renminbi unless otherwise stated)

	Note	**Unaudited 30 June 2021**	Audited 31 December 2020
ASSETS			
Non-current assets			
Property, plant and equipment		**7,589,092**	7,977,445
Right-of-use assets		**1,723,826**	1,759,218
Investment properties		**285,237**	294,411
Intangible assets		**6,952**	8,756
Investments accounted for using the equity method		**805,071**	793,602
Financial assets at fair value through other comprehensive income		**766**	2,546
Deferred income tax assets		**393,940**	371,517
Other receivables – non-current portion		**18,429**	15,833
Long-term time deposits		**4,700,000**	4,720,000
		15,523,313	15,943,328
Current assets			
Inventories		**1,539,337**	1,943,492
Trade and bills receivables	9	**771,230**	580,509
Prepayments, deposits and other receivables		**812,368**	623,109
Current income tax recoverable		**16,737**	39,288
Financial assets at fair value through profit or loss		**1,531,397**	1,621,634
Cash and bank balances		**1,331,468**	1,348,431
		6,002,537	6,156,463
Assets classified as held for sale		**–**	4,580
		6,002,537	6,161,043
Total assets		**21,525,850**	22,104,371

	Note	**Unaudited 30 June 2021**	Audited 31 December 2020
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		**3,170,684**	3,153,570
Retained earnings		**5,071,216**	5,863,300
Total equity		**13,111,563**	13,886,533
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		**269,728**	297,996
Lease liabilities – non-current portion		**16,317**	16,343
Other payables – non-current portion		**278,458**	237,478
		564,503	551,817
Current liabilities			
Trade payables	10	**1,869,837**	1,879,727
Other payables and accruals		**2,742,693**	2,721,287
Contract liabilities		**1,373,850**	2,426,669
Borrowings		**1,666,168**	487,072
Lease liabilities		**25,430**	28,973
Current income tax liabilities		**171,806**	122,293
		7,849,784	7,666,021
Total liabilities		**8,414,287**	8,217,838
Total equity and liabilities		**21,525,850**	22,104,371

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2021

(All amounts in thousands of Renminbi unless otherwise stated)

1 GENERAL INFORMATION

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

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

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

This condensed consolidated interim financial information is presented in thousands of Renminbi ("RMB"), unless otherwise stated, and was approved for issue by the Board of Directors on 10 August 2021.

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

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2021 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 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2.1 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.

3 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those annual financial statements.

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

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

		Effective for annual periods beginning on or after
HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2	1 January 2021

(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 2021 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
HKFRS 3 (Amendments)	Reference to the Conceptual Framework	1 January 2022
HKFRS 17	Insurance contracts	1 January 2023
HKAS 1 and HKAS 8 (Amendments)	Presentation of financial statements, accounting policies, changes in accounting estimates and errors	1 January 2023
Annual Improvements to HKFRS Standards 2018–2020		1 January 2022

The Group is assessing the full impact of the new standards, new interpretations and amendments to standards and interpretations.

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, food and others.

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

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

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

The segment information for the six months ended 30 June 2021 is as follows:

	Six months ended 30 June 2021				
	Beverages	**Food**	**Others**	**Unallocated**	**Group**
Segment results					
Revenue	**7,860,127**	**4,710,554**	**436,049**	**–**	**13,006,730**
Segment profit/(loss)	**1,193,943**	**(70,480)**	**22,360**	**(88,260)**	**1,057,563**
Finance income – net	**–**	**–**	**–**	**97,713**	**97,713**
Share of profits of investments accounted for using the equity method	**9,252**	**–**	**–**	**16,824**	**26,076**
Profit before income tax					**1,181,352**
Income tax expense					**(334,091)**
Profit for the period					**847,261**
Other income statement items					
Depreciation and amortization	**406,100**	**163,160**	**13,710**	**41,659**	**624,629**
Addition to non-current assets	**78,345**	**105,946**	**5,669**	**8,937**	**198,897**

	As at 30 June 2021				
	Beverages	**Food**	**Others**	**Unallocated**	**Group**
Segment assets and liabilities					
Assets	**8,330,509**	**3,471,896**	**822,386**	**8,095,988**	**20,720,779**
Investments accounted for using the equity method	**603,563**	**–**	**–**	**201,508**	**805,071**
Total assets					**21,525,850**
Liabilities	**3,248,650**	**2,295,525**	**201,313**	**2,668,799**	**8,414,287**
Total liabilities					**8,414,287**

The segment information for the six months ended 30 June 2020 is as follows:

	Six months ended 30 June 2020				
	Beverages	Food	Others	Unallocated	Group
Segment results					
Revenue	6,290,549	5,206,837	319,133	–	11,816,519
Segment profit/(loss)	1,073,182	448,093	(16,884)	(115,118)	1,389,273
Finance income – net	–	–	–	82,123	82,123
Share of profits/(losses) of investments accounted for using the equity method	23,345	–	–	(198)	23,147
Profit before income tax					1,494,543
Income tax expense					(429,434)
Profit for the period					1,065,109
Other income statement items					
Depreciation and amortization	477,860	130,633	22,436	31,783	662,712
Addition to non-current assets	1,714	88,456	5,959	59,631	155,760

	As at 30 June 2020				
	Beverages	Food	Others	Unallocated	Group
Segment assets and liabilities					
Assets	8,452,206	3,517,733	957,563	8,279,703	21,207,205
Investments accounted for using the equity method	598,878	–	–	204,385	803,263
Total assets					22,010,468
Liabilities	3,040,500	2,569,446	319,249	2,754,188	8,683,383
Total liabilities					8,683,383

5 OPERATING PROFIT

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

	Six months ended 30 June	
	2021	2020
Cost of inventories	**6,975,025**	6,098,081
Promotion and advertising expenses	**1,100,717**	906,726
Employee benefit expenses, including directors' emoluments	**1,875,756**	1,585,524
Transportation expenses	**524,373**	432,509
Depreciation and amortization	**624,629**	662,712
Operating lease in respect of buildings	**37,286**	21,111
Provision for impairment of trade receivables	**3,583**	2,631
Provision for/(reversal of) impairment of inventories to net realizable value	**8,242**	(10,849)
Gains from disposal of property, plant and equipment	**(7,733)**	(23,240)
Gains from disposal of right-of-use assets	**(11,210)**	(48,273)
Government grants *(Note)*	**(68,444)**	(102,697)

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	
	2021	2020
Current income tax		
– Mainland China corporate income tax ("CIT")	**384,782**	444,652
Deferred income tax	**(50,691)**	(15,218)
	334,091	429,434

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

Subsidiaries established in Mainland China are subject to CIT at the rate of 25% (2020: 25%) during the year ending 31 December 2021.

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" (財税[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 ending 31 December 2021.

(b) Other income tax

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

Subsidiaries incorporated in Taiwan are subject to income tax at the prevailing rates of 20% (2020: 20%) respectively.

Pursuant to the enactment of two-tiered profit tax rates by the Inland Revenue Department, the first HK$2 million of assessable profits of subsidiaries incorporated in Hong Kong is subject to a tax rate of 8.25% during the year ending 31 December 2021 (2020: 8.25%). The remaining assessable profits above HK$2 million will continue to be subject to a tax rate of 16.5% (2020: 16.5%).

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	
	2021	2020
Profit attributable to equity holders of the Company	**847,261**	1,065,109
Weighted average number of ordinary shares in issue *(thousands)*	**4,319,334**	4,319,334
Basic earnings per share *(RMB per share)*	**19.62 cents**	24.66 cents

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

8 DIVIDENDS

Dividends in relation to the years ended 31 December 2020 and 2019, amounting to approximately RMB1,662 million and RMB1,369 million, were paid in June 2021 and June 2020, respectively.

The directors do not recommend an interim dividend in respect of the six months ended 30 June 2021 (2020: Nil).

9 TRADE AND BILLS RECEIVABLES

	30 June 2021	31 December 2020
Trade receivables		
– third parties	**742,401**	574,249
– related parties	**17,463**	13,110
	759,864	587,359
Less: provision for impairment	**(14,258)**	(14,804)
Trade receivables, net	**745,606**	572,555
Bills receivables		
– from third parties	**25,624**	7,954
Trade and bills receivables	**771,230**	580,509

The credit terms granted to customers by the Group are usually 60 to 90 days. At 30 June 2021, the ageing analysis of trade receivables is as follows:

	30 June 2021	31 December 2020
Trade receivables, gross		
– Within 90 days	**706,081**	541,809
– 91–180 days	**49,197**	42,021
– 181–365 days	**2,988**	2,290
– Over one year	**1,598**	1,239
	759,864	587,359

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 2021	31 December 2020
Trade payables		
– third parties	**1,273,972**	1,455,650
– related parties	**595,865**	424,077
	1,869,837	1,879,727

The credit terms granted by suppliers to the Group are usually 30 to 90 days. At 30 June 2021, the ageing analysis of trade payables is as follows:

	30 June 2021	31 December 2020
Trade payables		
– Within 180 days	**1,792,087**	1,819,648
– 181–365 days	**31,654**	18,102
– Over one year	**46,096**	41,977
	1,869,837	1,879,727

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 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 Listing Rules during the Period under Review.

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

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

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

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

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

The Company's 2021 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 2021 interim report.

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

10 August 2021

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.