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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 2016 INTERIM RESULTS

- Revenue amounted to RMB11,713.3 million, down by 2.4%
- Group gross margin of 36.9%, down by 0.9 percentage point
- EBITDA of RMB1,807.1 million, up by 5.3%
- Profit attributable to equity holders of the Company of RMB775.2 million, up by 12.9%

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”) for the six months ended 30 June 2016 (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

The growth of GDP of the People’s Republic of China (the “PRC”) continues to slow down, with a year-on-year growth rate of 6.7% recorded in the first half of 2016. The growth momentum of the food and beverage industry is yet to be recovered. Amidst the ongoing industrial structural adjustment, the innovative and upgraded products are obviously favoured by consumers, and increasingly, more attention is being paid to personalised products. Extreme climate events appeared one after another since the beginning of this year, pushing the whole industry towards a tougher test and another round of challenge. Under this background, only players who are able to quickly adapt themselves to the shifting consumption trend and environmental conditions can seize the favourable opportunities.

FINANCIAL RESULTS

As the domestic economy of the PRC has not yet recovered and the beverages business was affected by the greater frequency of rainy weather conditions across regions, the Group has recorded a revenue of RMB11,713.3 million during the Period under Review, representing a slight decrease of 2.4% as compared with the corresponding period last year, and gross profit decreased by 4.6% to RMB4,324.5 million with gross profit margin decreased by 0.9 percentage point to 36.9% from 37.8% for the corresponding period last year. Selling and marketing expenses of the Group for the Period under Review decreased to RMB2,966.7 million (first half of 2015: RMB3,241.5 million), which was mainly attributable to the resources of the Group precisely placed in the marketing activities and channel construction of its instant noodles and beverage businesses during the Period under Review. Administrative expenses for the Period under Review amounted to RMB512.9 million (first half of 2015: RMB539.8 million), which remained basically the same when compared to the corresponding period last year. Operating profit was RMB944.5 million for the Period under Review, increasing by 12.4% from the operating profit of RMB840.4 million for the first half of 2015.

During the Period under Review, share of profits of investments accounted for using the equity method decreased to RMB75.9 million (first half of 2015: RMB88.2 million), which was mainly due to the decrease in the recognised investment income from Jinmailang Beverage Corporate Limited which has been classified as assets held for sale. During the Period under Review, profit attributable to equity holders of the Company was RMB775.2 million, representing an increase of 12.9% compared with RMB686.6 million of the corresponding period last year.

BUSINESS REVIEW

INSTANT NOODLES BUSINESS

In spite of the sluggish and downturn in the instant noodles industry in 2015, the overall market began to recover in the first half of 2016. Total sales amount increased by 1.9% as compared with the corresponding period last year (Nielsen's Data). The instant noodles business of the Group recorded a revenue of RMB4,010.5 million for the first half of 2016, representing an increase of 9.8% as compared with the corresponding period last year, which outperformed the market, with its market share of 20.8%, representing an increase of 2.8 percentage points as compared with the corresponding period last year.

As a pioneer and leader in the pickled cabbage products category, “Uni-President Lao Tan Pickled Cabbage and Beef Flavoured Noodles (統一老壇酸菜牛肉麵)” continued to secure the leading position in the pickled cabbage flavoured products. We insisted on providing consumers with perfect experience of “Authentic Sourness and Crunchiness (正宗酸爽)”. Following the comprehensive upgrade on the product with a rich combination of vegetables and meat dices in 2015, we improved the quality of the pickled cabbage flavour packet and strengthened the technology of production process in this year, so as to provide consumers with better experience of sourness and crunchiness. In addition, the “Uni-President Lao Tan Pickled Cabbage (統一老壇酸菜)” focused on rejuvenating the brand to attract more young consumers. In terms of packaging, we strive to make the packaging looks young and fashionable by adding trendy visual elements to the classic image, so as to promote the brand recognition and efficiently enhance its uniqueness among the pickled cabbage products category. In terms of marketing, as part of our efforts to upgrade the products and popularise the brand among young consumers, we strived for self-breakthrough and innovation, and explored new ways and new contents for our promotion so as to create hot topics for our product category. In the first half of 2016, we cooperated with our brand

ambassador Mr. Wang Han (汪涵) to launch a program called “Mars Intelligence Agency (火星情報局)”, which, in its original form of fancy talk show and with the new packaging display, has helped to highlight tips of the “Uni-President Lao Tan Pickled Cabbage (統一老壇酸菜)” for its sourness and crunchiness and enhanced the brand recognition of “Uni-President Lao Tan (統一老壇)” among young consumers. Moreover, we promoted our brand reputation and loyalty through marketing activities such as the cross-industry cooperation with “Di Di Chu Xing (滴滴出行)”, and arousing hot topic on the internet about campaigns of “Motorcycle Riders (鐵騎) Go Home with a Warm Heart (讓回家有溫度)” during the Spring Festival Travel (春運).

“Soup Daren (湯達人)”, focusing on the better taste of soups, has maintained a double-digits rapid growth rate in the first half of 2016. The Group continued to strive for bringing consumers an enjoyable experience of “Bottoms-up for the Nourishing Soup (元氣高湯，一碗見底)”. In 2016, the Group implemented a comprehensive upgrade on the product with a view to improving the quality of our products. In terms of market operation, we continued to pursue the principle of “Focused and Streamlined Operations (聚焦經營、簡單操作)” and mainly focused on sales network development in a group of key cities. In terms of marketing, focusing on the “Soup Makes Good Noodles and Good Soup Is Irresistible (好麵湯決定、好湯擋不住)”, the Group successively introduced the brand ideas of “Too Anxious to Wait for Good Soup (如此猴急，只因好湯擋不住)” and “Even Lazy One Cannot Resist Good Soup (如此好湯，再懶也擋不住)” and conducted communication with our consumers in a more interesting manner by placing more advertisements on new media and launching promotional activities in stores. Moreover, the Group tactfully demonstrated the brand differentiation of “Soup Daren (湯達人)” and the appeal to emotion of the “Daren Spirit (達人精神)” through internet advertisement, sponsorship and product placement.

The Group has proactively launched medium and high-end instant noodles at selling prices of RMB5.0 or above to cater for the enhancing consumer demands in quality and flavour by product innovation. In the first half of this year, the Group introduced three new brands, namely “Urban Bistro (都會小館)”, “Mix-up in Town with You (相拌一城)” and “Man-Han Banquet (滿漢宴)”, which completed our strategic deployment and provided the Group with a better positioning via different brands and selling prices. Featuring special flavours of popular noodles restaurants, “Urban Bistro (都會小館)” adds new flavours to the existing instant noodles flavours, enabling consumers to taste local specialties anytime and anywhere. With the brand notion of youth and fashion, delicacy and exquisiteness, along with the coating cover and a noodles production process called “Slight Ripple Technology (微造波)”, it has won favor from a vast number of consumers upon its launch to the market. “Mix-up in Town with You (相拌一城)” soaks up the essence from the most representative urban foods, with a vision to shape the most iconic brand of summer noodles, which enable the young people who love local specialties to enjoy the mixed-up delicacy of the city in the summer, and overturn the traditional consumption pattern of instant noodles, i.e. sluggish sales in summer and booming sales in winter. “Man-Han Banquet (滿漢宴)” targets at the high-end alternative dietary product market, aiming to bring consumers an experience of the “Banquet-Like Extravagance (奢華如宴)” of the top-notch Chinese cuisine. It has attracted the attention of industry players and consumers and met with overwhelming popularity since its launch, and again prevailed in the contest in innovation and improvement on instant noodles, making itself a benchmark of the premium instant noodles.

In 2016, the PRC is in the crucial stage of old-to-new momentum transition and economic transition and upgrading. There are both opportunities and challenges in industry upgrading and consumption upgrading. In order to grasp the opportunities, the Group will actively promote the transformation of instant noodles business and take food safety as its first priority. In addition, the Group will gradually launch alternative and innovative brands with the support of steady development of existing brands, creating a new milestone of the instant noodles business.

BEVERAGES BUSINESS

In the first half of 2016, the overall macro economy of the PRC had not yet recovered. Under the impact of the unusual weather in the second quarter, i.e. there is quite a lot of rain and the temperature is lower this summer, there was a slowdown in the growth of beverage industry for the first half of 2016. According to Nielsen's Data, the sales amount of the beverage industry as a whole increased by only 2.0%, continuing to slow down as compared with the same period last year. The Group recorded a revenue of RMB7,448.0 million on the beverages business for the first half of 2016, representing a decrease of 8.2% as compared with the corresponding period last year. The performance of each major beverage segment of the Group is described as follows:

Tea Drinks

Revenue from the Group's tea drinks business for the first half of 2016 amounted to RMB3,737.2 million, representing an increase of 13.6% as compared with the same period last year. The Group has been proactive to grasp the opportunities arisen with the transformation of consumers' demand. "Classmate Xiaoming (小茗同學)" was launched in 2015 at the price of RMB5.0 and above, targeting at the consumer group born post-95. The drink was warmly welcomed by the market since its launch, which drove the rapid development of the market of instant tea with selling price of RMB5.0 or above. Based on Nielsen's data, the sales amount of tea drinks (excluding milk tea) as a whole increased by 10.9% in the first half of 2016 as compared with the same period last year. The market share of the Group jumped significantly to 28.6%, representing a growth of 5.3 percentage points as compared with the same period last year, and outperformed the overall beverage sector and the tea drinks market.

"Classmate Xiaoming (小茗同學)" targets at young students, building a young brand specially for the consumer group born post-95. The Group has launched its new product "Liuliuda Tea (溜溜嗒茶)", a new tea with lactobacillus flavour which is popular in the market. In order to further strengthen its marketing, the drink has continued its sponsorship on the show "I Am Going to School 2 (我去上學啦2)", which airs from June to September and was jointly produced by Zhejiang Satellite TV and iQIYI, a leading online video site. With 9 pop stars joining the show, great attention from their fans will be attracted, together with hot topics, the brand has become more popular during the peak season. "Uni Ice Tea (統一冰紅茶)" continued to target at the young consumers. In 2016, the brand image has been promoted through differentiated marketing activities involving a combination of different sectors such as electronic sports, electric runs and films, which are popular among the young people. The drink has sponsored International Gaming League, one of the largest electronic sports in the PRC in 2016. It has also sponsored an "Electric Runs (熱波電跑)", the most popular game nowadays in U.S.A., making a hit in 10 cities and attracting consumers to participate in it. "Uni Green Tea (統一綠茶)" continues the brand's philosophy of "Experience the Nature (親近自然)" and tries new marketing efforts. It has sponsored "Our Law (我們的法則)", a popular variety show of Anhui Satellite TV, and its theme is related to the jungles and the nature, in line with that of "Uni Green Tea (統一綠茶)". Such promotion effort has successfully complemented our brand through product placement. The drink has initiated a crossover project with Letv, with an aim to enhance our communication and interactions with the young consumers, so as to consolidate our brand image.

In the second half of 2016, the Group's tea drinks business will continue to follow the strategy of value-based marketing as the core. Facing the changes in the market environment and consumers' demands, the Group will strengthen its brand building efforts. Our tea drinks business will be supported by the main products "Uni Ice Tea (統一冰紅茶)" and "Uni Green Tea (統一綠茶)", with continuous promotional events and activities to revitalise the brands, in order to consolidate our market share in the main market of drinks with selling price of RMB3.0. For high-end market for drinks with selling price of RMB5.0 and above, "Classmate Xiaoming (小茗同學)" will be our key product while "TeaLaTour (緹拉圖)", a western fruit tea, will focus on its network

in first-tier cities, so as to expand our market share. “TeaLaTour (緹拉圖)” has sponsored and applied placement in a popular online drama “My friend, Miss Chen Bailu (我的朋友陳白露小姐)”, targeting at office ladies to enhance communication and consolidate its competitiveness. “Classmate Xiaoming (小茗同學)” has integrated various marketing activities including sponsoring campus events, applying placements in dramas, films and animations, with an aim to strengthen its relationship with consumers and become a good classmate of the consumers. The Group’s tea drinks will also enhance its development of sales channels for frozen tea and put great effort in expanding its tea drinks business.

Juice Drinks

The Group’s juice drinks business recorded a revenue of RMB1,670.5 million in the first half of 2016. Nielsen’s data indicates that the sales amount of the Group’s juice drinks accounted for 13.4% of the entire market share in the first half of 2016, maintaining the second place in juice market in respect of sales amount.

In 2016, “Haizhiyan (海之言)” continued to follow its notion of “Cooling You Down (海掃酷熱)”, strengthen its brand building and interact with consumers. The brand cooperated with Music Radio of China National Radio and Alibaba’s wholly-owned media YouKu to launch the “Seaside Summer Camps (海濱夏令營活動)”, during which the brand made in-depth interaction with consumers under the leading of its spokesman Boran Jing (井柏然) and Olympic champion Yang Wei (楊威). In addition, the brand was placed in the movies of “Time Raiders (盜墓筆記)” and “LOVE O2O (微微一笑很傾城)”, both of which are starred by Boran Jing (井柏然). As the first kind of light beverage of the Group, “Haizhiyan (海之言)” has been very popular among the consumers since 2014 when it was launched into market. As Nielsen’s data shows that the growing trend of consumers’ actual retail spending doesn’t match with the delivery pace, the Group made adjustments to the selling strategy of “Haizhiyan (海之言)” in the first half of 2016 to adjust the delivery plan in stages in order to pursue mid-and-long term brand value and profit maximisation.

In the first half of 2016, “Uni More Juice Series (統一多果汁)” has focused on the operation of the brand “More Orange Juice (鮮橙多)” with an emphasis on orange flavour. In March, “Orange PLUS Lemon (橙PLUS檸)”, a kind of drinks with mixed juice and pulp, was launched and joined the pulp juice drinks market. “Smoothie ICE (冰沙ICE)”, which was launched in May, is the first kind of PET bottled orange juice drinks that can change into smoothie after freezing in China, leading another innovation in the juice industry. In the press conference with the theme of “Beauty PLUS (漂亮PLUS)”, Mr. Joong-ki Song (宋仲基), the most popular TV series star in 2016, was appointed as the “Chief Pretty Officer (首席漂亮官)” of “More Orange Juice (鮮橙多)”. The conference was broadcast live by iQYI.com and made hot searching topics on WeChat and Weibo through real-time reports. In combination with on-line direct sale on JD.com, the campaign created an excellent outcome of broad exposure and high sales which made it a successful case of crossover brand marketing. In the second half of 2016, the Group will continue to concentrate on the operation of the brand “More Orange Juice (鮮橙多)” with an aim of bringing customers different “Beauty (漂亮)” experiences. Under the brand theme of “New Beauty, Surprise PLUS (漂亮新發現, 驚喜PLUS)” of “More Orange Juice (鮮橙多)”, the brand cooperated with JD Pay to send lucky money and surprise gifts of derivative products of the spokesman to customers. In addition, the Group delivered advertisements through outdoor media in major cities, popular online media such as WeChat and Weibo as well as hot TV series to aim at target customers. For “Smoothie ICE (冰沙ICE)”, through demonstrations by web celebrities showing a new drinking method of orange juice “Become Smoothie in a second (秒變冰沙)”, supported by marketing activities by way of creative distributions and broadcasting through online video which made hot topics and strong presence on the internet, wide attention was gained successfully.

In 2016, “Seasonal Drinks (飲養四季)” continuously maintained the core value of “Seasonal nourishing and moisturising – Way of relax and revival (四季潤養、舒活之道)” and fully upgraded its products. The brand has strengthened the stewing techniques and applied simple and bright colors in packaging which highlighted the colorfulness of each season in order to stimulate consumers’ desire of purchasing. Through the brand campaign of the year “Calculus of Love (愛的微積分)” and under the idea of “music plus membership equals meaningful gifts (音樂+會員機制=有感贈品)”, the brand established a membership system. The brand preference was improved through connecting the consumers by way of exchange and lucky draw. Following its successful launch to the Chinese-style drinks market in 2015, “Ruyin (如飲)” will add new methods in its processing crafts in accordance with the Chinese way of hot beverage making. It will renovate the warm and mild taste of Chinese-style drinks and establish a model of a new kind of Chinese-style hot beverage by ingredient selection and combination and inventive crafts, to give traditional Chinese-style drinks a fresh look. In the autumn of 2016, the Group will launch a kind of Chinese-style herbal drinks with fruit aiming at functional drinks market. It will insist using the Chinese way to process the natively grown fruits, introduce new ideas and communicate with customers about Chinese culture so as to consistently build the brand image of “Chinese-style Drinks (中式飲品)”.

In order to adapt to the trend of healthy consumption and prepare for the long-term strategic development, “Yishang (怡賞)”, a mid-to-high concentration juice brand of the Group, entered the 100% juice market in March 2016 by launching 200ml 100% Valencia juices in Tetra Pak packaging. The Group sources raw materials with higher percentage of sugar acid from Valencia which are more suitable for consumers in the PRC who prefer to sweet flavour, meeting the demands of middle class families that pursue healthy lifestyles for daily drinking juices with good quality. The products were mainly sold through modern chain stores in Shanghai and the e-commerce platforms when they were first launched into market, and maintained steady growth. The Group will promote the products in families and the catering industry by adopting 1L Tetra Pak packaging gradually in the second half of the year.

More customised products will gain higher market shares due to the upgrade of consumption pattern. The Group launched the “Keep Sweet (恬蜜光年)” brand in June which adopted new packaging materials, new technologies and new concepts, positioning as a portable drinking dessert. Our first product in “Mango & Pomelo Sweet Soup (楊枝甘露)” flavour is a classic Hong Kong-style dessert with a price of RMB19.9 per can. The brand strives to create a concept of healing dessert with high taste. The beautiful and high-end packaging image attracted huge media attention when it was launched into market in June. The sales of this product achieved steady growth with high rating and reputation among consumers during its trial sales at the convenience stores in Shanghai. In the second half of 2016, the Group will put more efforts on the promotion of this brand and make the concept of healing and portable dessert becoming popular among the youth through interacting with them on their favorite applications and platforms.

In the second half of 2016, the juice sector of the Group will continue to focus on the brand construction and promotion of “Haizhiyan (海之言)”. In order to strengthen its position in the juice market, the Group will further improve its strategic layout in the juice sector and put more efforts on the enhancement of its brand competitiveness.

Combined Drinks Business

Milk Tea

Nielsen's data shows that sales of the entire milk tea market declined by 12.8% in the first half of 2016 while the Group's milk tea sector outperformed the overall market with a market share of 71.1%, playing the advantageous role as number one in the market.

“Uni Assam (統一阿薩姆)” aims to project a younger image of the brand and attract the young consumers with products and marketing innovation. The Group launched new packaging with the popular network element and continued to deepen the core value of the band of “Smooth and Good Mood (順滑好心情)”. Making good use of its lovely “Good Mood Factors (好心情因數)” and its annual activity of “Ask Assam with Good Mood (一問阿薩姆，碼上好心情)”, the Group has continually brought the young consumers with “Good Mood (好心情)” through our campaign of “Q&A Bottle (問答瓶)” with the highlight of telling jokes by its spokesperson Amber Kuo (郭采潔) and Shi Banyu (石班瑜), being famous with dubbing for “Xing Xing Zhou (周星星)”. The Group focused on the broadcast through satellite television and online new media with marketing efforts closely linked to the lives of the post-95s and placed them accurately in such satellite television and programs that were favored by the young generation. The Group initiated an in-depth cooperation in the online new media sector with the Bilibili website, which was adored by the post-95s young consumers, and collected information for “Asking Assam for Whimsy Reply (一問阿薩姆神回覆)”, to closely interact with consumers and gained exposure for the campaign on the online platforms including Baidu and Zhihu.

“Little Assam Milk Tea (阿薩姆小奶茶)” followed the core value of “Simple Milk + Tea, Going Back to the Childhood of Milk Tea (簡單奶+茶，回到奶茶小時候)” and closely cooperated with Peanuts, the world famous cartoon, to vividly reflect its pure nature through the image of “Snoopy (史努比)”. The Group continued to interact with consumers via fascinating displays and cute gifts. In the first half of 2016, “Little Assam Milk Tea (阿薩姆小奶茶)” delivered encouraging sale results and will step up effort in the second half of the year for the hot drink marketing.

Aqua More

In March 2016, the Group launched the water product of “Aqua More (水趣多)” with the lactobacillus flavour to bring the consumers with a new crossover experience, combining water and lactobacillus by its patent technology for lactobacillus of “LV108”. It meets the demands of the fun-loving 18-25 years old consumers with its simple and unique packing design and lactobacillus flavour, known as a new online popular water product. Cooperating with the movie of “Ice Age 5 (冰川時代5)”, the Group increased the interestingness of the product and echoed with the theme of “Interest Your Boringness (趣你的乏味)”. Through the visual experience for the 3D drawing of “Glacier (冰川)”, Virtual Reality and holographic projection, the brand image was consolidated when the consumers were having fun.

Others

Coffee

In the first half of 2016, the revenue of the coffee business of the Group showed a year-on-year increase of 13.5%. Driven by the popularity of coffee culture, the coffee industry grew and developed gradually towards popularisation, leading a differentiation in consumers and asking for higher standards. The future developing trend for instant coffee is to become more youth-friendly and to improve its quality. In order to grasp the opportunity in this era, in addition to the existing “A-Ha (雅哈)”, the Group introduced a new brand “Lento (朗朵)” targeted at high-end coffee lovers which helped the Group to better meet the demands of high-end target groups in 2015.

“A-Ha(雅哈)” focused on the transformation into a youth friendly brand. Having an insight into the daily and relaxing scene of drinking coffee from the young post-90s and post-00s groups, “A-Ha(雅哈)” fits into the present day young people’s lifestyle with a passion of communication and socialisation, and introduced the brand through “drinking and chatting (聊天交流)”. It promotes the distinct brand idea of “Right Taste, Happy Chatting (對味喝、愉快聊)” which became popular among the young people. In the first half of 2016, “A-Ha (雅哈)” continued to cooperate with the third season of “Qi Pa Shuo: You Can You BB (奇葩說)”, the online discussion show, spreading and representing the brand idea. The slogan “Chat Happily After Drinking A-Ha (喝了才能愉快聊天的雅哈咖啡)” has become popular among the young people. Through the marketing on the social media and the promotional activities for “A-Ha (雅哈)” and “Qi pa (奇葩)”, more and more heated topics have been discussed online. “A-Ha Hey (雅哈Hey)”, a new product series introduced in July 2015, met the demands of certain youngsters for original and cool taste of coffee as it contains low sugar, low fat and no added fragrance, therefore appealing to the new high-end target consumers for “A-Ha (雅哈)”.

“Lento (朗朵)” is targeted at people with higher ability to appreciate and taste coffee and using high technology, high quality and high level of convenience as its core advantages. In addition to the instant coffee products made from 100% virgin extraction and refrigerated Australian condensed milk, “Lento (朗朵)” also introduced hanging-drip coffee bags made from single coffee beans, which aimed to bring consumers a fresher and high quality coffee experience. The instant coffee “Lento (朗朵)” currently focuses on Wuhan and continually carries out brand building, to cultivate loyal consumers and gradually explore new market. The Group intends to launch the hanging-drip coffee of “Lento (朗朵)” on the E-commerce platform in the second half of 2016 and establish professional product line, thus to steadily accumulate loyal users and strengthen the brand reputation.

Bottled Water

The Group adapted to the upgrading of consumption trends and adhered to its strategy of focusing on the operation of natural mineral water through centering on the operation of two major brands, “ALKAQUA (愛誇)” and “Bama Quan (巴馬泉)”.

In the first half of 2016, our main brand “ALKAQUA (愛誇)” invited Mr. Wang Kai (王凱), a famous actor, as its brand spokesperson. The good appearance and temperament of Wang Kai is brief but not simple, which fits nicely with the brand proposition of “ALKAQUA (愛誇)”, i.e. “appearance accounting for 30% and inner beauty accounting for 70% (30%靠顏值，70%是內在)”. We shot beautiful commercials under water with a theme of “ALKAQUA (愛誇) 70% of me (ALKAQUA愛誇 70%的我)”, and increased investments and promotion of the brand, especially through new medias, all of which received good response from young consumers. Seven colors bottle, the new outfit of “ALKAQUA (愛誇)” has been well accepted and collected by consumers since it was first introduced into the market in May, as a result of which the brand reputation and preference of “ALKAQUA (愛誇)” was significantly enhanced.

In the second half of 2016, we will continue to promote “ALKAQUA (愛誇)” through its spokesperson Wang Kai to generate more benefits. We will guide target consumers to take “ALKAQUA (愛誇)” as the first choice of bottled water and make full use of the fan economy by organising large fan meetings. We are committed to make “ALKAQUA (愛誇)” the first choice to show consumers’ taste of fashion and simplicity.

FINANCIAL ANALYSIS

Cash and borrowings

As at 30 June 2016, the Group had a total cash and bank balances of RMB2,184.1 million (31 December 2015: RMB2,919.3 million), among which 96% were denominated in Renminbi and 3.4% were denominated in United States dollars. As at 30 June 2016, the Group had no restricted bank deposit (31 December 2015: RMB4.2 million). Current assets of the Group amounted to RMB5,516.8 million (31 December 2015: RMB5,364.6 million) with current liabilities of RMB6,534.1 million (31 December 2015: RMB6,702.5 million). Net current liabilities was RMB1,017.4 million (31 December 2015: RMB1,337.9 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 2016, the Group’s total financial liabilities was RMB3,448 million (31 December 2015: RMB4,254.3 million), among which 46.4% were repayable over 1 year. 100% of the Group’s total financial liabilities was denominated in Renminbi. As at 30 June 2016, all of the Group’s financial liabilities bear floating interest rates save for the RMB1,000 million notes due 2017, the RMB500 million notes due 2017 and the RMB500 million notes due 2019, which were at fixed interest rates of 3.6%, 3.5% and 3.9% per annum respectively. As at 30 June 2016, the Group did not have any secured bank borrowing (31 December 2015: 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 30 June 2016 and recognised a long term credit rating of twAA- to the Group on the same day, with the upgrade from "Stable (穩定)" to "Positive (正向)" rating outlook on the Group's long term credit rating. The gearing ratios of the Group as at 30 June 2016 and 31 December 2015 were as follows:

	30 June 2016	31 December 2015
	RMB'000	RMB'000
Total borrowings	3,448,000	4,254,316
Less: cash and time deposits	(2,184,136)	(2,915,109)
Net debt	1,263,864	1,339,207
Total equity	12,206,758	11,602,403
Total capital	13,470,622	12,941,610
Gearing ratio (<i>Note</i>)	9.38%	10.35%

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 2016, the Group recorded a net decrease in cash and cash equivalents of RMB666.7 million, mainly comprising net cash inflow from operating activities of RMB960.4 million, net cash outflow from financing activities of RMB975.2 million, and net cash outflow from investing activities of RMB651.9 million. The net cash outflow from investing activities was mainly applied to the establishment of new production base for beverage businesses and equipment upgrade for new products for enhancing production capacity in order to satisfy the Group's long term operation growth. During the Period under Review, the Group had capital expenditure of RMB640.8 million (for the six months ended 30 June 2015: RMB483.5 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 number of our credit sales clients increased, net trade receivables increased by RMB191.7 million to RMB720.9 million (31 December 2015: RMB529.2 million). The Group's inventories mainly comprised raw and packaging materials, finished goods and low-cost consumables. The inventories turnover days decreased by 3 days as compared with 2015 as the finished products were continuously sold well through the sales channels. As at 30 June 2016, the inventories balance decreased RMB340.5 million to RMB1,027.2 million (31 December 2015: RMB1,367.7 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 RMB143.3 million to RMB1,372.3 million (31 December 2015: RMB1,229.0 million).

	30 June 2016	31 December 2015
Trade receivables turnover days	10	8
Inventories turnover days	29	32
Trade payables turnover days	32	30

Financial management

The Group adheres to the principle of financial prudence. It seeks to control risk variables and moved forward prudently by moderately adjusting its selling and marketing expenses according to market condition, and making appropriate capital expenditures to optimise and expand the basic 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 gathered the shared service centers for the accounting region and establishes a regional finance center and a settlement center, with a view to improving 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 the current capital in financial products with significant underlying leverage or risk, including hedge funds or similar financial products. The Group did not carry out any significant banking borrowings or other financing activities in the capital market with the 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 majority of its revenues are derived from operations in the PRC. The Group may use foreign exchange forward contracts, when appropriate, for the risk aversion when the Group is exposed to foreign exchange risk arising from future borrowings from assets or liabilities, such as cash and cash equivalents and borrowings, which are denominated in other currencies.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2016.

MATERIAL ACQUISITIONS AND DISPOSALS

On 9 May 2016, 統一企業(中國)投資有限公司 (Uni-President Enterprises (China) Investment Ltd.*) and 上海統一寶麗時代實業有限公司 (Uni-President Shanghai Pearly Century Co., Ltd.*) (being two indirect wholly-owned subsidiaries of the Company) ("Vendors") collectively as vendors, entered into a share transfer agreement with Consistent Returns Pte. Ltd. ("Purchaser") as purchaser, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendors conditionally agreed to sell, an aggregate of 474,362,628 shares of 今麥郎飲品股份有限公司 (Jinmailang Beverage Corporate Limited*) ("JML Beverage"), representing approximately 47.83% of the total issued share capital of JML Beverage, at the consideration of RMB1,291,324,340 ("JML Disposal").

As at 30 June 2016, the JML Disposal has not been completed.

SIGNIFICANT INVESTMENT

As at 30 June 2016, the fair value of the Group's available-for-sale financial assets decreased by 1.2% to approximately RMB224.3 million from RMB227.0 million as at 31 December 2015, which was due to the fair value changes of listed securities.

CHARGES ON GROUP ASSETS

The Group did not have any charges on group assets as at 30 June 2016.

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

With the unusual weather hitting all over the PRC in 2016 and disaster striking across regions affecting the consumer spending, the overall revenue of the beverage business for the first half of the year was lower than expected. However, the pace of industry upgrade continues to develop rapidly. Benefiting from grasping the opportunities arisen with the transformation of consumers' demand, the innovative products launched by the Group have been widely recognised in the market establishing a solid foundation for the operating performance of the Group. Faced with a shrinking beverage market for the original products, the Group's results still outperformed the market with its new upgraded products. The Group will uphold the spirit of progress through innovation and always devote to satisfying the consumer demands by developing high quality products, as well as make good use of market resources and strive to create a new prospect.

HUMAN RESOURCES AND EMOLUMENT POLICY

On 30 June 2016, the Group has a total of approximately 32,882 employees. Facing the enormous market opportunities in the PRC's beverage and food in the future, the Group will continue to recruit professional talents. On selection and retention of personnel, the Group has adopted a more practical and efficient way to meet the demand for human resources arising from the rapid business and production expansion. The Group provides the new entry level employees with timely training and humanitarian care to let them quickly adapt to the Group. Meanwhile, the Group openly promotes internal outstanding employees and recruits external outstanding talents to maintain its competency. The Company nourishes talents for its senior positions through advanced training, organised position rotation and continued education to meet the Group's demand for advanced personnel.

The total employee benefit expenses (including directors' emoluments) amounted to RMB1,579.4 million during the Period under Review.

The Group's remuneration policies are based on performance, qualification and ability of its employees and directors, together with comparable market data and the Group's performance. As to the Group's remuneration policies, the Group has entered into individual employment contracts with its employees involving salary, allowance, social welfare, employee benefit, work safety, healthy environment, obligation of keeping commercial secret and termination conditions. Other than the employment contracts with intermediate and senior management personnel, such employment contracts have a term of one to three years. The probationary period for new employees is two months.

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 key 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 beverage OEM factories (including professional OEM manufactures 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.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2016

(All amounts in thousands of Renminbi unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Note	2016	2015
Revenue	3	11,713,297	12,005,355
Cost of sales		<u>(7,388,783)</u>	<u>(7,471,982)</u>
Gross profit		4,324,514	4,533,373
Other gains, net		1,860	7,091
Other income		162,754	142,046
Other expenses		(65,019)	(60,785)
Selling and marketing expenses		(2,966,716)	(3,241,534)
Administrative expenses		<u>(512,886)</u>	<u>(539,766)</u>
Operating profit	4	944,507	840,425
Finance income		64,642	78,151
Finance costs		<u>(59,677)</u>	<u>(48,334)</u>
Finance income – net		4,965	29,817
Share of profits of investments accounted for using the equity method		<u>75,940</u>	<u>88,193</u>
Profit before income tax		1,025,412	958,435
Income tax expense	5	<u>(250,173)</u>	<u>(271,805)</u>
Profit for the period, attributable to equity holders of the Company		<u>775,239</u>	<u>686,630</u>
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share) – Basic and diluted	6	<u>17.95 cents</u>	<u>15.90 cents</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 June 2016**(All amounts in thousands of Renminbi unless otherwise stated)*

	Unaudited	
	Six months ended 30 June	
	2016	2015
Profit for the period	<u>775,239</u>	<u>686,630</u>
Other comprehensive income		
<i>Item that may be reclassified to profit or loss</i>		
Fair value (losses)/gains on available-for-sale financial assets, net of tax	<u>(2,759)</u>	<u>4,319</u>
Other comprehensive (losses)/gains for the period	<u>(2,759)</u>	<u>4,319</u>
Total comprehensive income for the period, attributable to equity holders of the Company	<u><u>772,480</u></u>	<u><u>690,949</u></u>

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2016

(All amounts in thousands of Renminbi unless otherwise stated)

	<i>Note</i>	Unaudited 30 June 2016	Audited 31 December 2015
ASSETS			
Non-current assets			
Land use rights		2,248,639	2,214,488
Property, plant and equipment		11,337,940	11,454,886
Investment properties		340,445	349,576
Intangible assets		38,226	33,885
Investments accounted for using the equity method		717,466	1,621,725
Available-for-sale financial assets		224,265	227,024
Deferred income tax assets		322,060	328,137
Other receivables – non-current portion		11,462	12,111
		15,240,503	16,241,832
Current assets			
Inventories		1,027,208	1,367,717
Trade receivables	8	720,916	529,198
Prepayments, deposits and other receivables		604,308	548,343
Cash and bank balances		2,184,136	2,919,329
		4,536,568	5,364,587
Assets of disposed group classified as held for sale		980,199	–
		5,516,767	5,364,587
Total assets		20,757,270	21,606,419

	<i>Note</i>	Unaudited 30 June 2016	Audited 31 December 2015
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		2,103,685	2,274,569
Retained earnings		5,233,410	4,458,171
		<u>12,206,758</u>	<u>11,602,403</u>
Total equity			
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		193,054	197,350
Borrowings		1,600,000	2,665,000
Other payables – non-current portion		223,340	439,149
		<u>2,016,394</u>	<u>3,301,499</u>
Current liabilities			
Trade payables	9	1,372,345	1,229,015
Other payables and accruals		3,190,086	3,836,107
Borrowings		1,848,000	1,589,316
Current income tax liabilities		123,687	45,941
Derivative financial instruments		–	2,138
		<u>6,534,118</u>	<u>6,702,517</u>
		<u>8,550,512</u>	<u>10,004,016</u>
Total liabilities			
Total equity and liabilities		<u><u>20,757,270</u></u>	<u><u>21,606,419</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2016

(All amounts in thousands of Renminbi unless otherwise stated)

1 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2016 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 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those annual financial statements except for the adoption of amendments to HKFRSs effective for the financial year ending 31 December 2016.

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*

HKFRS 5 (Amendments) "Non-current assets held for sale and discontinued operations" is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as 'held for sale' or 'held for distribution' simply because the manner of disposal has changed. It also explains that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not classified as 'held for sale'.

HKFRS 7 (Amendments) "Financial instruments: Disclosures condensed interim financial statements" is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies that the additional disclosure required by the amendments to HKFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by HKAS 34.

HKAS 19 (Amendments) "Employee benefits" is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used.

HKAS 34 (Amendments) "Interim financial reporting" is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. It also amends HKAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.

Amendments and interpretations as mentioned above are not expected to have a material effect on the Group's operating results, financial position or comprehensive income.

(b) *Standards, amendments and interpretations to existing standards effective in 2016 but not relevant to the Group*

		Effective for annual periods beginning on or after
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
HKAS 16 (Amendment)	Property, plant and equipment	1 January 2016
HKAS 27 (Amendment)	Separate financial statements	1 January 2016
HKAS 38 (Amendment)	Intangible assets	1 January 2016
HKAS 41 (Amendment)	Agriculture	1 January 2016
HKFRS 7 (Amendment)	Financial instruments: Disclosures – Application of the disclosure requirements to a servicing contract	1 January 2016
HKFRS 11 (Amendment)	Joint arrangements	1 January 2016
HKFRS 12 (Amendment)	Disclosure of interests in other entities	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016

(c) *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 2016 and have not been early adopted by the Group:*

		Effective for annual periods beginning on or after
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 (Amendment)	Consolidated financial statements	To be determined
HKAS 28 (Amendment)	Investment in associates	To be determined

3 Segment information

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

The executive directors consider the business only from a product perspective as over 90% of the 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 revenues from transactions with a single external customer account for 10% or more of the Group's revenue.

The segment information for the six months ended 30 June 2016 is as follows:

	Six months ended 30 June 2016				
	Beverages	Instant noodles	Others	Unallocated	Group
Segment results					
Revenue	<u>7,447,989</u>	<u>4,010,516</u>	<u>254,792</u>	<u>–</u>	<u>11,713,297</u>
Segment profit/(loss)	942,323	148,661	8,180	(154,657)	944,507
Finance income – net					4,965
Share of profits/(losses) of investments accounted for using the equity method	<u>74,248</u>	<u>–</u>	<u>–</u>	<u>1,692</u>	<u>75,940</u>
Profit before income tax					1,025,412
Income tax expense					<u>(250,173)</u>
Profit for the period					<u>775,239</u>
Other income statement items					
Depreciation and amortisation	<u>522,714</u>	<u>144,993</u>	<u>23,480</u>	<u>30,848</u>	<u>722,035</u>
Capital expenditure	<u>491,267</u>	<u>93,626</u>	<u>35,250</u>	<u>20,620</u>	<u>640,763</u>
	As at 30 June 2016				
	Beverages	Instant noodles	Others	Unallocated	Group
Segment assets and liabilities					
Assets	12,263,433	4,139,287	465,526	3,171,558	20,039,804
Investments accounted for using the equity method	<u>555,311</u>	<u>–</u>	<u>–</u>	<u>162,155</u>	<u>717,466</u>
Total assets					<u>20,757,270</u>
Liabilities	<u>2,586,375</u>	<u>1,338,988</u>	<u>202,856</u>	<u>4,422,293</u>	<u>8,550,512</u>
Total liabilities					<u>8,550,512</u>

The segment information for the six months ended 30 June 2015 is as follows:

	Six months ended 30 June 2015				Group
	Beverages	Instant noodles	Others	Unallocated	
Segment results					
Revenue	<u>8,109,613</u>	<u>3,652,003</u>	<u>243,739</u>	<u>–</u>	<u>12,005,355</u>
Segment profit/(loss)	889,870	91,232	19,476	(160,153)	840,425
Finance income – net					29,817
Share of profits/(losses) of investments accounted for using the equity method	<u>89,154</u>	<u>–</u>	<u>–</u>	<u>(961)</u>	<u>88,193</u>
Profit before income tax					958,435
Income tax expense					<u>(271,805)</u>
Profit for the period					<u>686,630</u>
Other income statement items					
Depreciation and amortisation	<u>509,266</u>	<u>139,513</u>	<u>23,344</u>	<u>37,158</u>	<u>709,281</u>
Capital expenditure					
	<u>365,615</u>	<u>57,165</u>	<u>41,402</u>	<u>19,360</u>	<u>483,542</u>
As at 31 December 2015					
	Beverages	Instant noodles	Others	Unallocated	Group
Segment assets and liabilities					
Assets	11,801,888	4,189,231	448,205	3,545,370	19,984,694
Investments accounted for using the equity method	<u>1,461,263</u>	<u>–</u>	<u>–</u>	<u>160,462</u>	<u>1,621,725</u>
Total assets					<u>21,606,419</u>
Liabilities	<u>3,143,511</u>	<u>1,543,692</u>	<u>194,593</u>	<u>5,122,220</u>	<u>10,004,016</u>
Total liabilities					<u>10,004,016</u>

4 Operating profit

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

	Six months ended 30 June	
	2016	2015
Cost of inventories	6,273,166	6,454,983
Promotion and advertising expenses	1,054,558	1,244,394
Employee benefit expenses, including directors' emoluments	1,579,417	1,529,909
Transportation expenses	492,582	531,258
Depreciation and amortization	722,035	709,281
Operating lease in respect of buildings	76,387	82,299
Provision for/(reversal of) impairment of trade receivables	2,545	(382)
Reversal of inventories to net realizable value	(8,011)	(1,562)
Losses from disposal of property, plant and equipment	5,397	783
Government grants (<i>Note</i>)	(5,000)	(15,551)
Subsidy income	(39,395)	(13,084)
	<u>250,173</u>	<u>271,805</u>

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 consolidated income statement.

5 Income tax expense

	Six months ended 30 June	
	2016	2015
Current income tax		
– Mainland China corporate income tax (“CIT”)	248,392	232,497
Deferred income tax	1,781	39,308
	<u>250,173</u>	<u>271,805</u>

(a) *Mainland China corporate income tax (“CIT”)*

Subsidiaries established in Mainland China are subject to CIT at rate of 25% (2015: 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% (2015: 17% and 16.5%) respectively.

6 Earnings per share

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

	Six months ended 30 June	
	2016	2015
Profit attributable to equity holders of the Company	775,239	686,630
Weighted average number of ordinary shares in issue (thousands)	4,319,334	4,319,334
Basic earnings per share (RMB per share)	<u>17.95 cents</u>	<u>15.90 cents</u>

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

7 Dividends

Dividends in relation to the years ended 31 December 2015 and 2014 amounting to approximately RMB168 million and RMB57 million were paid in June 2016 and June 2015, respectively.

The directors do not recommend an interim dividend in respect of the six months ended 30 June 2016 (2015: Nil).

8 Trade receivables

	30 June 2016	31 December 2015
Trade receivables		
– third parties	678,342	494,288
– related parties	53,411	43,483
	<u>731,753</u>	<u>537,771</u>
Less: provision for impairment	<u>(10,837)</u>	<u>(8,573)</u>
Trade receivables, net	<u>720,916</u>	<u>529,198</u>

The credit terms granted to customers by the Group are usually 60 to 90 days. At 30 June 2016, the ageing analysis of trade receivables is as follows:

	30 June 2016	31 December 2015
Trade receivables, gross		
– Within 90 days	688,125	495,146
– 91-180 days	37,912	38,348
– 181-365 days	5,149	1,356
– Over 1 year	567	2,921
	<u>731,753</u>	<u>537,771</u>

9 Trade payables

	30 June 2016	31 December 2015
Trade payables		
– third parties	886,399	986,342
– related parties	485,946	242,673
	<u>1,372,345</u>	<u>1,229,015</u>

At 30 June 2016, the ageing analysis of trade payables is as follows:

	30 June 2016	31 December 2015
Trade payables		
– Within 180 days	1,352,620	1,203,158
– 181 to 365 days	10,514	16,848
– Over 1 year	9,211	9,009
	<u>1,372,345</u>	<u>1,229,015</u>

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.

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 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.

SHARE OPTION SCHEME

During the Period under Review, no share option has been granted, exercised, cancelled or lapsed under the share option scheme adopted by the Company pursuant to a written resolution passed on 23 November 2007. As at 1 January 2016 and 30 June 2016, no share options was outstanding.

CHANGE IN CORPORATE POSITIONS

With effect from 1 July 2016, (i) Mr. Hou Jung-Lung has been re-designated from an executive Director to a non-executive Director and has resigned as the president of the Company and an authorised representative of the Company (for the purpose of Rule 3.05 of the Listing Rules) (“Authorised Representative”); (ii) Mr. Liu Xinhua has been appointed as the president of the Company; and (iii) Mr. Chen Kuo-Hui has been appointed as an Authorised Representative.

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

The Company's 2016 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 2016 interim report.

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

9 August 2016

As at the date of this announcement, the Board comprised Mr Lo Chih-Hsien and Mr Chen Kuo-Hui as executive directors; Mr Hou Jung-Lung 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.

* *For identification purposes only*