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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 2024 FINAL RESULTS

FINANCIAL HIGHLIGHTS

- Revenue amounted to RMB30,331.5 million, up by 6.1% as compared with the previous year.
- Group gross margin was 32.5%, up by 2.0 percentage points as compared with the previous year.
- EBITDA was RMB3,620.2 million, up by 5.7% as compared with the previous year.
- Profit attributable to equity holders of the Company was RMB1,849.1 million, up by 10.9% as compared with the previous year.

FINAL DIVIDEND

- Final dividend for 2024 of RMB42.81 cents per share has been proposed.

Uni-President China Holdings Ltd. (the “Company”) and its subsidiaries (together as the “Group”, “our Group”, “we”, “our” or “us”) adhere to the corporate vision of “Honesty and Diligence; Innovation and Excellence (誠實勤道、創新求進)” and uphold the principle of “Value Marketing (價值營銷)”. With a focus on operation, we are always vigorous in creating brand value, pursuing steady operation and aligning to “Healthy Practice (健康操作)”, with an aim to evolve into an enterprise boasting “Integrity (品格)”, “Brand (品牌)” and “Taste (品味)”.

With experienced management team, robust profit-making model and risk management mechanism, the Group progressed steadily in the complex and ever-changing economic environment and set another record for revenue and profit in 2024, as it continuously optimised its organisational and operational structure to properly cope with the systemic risks brought about by market fluctuations, which formed a solid foundation for achieving greater ambitions in the future. Further recovery of China’s economy and new characters and trends of the consumption market represent both challenges and opportunities to us, and it is a major theme to which we have been devoted for so long to provide consumers with more valuable consumption experience. As a food and beverage enterprise that is closely related to people’s well-being, we maintained stable development and reached further goals after braving the wind and waves and sailing the growth cycle by the unremitting endeavour of all staff, the resilient organisation and the flexible risk management mechanism. Since 2020, the Group’s revenue has been growing at a compound annual growth rate of 7.4%, in which the compound annual growth rate of the beverages even reached 11.3%.

In 2024, the Group’s revenue reached RMB30,331.5 million, representing an increase of 6.1% over last year, and marking a new milestone. Post-tax profits amounted to RMB1,849.1 million, representing an increase of 10.9% over last year. In particular, “Uni Stewed Beef Flavoured Noodles (統一紅燒牛肉麵)”, with a focus on product strength, achieved breakthrough in innovation and accomplished all-front upgrading for inner and outer attractiveness. Staying true to the brand positioning of “Pioneer of Tomato Delicacy (番茄美味開拓者)”, “The King of Tomato (茄皇)” recorded increased revenue at the compound annual growth rate of over 100% since 2020. As it catered for the health trend with the dual-line portfolio of low-sugar and sugar-free offerings, “Uni Green Tea (統一綠茶)” consolidated its leading position in the green tea market. Riding the tide of the times, “Haizhiyan (海之言)” proactively cultivated presence in the electrolyte drink market and fostered a stronger momentum for brand growth. With insights in market trends, “Uni Assam Milk Tea (統一阿薩姆奶茶)” further diversified its drinking scenarios and showcased a strong market competitiveness.

In the backdrop of boosting consumer confidence, we have been more proactively integrating into this resilient and dynamic market. The Group devoted greater energy to operation, built up brands and cultivated future trendy products with a long-term perspective, striving to build a long-term competitive barrier of brands; made freshness control a fundamental policy for its operation and maintained healthy inventory levels in its sales channels; established a management mechanism for diversified and integrated offline-online channels, and developed channels with tailored and targeted approaches, in a bid to expand high-performance terminal point-of-sale for deepening market penetration; continued to promote its digital transformation, so as to empower its business operation in all aspects; remained committed to creating value for consumers by upholding the corporate philosophy of “Three Goods and One Fairness (三好一公道)”.

FINAL DIVIDEND

Based on the Group’s overall performance in 2024, and having accounted for, including but not limited to, the Group’s surplus, overall financial condition and capital expenditures, the board (the “Board”) of directors (the “Directors”) of the Company will propose to declare a final cash dividend of RMB42.81 cents per share (amounting to a total dividend of approximately RMB1,849.1 million) for the year ended 31 December 2024 at the forthcoming annual general meeting of the Company.

PROSPECT

Looking to 2025, the Chinese government will prioritise the first key task to “vigorously boost consumption, improve investment efficiency, and expand domestic demand on all fronts”, and it is expected that China’s economy will be fueled by the strengthened drive of domestic demand and sustain stable growth. The continuous policy support will stimulate consumption recovery more efficiently to a better outlook. In the new economic landscape, the Group will further consolidate infrastructure construction and organisation capability in each market segment, and reinforce operation system construction and talent cultivation, aiming to provide consumers with safe, high-quality and innovative products and create values to bring better investment returns to all shareholders, as motivated by the determined pursuit of “sustained success (持續成功)” and “relentless progress (永遠進步)”.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	30,331,512	28,591,271
Cost of goods sold	4	<u>(20,461,844)</u>	<u>(19,879,540)</u>
Gross profit		9,869,668	8,711,731
Other gains – net	5	57,841	413,600
Other income	6	294,550	351,273
Other expenses	4	(129,635)	(133,953)
Selling and marketing expenses	4	(6,738,417)	(6,277,942)
Administrative expenses	4	(1,107,488)	(1,065,856)
Net impairment losses on financial assets	4	<u>(2,614)</u>	<u>(2,393)</u>
Operating profit		2,243,905	1,996,460
Finance income		252,691	252,671
Finance costs		<u>(72,206)</u>	<u>(59,121)</u>
Finance income – net	7	180,485	193,550
Share of profits of investments accounted for using the equity method		<u>59,384</u>	<u>49,914</u>
Profit before income tax		2,483,774	2,239,924
Income tax expenses	8	<u>(634,655)</u>	<u>(572,864)</u>
Profit for the year attributable to the equity holders of the Company		<u>1,849,119</u>	<u>1,667,060</u>
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in RMB per share)			
– Basic and diluted	9	<u>42.81 cents</u>	<u>38.60 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Note</i>	2024 RMB'000	2023 RMB'000
Profit for the year		1,849,119	1,667,060
Other comprehensive income:			
<i>Items that may not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		<u>1,074</u>	<u>188</u>
Other comprehensive income for the year, net of tax		<u>1,074</u>	<u>188</u>
Total comprehensive income for the year attributable to the equity holders of the Company		<u>1,850,193</u>	<u>1,667,248</u>

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

	<i>Note</i>	2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		6,044,750	6,489,433
Right-of-use assets		1,513,997	1,565,227
Investment properties		330,583	237,479
Intangible assets		7,486	8,007
Investments accounted for using the equity method		877,477	845,597
Deferred income tax assets		306,226	255,748
Other receivables – non-current portion		16,624	17,567
Long-term time deposits		5,170,340	5,070,170
		14,267,483	14,489,228
Current assets			
Inventories		2,487,076	2,125,883
Trade and bills receivables	<i>11</i>	627,556	585,790
Prepayments, deposits and other receivables		888,461	755,215
Current income tax recoverable		22,072	64,136
Financial assets at fair value through profit or loss		1,676,730	1,618,682
Cash and bank balances		3,406,856	2,495,284
		9,108,751	7,644,990
Total assets		23,376,234	22,134,218
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		4,583,955	4,246,943
Retained earnings		3,945,492	4,265,771
Total equity		13,399,110	13,382,377

	<i>Note</i>	2024 RMB'000	2023 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		311,765	342,760
Lease liabilities – non-current portion		59,846	62,587
Other payables – non-current portion		404,668	331,318
		<u>776,279</u>	<u>736,665</u>
Current liabilities			
Trade payables	<i>12</i>	2,283,504	2,122,561
Other payables and accruals		2,760,796	2,019,652
Contract liabilities	<i>3(b)</i>	3,776,619	2,823,147
Borrowings		201,264	990,647
Lease liabilities		28,886	26,201
Current income tax liabilities		149,776	32,968
		<u>9,200,845</u>	<u>8,015,176</u>
Total liabilities		<u>9,977,124</u>	<u>8,751,841</u>
Total equity and liabilities		<u>23,376,234</u>	<u>22,134,218</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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

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

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

These consolidated financial statements are presented in thousands of Renminbi (“RMB’000”), unless otherwise stated.

2 SUMMARY OF MATERIAL AND OTHER ACCOUNTING POLICIES

This note provides a list of the material and other accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) *Compliance with HKFRS and HKCO*

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRS”) as issued by the Hong Kong Institute of Certified Public Accountants and requirements of the Hong Kong Companies Ordinance Cap.622.

HKFRS comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

(ii) *Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) – measured at fair value or revalued amount
- defined benefit pension plans – plan assets measured at fair value.

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

2.1.1 Changes in accounting policies and disclosures

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

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

		Effective for annual periods beginning on or after
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2024
HKAS 1 (Amendments)	Non-current liabilities with covenants	1 January 2024
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
HKFRS 16 (Amendments)	Lease liability in sale and leaseback	1 January 2024
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements	1 January 2024

As a result of the adoption of the amendments to HKAS 1, the Group changed its accounting policy for the classification of borrowings:

“Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.”

This new policy did not result in a change in the classification of the Group’s borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to HKAS 1.

- (b) *The following new standards and amendments to standards, and interpretations have been issued but are not effective for the financial year beginning on 1 January 2024 and have not been early adopted:*

		Effective for annual periods beginning on or after
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

3 REVENUE AND SEGMENT INFORMATION

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

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

Others mainly includes the sales of bottle water, wine, cosmetics products and other non-beverages or non-food products. Unallocated mainly includes the cost centers of the Group, such as corporate department, administration department, group finance department, human resources department and information technology department, which support the whole Group's activities.

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

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

(a) **Segment information**

The segment information for the year ended 31 December 2024 and 2023 is as follows:

	Beverages	Food	2024	Unallocated	Group
	<i>RMB'000</i>	<i>RMB'000</i>	Others	<i>RMB'000</i>	<i>RMB'000</i>
			<i>RMB'000</i>		
Segment results					
Revenue	<u>19,240,555</u>	<u>9,998,240</u>	<u>1,092,717</u>	<u>–</u>	<u>30,331,512</u>
Segment profit/(loss)	2,285,966	270,185	87,097	(399,343)	2,243,905
Finance income – net	–	–	–	180,485	180,485
Share of profit/(loss) of investments accounted for using the equity method	60,060	–	–	(676)	<u>59,384</u>
Profit before income tax					2,483,774
Income tax expense					<u>(634,655)</u>
Profit for the year					<u>1,849,119</u>
Depreciation and amortisation	<u>726,400</u>	<u>275,015</u>	<u>22,946</u>	<u>78,650</u>	<u>1,103,011</u>
Assets	8,977,062	4,093,212	1,056,300	8,372,183	22,498,757
Investments accounted for using the equity method	724,827	–	–	152,650	<u>877,477</u>
Total assets	9,701,889	4,093,212	1,056,300	8,524,833	<u>23,376,234</u>
Liabilities	5,308,443	3,876,958	411,893	379,830	<u>9,977,124</u>
Total liabilities					<u>9,977,124</u>
Addition to non-current assets	<u>576,567</u>	<u>97,718</u>	<u>38,418</u>	<u>16,012</u>	<u>728,715</u>

	Beverages	Food	2023 Others	Unallocated	Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment results					
Revenue	<u>17,775,543</u>	<u>9,846,833</u>	<u>968,895</u>	<u>–</u>	<u>28,591,271</u>
Segment profit/(loss)	1,878,380	77,368	66,460	(25,748)	1,996,460
Finance income – net	–	–	–	193,550	193,550
Share of profit/(loss) of investments accounted for using the equity method	51,246	–	–	(1,332)	<u>49,914</u>
Profit before income tax					2,239,924
Income tax expense					<u>(572,864)</u>
Profit for the year					<u>1,667,060</u>
Depreciation and amortisation	<u>736,455</u>	<u>298,466</u>	<u>34,082</u>	<u>62,768</u>	<u>1,131,771</u>
Assets	8,281,274	3,641,447	931,081	8,434,819	21,288,621
Investments accounted for using the equity method	692,271	–	–	153,326	<u>845,597</u>
Total assets	8,973,545	3,641,447	931,081	8,588,145	<u>22,134,218</u>
Liabilities	4,090,463	3,162,645	329,520	1,169,213	<u>8,751,841</u>
Total liabilities					<u>8,751,841</u>
Addition to non-current assets	<u>811,905</u>	<u>215,881</u>	<u>35,730</u>	<u>15,282</u>	<u>1,078,798</u>

Assets grouped under unallocated category consisted primarily of deferred income tax assets, financial assets at FVPL, cash and bank balances, investment properties and related right-of-use assets.

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

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

The total of non-current assets located in different countries is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
The total of non-current assets other than financial instruments and deferred income tax assets		
– Mainland China	8,774,292	9,145,742
– Overseas countries and territories	1	1
Financial instruments	5,186,964	5,087,737
Deferred income tax assets	306,226	255,748
	<u>14,267,483</u>	<u>14,489,228</u>

(b) Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Contract liabilities – Beverages	2,556,144	1,884,117
Contract liabilities – Food	1,192,466	922,930
Contract liabilities – Others	28,009	16,100
	<u>3,776,619</u>	<u>2,823,147</u>

(i) Significant changes in contract liabilities

The increase in contract liabilities as at 31 December 2024 was mainly due to the cash advance payments from distributors received by the Group in the year end of 2024 was more than that in the year end of 2023.

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in the prior year.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Beverages	1,884,117	1,459,608
Food	922,930	765,661
Others	16,100	32,567
	<u>2,823,147</u>	<u>2,257,836</u>

(iii) Unsatisfied performance obligations

The Group selected to choose a practical expedient and omitted disclosure of remaining performance obligations as all related contracts have a duration of one year or less.

4 EXPENSES BY NATURE

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Raw materials, packaging materials, consumables and purchased commodity used	17,755,692	17,388,593
Changes in inventories of finished goods	368,066	127,069
Manufacturing outsourcing expenses	90,587	133,644
Promotion and advertising expenses	1,499,052	1,320,129
Employee benefit expenses, including directors' emoluments	4,701,955	4,474,718
Transportation expenses	1,451,645	1,338,725
Depreciation of property, plant and equipment	993,880	1,021,274
Amortisation of right-of-use assets	86,782	85,158
Depreciation of investment properties	19,546	18,938
Amortisation of intangible assets	2,803	6,401
Short-term rental expenses	74,384	73,828
City construction tax, property tax and other tax surcharges	281,873	266,230
Write-down of/(reversal of) inventories to net realisable value	495	(15,337)
Net impairment losses on financial assets	2,614	2,393
Auditors' remunerations		
– Audit services	7,302	7,294
– Non-audit services	1,670	610
Others	1,101,652	1,110,017
Total	28,439,998	27,359,684

5 OTHER GAINS – NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Gains on disposal of financial assets at FVPL	29,746	35,239
Net fair value gains on financial assets at FVPL	26,730	18,682
(Losses)/gains on disposal of property, plant and equipment, and right-of-use assets, net	(7,722)	351,555
Others	9,087	8,124
Total	57,841	413,600

6 OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Government grants	90,499	130,709
Rental income from lease of property, plant and equipment and investment properties	129,907	136,601
Consultation service income	54,524	57,698
Others	19,620	26,265
	<u>294,550</u>	<u>351,273</u>

The income from government grants represented financial support 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. They were recognised within 'other income' in the consolidated income statement.

7 FINANCE INCOME – NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Finance income		
– Interest income on cash and bank balances	<u>252,691</u>	<u>252,671</u>
Finance costs		
– Interest expenses on borrowings	(33,282)	(50,532)
– Interest expenses on lease liabilities	(173)	(3,215)
– Net foreign exchange losses	<u>(38,751)</u>	<u>(5,374)</u>
	<u>(72,206)</u>	<u>(59,121)</u>
Finance income – net	<u>180,485</u>	<u>193,550</u>

8 INCOME TAX EXPENSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax expenses	716,397	451,843
Deferred income tax expenses	<u>(81,742)</u>	<u>121,021</u>
	<u>634,655</u>	<u>572,864</u>

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

Subsidiaries established in Mainland China are subject to CIT at rate of 25% (2023: 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”) and the Caishui (2020) No. 23 “Announcement on the continuation of the enterprise income tax policies for western region development” (財稅[2020]23號“關於延續西部大開發企業所得稅政策的公告”), 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 Company’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 are subject to income tax at the prevailing rates of 20% (2023: 20%).

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 ended 31 December 2024 (2023: 8.25%). The remaining assessable profits above HK\$2 million will continue to be subject to a tax rate of 16.5% (2023: 16.5%).

The taxation on the Group’s profit before income tax differs from the theoretical amount that would arise using the statutory tax rate in the PRC of 25% (2023: 25%) applicable to profits of the consolidated entities as follows:

	2024	2023
	<i>RMB’000</i>	<i>RMB’000</i>
Profit before income tax	<u>2,483,774</u>	<u>2,239,924</u>
Tax calculated at the statutory tax rate in the PRC	620,944	559,981
Tax effects of:		
Preferential tax rates on the profits of certain subsidiaries	(48,885)	(55,259)
Tax losses for which no deferred income tax asset was recognised	18,268	24,415
Recognition of previously unrecognised tax losses and other temporary differences	(57,694)	(6,062)
Reversal of previously recognised tax losses	3,474	5,487
Income not subject to tax	(14,846)	(12,478)
Expenses not deductible for tax purpose	13,114	9,408
Additional deduction of research and development expenses	(2,190)	(31,048)
Withholding tax on profits retained by PRC subsidiaries	<u>102,470</u>	<u>78,420</u>
Income tax expense	<u>634,655</u>	<u>572,864</u>

The income tax charge relating to components of other comprehensive income is as follows:

	2024		2023			
	Before	Tax	After	Before	Tax	After
	tax	charge	tax	tax	charge	tax
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Other comprehensive income:						
– Actuarial gains on defined benefit plans	<u>1,343</u>	<u>(269)</u>	<u>1,074</u>	<u>235</u>	<u>(47)</u>	<u>188</u>
Income tax expense		<u><u>(269)</u></u>			<u><u>(47)</u></u>	

(c) The Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules

The Group has operation in Mainland China, Hong Kong and Taiwan. It is within the scope of the OECD Pillar Two model rules. As of the reporting date, there is no public announcement in jurisdictions including Mainland China and Taiwan. Hong Kong has announced that it plans to implement the Global Minimum Tax and Hong Kong Domestic Minimum Top-up Tax starting from 2025 onwards. Following the consultation paper published in October 2024, a bill was gazette on 27 December 2024 to implement the income inclusion rule (IIR) and the Hong Kong minimum top-up tax (HKMTT) starting from 1 January 2025. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023.

Since the Pillar Two legislation in the jurisdictions that the Group has operation is expected to be effective from 2025 earliest, there was no top-up tax impact for the Group in the year ended 31 December 2024. The Group is in the process of assessing its exposure to the Pillar Two legislation for the year ending 31 December 2025 and afterwards.

9 EARNINGS PER SHARE

Basic

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

	2024	2023
Profit attributable to equity holders of the Company (<i>RMB'000</i>)	1,849,119	1,667,060
Weighted average number of ordinary shares in issue (<i>thousands</i>)	4,319,334	4,319,334
Basic earnings per share (<i>RMB per share</i>)	<u><u>42.81 cents</u></u>	<u><u>38.60 cents</u></u>

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

10 DIVIDENDS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Proposed final dividend of RMB42.81 cents (2023: RMB42.45 cents) per ordinary share	<u><u>1,849,119</u></u>	<u><u>1,833,769</u></u>

The dividends paid by the Company in 2024 and 2023 for the years ended 31 December 2023 and 2022 amounted to RMB1,833.5 million and RMB1,466.2 million respectively.

A dividend in respect of the year ended 31 December 2024 of RMB42.81 cents per share, amounting to a total dividend of RMB1,849.1 million was proposed by the directors on the board of directors meeting held on 5 March 2025 and is to be proposed for approval at the annual general meeting to be held on or around 6 June 2025. These financial statements do not reflect this dividend payable.

11 TRADE AND BILLS RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables		
– from third parties	600,776	587,170
– from related parties	<u>11,664</u>	<u>14,510</u>
	612,440	601,680
Less: loss allowance	<u>(16,825)</u>	<u>(22,033)</u>
Trade receivables, net	595,615	579,647
Bills receivables		
– from third parties	<u>31,941</u>	<u>6,143</u>
Trade and bills receivables	<u><u>627,556</u></u>	<u><u>585,790</u></u>

The credit terms granted to customers by the Group are usually 60 to 90 days (2023: 60 to 90 days). At 31 December 2024, the ageing analysis of trade receivables based on the date of demand note is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables, gross		
– Within 90 days	572,491	541,047
– 91 to 180 days	29,934	47,141
– 181 to 365 days	5,874	2,895
– Over one year	<u>4,141</u>	<u>10,597</u>
	<u><u>612,440</u></u>	<u><u>601,680</u></u>

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables, gross		
– RMB	607,340	596,223
– USD	172	1,626
– HKD	4,928	3,831
	<u>612,440</u>	<u>601,680</u>

The carrying amounts of trade and bills receivables approximated their fair values as at the balance sheet dates.

The maximum exposure of the Group to credit risk at the reporting date is the carrying value of trade and bills receivables as mentioned above. The Group does not hold any collateral as security.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables.

As at 31 December 2024 and 2023, all bills receivables within the Group are bank acceptance bills since they are substantially deposited at or issued by state-owned banks and other medium or large sized listed banks with maturity dates within 1 year and the credit risks in respect of the bills receivables are considered to be low.

12 TRADE PAYABLES

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables		
– to third parties	1,581,911	1,516,293
– to related parties	701,593	606,268
	<u>2,283,504</u>	<u>2,122,561</u>

The credit terms granted by suppliers to the Group are usually 30 to 90 days (2023: 30 to 90 days). At 31 December 2024, the ageing analysis of trade payables based on the date of demand note is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables		
– Within 30 days	1,766,332	1,574,934
– 31-90 days	443,559	469,295
– 91-180 days	27,416	37,163
– 181 to 365 days	20,418	16,188
– Over 1 year	25,779	24,981
	<u>2,283,504</u>	<u>2,122,561</u>

All the trade payables are denominated in RMB. Their carrying amounts approximated their fair values as at the balance sheet dates.

MANAGEMENT DISCUSSION & ANALYSIS

ANALYSIS ON ECONOMIC ENVIRONMENT

In 2024, the gross domestic product (“GDP”) of the People’s Republic of China (the “PRC” or “China”) recorded a year-on-year increase of 5.0% and total retail sales of consumer goods grew by 3.5% year-on-year. The year 2024 was positioned as the “Consumption-Promoting Year (消費促進年)” in the PRC, and the consumption remained the most important driving forces for the economic growth. The PRC government has implemented a series of policies to expand domestic demand and promote consumption, and has further unleashed the potential of consumption and boosted consumer confidence by perfecting the consumer activity system of “Shopping Festival, Consumption Month, Launch Season and Promotion Year (購物節、消費月、首發季、促進年)”. The consumer market has shown a trend of gradual recovery, which has provided strong market support for the Group to achieve steady growth in revenue.

The market price trend of raw materials related to food and beverage remained volatile in 2024. Multiple risks such as geopolitical tensions, exchange rate fluctuations and inflation have brought about various uncertainties to the global economic recovery and the stability of the supply chain. The Group continued to pay attention to the changes in the external environment and constantly enhanced its organisational coordination and risk management capabilities to effectively cope with the risks of rising prices of individual raw materials by means of enhancing the utilization of production capacity and optimising the product structure, so as to maximise its resource utilisation efficiency under the principle of improvement in efficiency.

In 2024, consumers continued to pursue a consumption habit focusing on products with good value for money, and re-examined the meaning of consumption, forming a more rational and more quality-oriented consumption philosophy, with the balance between price and quality becoming a major consideration for consumers. At the same time, consumers have begun to create a spiritually pleasing world for themselves, pursuing meaningful consumer behaviors, inner compensation, social attributes and emotional experience. This year, new products are emerging in the industry, and only those products that can satisfy the core needs of consumers can stand out in the fierce competition. The Group upholds a value-based marketing strategy, strives for innovation in product strength, explores and cultivates offline and online diversified channels, and establishes in-depth interactive emotional links with consumers to satisfy consumers’ consumption needs in different scenarios.

SUSTAINABLE DEVELOPMENT

The Group continues to improve its social responsibility management mechanism, incorporating sustainable development into its overall business strategy to implement social responsibility risk management and advance its sustainable development goals. We have comprehensively strengthened economic, social and environmental management, and implemented improvement measures on key corporate responsibility issues, including climate change, water resources management, green production, product safety and quality, product nutrition and safety, customer service quality, employee development, occupational health and safety, and giving back to the society, in order to enhance the standards for corporate sustainability.

The Group follows the goal and strategy of “sustainable operation (永續經營)”, and while pursuing performance growth, the Group makes great efforts to create value for the community. With respect to the Group’s policies, measures, actions and achievements in corporate social responsibility (“CSR”) for the year ended 31 December 2024, please refer to the CSR Report published by the Group. The online edition of the CSR Report is available for view or download on the website of HKEXnews (<http://www.hkexnews.hk>) and the Company’s website (<http://www.uni-president.com.cn>).

BUSINESS REVIEW

In 2024, the Group adhered to its core philosophy of focused operation, concentrated on upholding the strategy of brand building and value-based marketing and strived to achieve steady and sustainable development. We continued to promote healthy operation and strengthen freshness management of our products, and actively accumulated brand assets and optimised product strengths and product mix on a long-term basis to cope with the diversified changes in the market demand. The Group achieved record-high revenue on the premise of sound operation, and meanwhile relentlessly pursued innovation, upheld the operational attitude towards honesty and diligence, focused on the brands’ intrinsic value, explored and responded to the nature of consumer demand, proactively expanded consumption scenarios, and built diversified channels in line with and leading the ever-changing consumer trends, driving long-term growth for its brands and businesses. The Group recorded a revenue of RMB30,331.5 million for the year ended 31 December 2024, representing an increase of 6.1% as compared with that of last year. Performances of the Group’s core businesses are as follows:

Food Business

With a focus on catering for the needs of consumers, the Group was committed to strictly managing product quality, continuously refining flavours and enhancing product strengths to create an excellent consumption experience for consumers. We strived to offer diversified products that are suitable to be served in various daily occasions for enjoyment by consumers, achieving the perfect combination of taste and convenience. While upholding the value-based marketing strategies, we were committed to enhancing brand awareness and customer loyalty and thus steadily accumulating brand assets, so as to lay a solid foundation for the future growth. The Group recorded a revenue of RMB9,998.2 million from the food business in 2024, representing an increase of 1.5% over last year.

Instant Noodles Business

In 2024, the consumer behavior showed a trend of diversification, rationalization, and optimism. At the same time, consumers have been placing more emphasis on health, safety and products with good value for money. Under the guidance of value-based marketing strategy, the Group’s instant noodles business advanced the sustainable development of the brand by leveraging ingenuity and innovation in product development to bring consumers more high-quality products that meet market demand. The instant noodles business recorded a revenue of RMB9,848.5 million in 2024, representing an increase of 2.6% over last year.

As the pioneer and leader of nourishing soup noodles, “Soup Daren (湯達人)” insisted on improving the products with ingenuity. For the first time in 16 years, it has been comprehensively upgraded and relaunched, so as to bring consumers the ultimate product experience. Inheriting the brand assets, Soup Daren continued to launch the limited cherry blossom season edition and pioneered temperature-based variable package technology in 2024, successfully igniting the market. In terms of communication, the anime creative TVC was broadcasted. By focusing on online advertising exposure in S+ blockbuster dramas and offline advertisement placements on metro and elevator media in core cities and shopping districts, the Group achieved comprehensive brand exposure. In terms of channels, the Group resolutely maintained the stability of market price and the freshness of products, and improved the purchasing and enjoying experience of consumers.

Upholding the zero-tolerance attitude to foreign objects in its products, “Uni-President Lao Tan Pickled Cabbage and Beef Noodles (統一老壇酸菜牛肉麵)” managed the product quality with multiple measures and the strictest standard to bring consumers a pleasant and sour experience. In terms of communication, centering around the brand slogan of “Lao Tan Pickled Cabbage and Beef Noodles, the key to choice is Uni-president Brand (老壇酸菜牛肉麵, 認準統一是關鍵)” and the super IP “Grandpa Lao Tan (老壇爺爺)”, we enhanced brand loyalty through advertising placement on media of high potential and opened up factories of Lao Tan Pickled Cabbage suppliers for visits for the 11th consecutive year to reach out to tens of millions of self-media users in the form of live streaming, with over 4 million comments reposted from short videos. The brand sales have further recovered, further solidifying its leading position in the product category.

“Uni Stewed Beef Flavoured Noodles (統一紅燒牛肉麵)” focused on product strength, achieved breakthrough in innovation and completed a comprehensive internal and external upgrade. By centering on the core value of “Uni-President, a dominant braised beef noodles brand (紅燒這個味, 統一就是牛)”, cooperating with “Advertising Festival of Chinese College Students (中國大學生廣告藝術節)” which targeted at the students and conveying the brand attitude of “Uni Stewed Beef Flavoured Noodles (統一紅燒牛肉麵)”, we enhanced brand recognition and gained consumer preferences. By leveraging on online advertising placement in S+ blockbuster dramas and offline promoting activities in key markets to accumulate active assets of “Niuqi Festival (牛氣節)”, we enhanced brand recognition and drove revenue growth.

Adhering to the brand positioning of “Pioneer of Tomato Delicacy (番茄美味開拓者)”, “The King of Tomato (茄皇)” continued to explore the delicious taste of tomatoes. With product strength as the core, it kept managing and controlling key technological processes and managing the “3Ys” (stability, continuity and consistency) of products to continuously bring consumers a safe, convenient and reassuring product experience. Cooperating with the Tencent platform on “Haha Maker (喜劇大會)” and “Natural High S2 (現在就出發2)”, the brand has achieved a strong exposure and made its brand positioning popular. The offline activities have been steadily implemented, contributing to the double-digit growth of the brand’s revenue in 2024.

With “Craving Meat? Imperial Big Meal’s For You (想吃肉, 滿漢大餐)” as the core appeal, “Imperial Big Meal (滿漢大餐)” continued to improve its product with a focus on the flavour “Scallion Braised Beef Flavor Instant Noodles (蔥燒牛肉)” in 2024, contributing to the high double-digit growth of the brand’s revenue. In terms of communication, we focused on the Douyin channel to strengthen the public awareness of large beef noodles through gourmet-featured communication matrix comprising talents’ short videos and live broadcast.

Other Products

Upholding the vision of becoming the social kitchen for the Chinese, “Kai Xiao Zao (開小灶)” strived to fulfil the diversified needs of consumers on three meals every day. We launched “Sour Soup Wonton (酸湯餛飩)” and “Nori and Shrimp Wonton (紫菜蝦米餛飩)” to meet diverse customer needs. At the same time, we focused on “Spicy Grilled Fish (香辣烤魚)” and “Lao Tan Pickled Cabbage and Fish (老壇酸菜魚)” in frozen food segment which were well received by the customers. We kept cultivating brand assets with a long-term perspective and continued to optimise product strengths, so as to cope with the diverse changes in market demand.

Looking ahead to 2025, while China’s economy is expected to grow steadily despite intensifying internal and external uncertainties and challenges, the fast-moving products industry may also experience considerable changes. The products with good value for money will continue to dominate the mainstream of consumption, while innovative products in the new era should pay more attention to health, safety and distinguishing features to bring emotional value to consumers. The Group adheres to a consumer-oriented approach, staying true to its original aspirations without compromising its quality. The Group will seize consumers’ preferences and needs and continue to polish products to improve quality with the aim of providing consumers with more satisfactory experiences. The Group will give full play to its own advantages to integrate healthy food ingredients into the national flavour, and carry forward the profound Chinese culinary culture to satisfy the personalised, diversified and healthy needs of consumers. The Group will establish a strong emotional connection with consumers by conveying the brand concept to consumers through products to gain emotional resonance, ultimately becoming a trusted partner of consumers.

Beverages Business

Dedicated to brand building for creating brand value, the Group devoted incessant efforts in improving flavours and enhancing product strengths, and strengthened in-depth interaction and communication with young consumers, so as to accurately reach out to diverse consumer groups. We actively expanded and further developed market channels to cover multiple consumption scenarios other than traditional ready-to-drink scenario, such as dining, family, gift and group buying scenarios, etc. Meanwhile, we pushed forward the expansion of high-performance terminal point-of-sale, continued to enhance sales of frozen products and empowered digitization. We had a deep insight into consumers’ needs in various scenarios, and prepared our products in advance, so as to adapt to and lead the ever-changing consumption trends to enhance the sustainable growth of our brands and businesses. The beverages business recorded a revenue of RMB19,240.6 million in 2024, representing an increase of 8.2% over last year. The performance of various major beverages businesses in 2024 is set forth as follows:

Tea Drinks

In 2024, the revenue from the Group's tea drinks business amounted to RMB8,574.9 million, representing an increase of 13.1% over last year, which maintained a stable growth trend, fully demonstrating strong development momentum and market resilience. In 2024, the healthy trend of the consumer market further deepened, the demands of young consumers became more personalised, and their pursuit of cultural connotation continued to rise. Under this market dynamic, the Group's tea drinks business closely followed consumer habits and preferences, adhered to the concept of high-price-performance product experience as the core, and strived to adapt to the expansion of new channels, the extension of new scenarios and the emerging consumer groups and other changes to continue cultivating and consolidating the market.

In 2024, “Uni Green Tea (統一綠茶)” consolidated its brand positioning as “national tea products with good value for money (物有所值的國民好茶)” with its low-sugar and sugar-free product lines. Of which, the classic low-sugar series relied on the core technology of “Real tea extraction (真茶萃取)” to deeply explore the potential of lower-tier markets. The sugar-free “Spring Breeze Green Tea (春拂綠茶)” precisely catered the demands of young consumers such as college students and new white-collar workers for no burden on health, seized the consumers' high ground of “first sip of sugar-free tea (第一口無糖茶)” to effectively rejuvenate the brand. In terms of marketing, “Uni Green Tea (統一綠茶)” has carried out the “Send coolness to delivery riders (為小哥清涼加飭)” activity for five consecutive years, serving and cultivating heavy users such as delivery riders and blue-collar workers. “Spring Breeze Green Tea (春拂綠茶)” precisely reached young groups by sponsoring comedy variety shows that young people love, effectively conveying the concepts of brand and product, thereby strengthening the recognition of “Spring Breeze Green Tea (春拂綠茶)”. In addition, we joined hands with top sport platform “Keep” to launch “Smiling Cycling (微笑騎行)” events, and further strengthened the healthy and happy image of the brand through the integration of online and offline interactions. Looking ahead to 2025, “Uni Green Tea (統一綠茶)” will further optimise and improve its product matrix and continue to make effort to expand the market of young generation to consolidate its leading position in the green tea category.

In 2024, “Uni Ice Tea (統一冰紅茶)” aligned with consumer trends and actively promoted product upgrades and optimisations by adding large-leaf black tea to enhance and optimise tea flavour for creating a bold and refreshing drinking experience. In terms of marketing, we directly targeted the student customers and strengthened the brand asset of “Stay Young for Ever (青春無極限)”. In the first half of the year, we partnered with Bilibili's top IP “Forever 22! (永遠22!)” Graduation Concert, deeply stimulating the resonance of youth and achieving precise marketing coverage both online and offline. In the second half of the year, we deeply cultivated the campus scenario by the marketing campaign for back-to-school season, and had in-depth interactions with students in the back-to-school carnivals staged with the theme of passionate youth inspired by Chinese comics. In 2025, “Uni Ice Tea (統一冰紅茶)” will continue to focus on product strength, combining IP collaboration and the launch of limited editions to maintain product competitiveness and brand freshness. Meanwhile, it will deeply take root in the campus scenario and use key marketing moments such as back-to-school season and graduation season to attract the young generation.

In 2024, “Uni Plum Green Tea (統一青梅綠茶)” partnered with top cultural bloggers to co-create the “Childhood Sweethearts Bottle (青梅竹馬瓶)”, exporting traditional Chinese style intangible cultural heritage elements and consolidating the brand’s traditional Chinese style. In the marketing end, we took products as the carriers and shaped the differentiated Chinese-style brand image of “Plum Green Tea with Chinese Taste (梅香茶爽·中國味)” by leveraging the active platforms of Generation Z to expand word-of-mouth communication and collaborating with top influencers on the Chinese Valentine’s Day to narrate the traditional Chinese stories of childhood sweethearts. In 2025, the brand will continue to cultivate the field of traditional Chinese culture, strengthen the raw material advantages of “Grade A plums (A級軟枝大粒梅)” to highlight the differentiated competitiveness of its products.

“Uni Shuangcui Lemon Tea (統一雙萃檸檬茶)” continued to enhance its brand positioning of “a kind of lemon tea that is never tired of drinking (一款喝不膩的檸檬茶)” in 2024, creating the brand image of Cantonese-style lemon tea with unique regional and humanistic characteristics through the communication of the unique selling point of “Double Tea Base with 7-minute Extraction (雙重茶底，萃取7分鐘)”, particularly focusing on major cities in southern and southwestern China during the year. Under the theme of “Uni Shuangcui, Authentic Kung Fu (統一雙萃，地道功夫)”, we leveraged the classic Cantonese-style elements of “Kung Fu Wing Chun (功夫詠春)” to create topic-spreading event marketing, quickly boosting brand awareness and reputation and contributing to the long-term sustainable development of the brand with a “Guinness World Records (吉尼斯世界記錄)” Challenge.

“Classmate Xiaoming (小茗同學)” underwent a brand concept upgrade in 2024, aiming to create a vibrant “fruit-flavoured tea (果味茶)” exclusive for classmates. As usual, the product bottle served as a communication medium to build the IP image of “Classmate Xiaoming (小茗同學)” and accumulate brand assets. We continued to focus on the subculture of ACG for promotion. From May to July 2024, we partnered with the ACG platform “Kuaikan Comics (快看漫畫)” under the theme “Classmate Xiaoming’s Whispers (快看小茗同學的悄悄話)”, combining online graduation season events with offline Kuaikan comic conventions to precisely engage our target consumers and create a unique experience with them.

With the core appeal of “a sweet taste came after just like it’s freshly brewed (回甘就像現泡)”, “Chai Li Won (茶裏王)” continued to improve its products in 2024. The core product “Dong Ding Oolong (凍頂烏龍)” enhanced its core competitiveness by increasing tea polyphenol concentration to strengthen its flavour profile. We invested our efforts in short videos platforms to output original brand-highlighted short dramas online and focused on core cities for outdoor media advertising reinforcement, constantly conveying the brand’s attitude of “dedication to making good tea (用心做好茶)” to consumers. In 2025, “Chai Li Won (茶裏王)” will continue to optimise its product quality, upgrade and iterate its inner and outer attractiveness simultaneously, so as to provide consumers with value-for-money product experience and thus to strengthen its brand positioning as the king of tea. In terms of channels, we will continue to focus on key cities and attempt to increase the trial order rate with the combination of product refreshing programme and consumer recruitment activities.

Looking ahead to 2025, the Group’s tea drinks business will continue to follow consumption and health trends, continuously improve and optimise the product matrix, enhance brand popularity, and further expand the consumer base to achieve sustainable high-quality development.

Juice

In 2024, revenue from the juice business of the Group amounted to a total of RMB3,604.7 million, representing an increase of 5.9% over last year. Adhering to the idea of providing tasty and healthy juice product to consumers, the juice business continued to optimise product flavours. We concentrated our business strategy on diversifying specifications and scenarios with an aim to develop mass-taste products. On the basis of steady development in the ready-to-drink market, the Group actively expanded the dining scenario and accelerated the development of gift box and family scenarios, so as to continue to expand the market share of its juice business.

“Uni Orangeate (統一鮮橙多)” continued to deliver the orange juice image of “More Fiber (多纖)” and “More Vitamin C (多C)” to reinforce the core value of “More Beauty (多漂亮)”. In terms of the dining scenario, we continued to increase the number of points of sale of canned products, in conjunction with promotion through social media platforms, to reinforce Orangeate’s image of being the “go-to beverage”. With respect to the gift box scenario, we meet the consuming needs in different regions with gift boxes of different specifications. The exterior packaging of the gift box has been further optimised to appear more festive and eye-catching, and we launched the New Year-themed cans, which communicated with consumers with youth-oriented auspicious phrases, aiming to convey the festive and auspicious gifting attributes of the Orangeate gift box and to strengthen the association between our products and festive gifting occasions. In terms of communication, we focus on penetrating the gift box market in lower-tier cities, selecting offline advertising media suitable for county and rural areas, complemented by the communication influence of online key opinion leaders (KOLs)/key opinion consumers (KOCs), creating a synchronised online and offline resonance to promote the gifting attributes of Orangeate.

“Haizhiyan (海之言)” continued to capitalise on the favourable timing and momentum to penetrate key sweating scenarios like labor, sports and travel. In 2024, the revenue maintained double-digit growth. Emphasising “containing potassium ions, sodium ions, etc., with refreshing juice, which tastes fresh and helps you rehydrate and replenish electrolyte loss (含有鉀離子、鈉離子等，搭配清爽果汁，口感清新，幫你補充流失的水分和電解質)”, we continually optimised its product strength and enriched “Haizhiyan (海之言)” with scientific elements to strengthen purchase reasons; conveyed the brand value of “Drink Haizhiyan to Replenish Electrolytes (補充電解質，請喝海之言)” through online and offline communication matrices, cultivated consumer loyalty, accumulated brand assets and captured consumer’s attention as “Haizhiyan = A Delicious Electrolyte Drink (海之言 = 好喝的電解質飲料)”. Meanwhile, we actively deployed the electrolyte drinks market and met drinking demands under different scenarios to boost brand growth momentum.

“Uni Guo Yang (統一果漾)” has always been committed to shaping the brand image of “Outstanding with Sweet and Sourness (酸甜出味)”, focusing on the development path of product personalisation and quality enhancement. The launch of two distinctive flavors, Kumquat Lemon and Plum Juice, meets the increasingly diverse and refined taste preferences of consumers. In terms of brand communication, we targeted the specific audience and focused on campus channels to create immersive experiences, which strengthened the emotional bond and value resonance between the brand and young consumers. As a result, the brand’s market exposure and awareness have been significantly enhanced. Meanwhile, leveraging the flavour and refreshing attributes of Plum Juice, we have expanded our revenue scale steadily by seizing opportunities arising from the dining scenario.

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)” collaborated with the virtual character “Angie (阿喜)” for IP co-branding in 2024, expressing the contemporary attitude of “Easy Soothing (輕鬆潤心)”. We continued to enhance brand power by communicating with the new generation and highlighting the visual presentation of “Moist (潤)” through creating different scenarios for expression, thus attracting young consumers’ attention and love. The revenue of “Uni Crystal Sugar Pear Drink (統一冰糖雪梨)” in 2024 showed a steady growth trend.

“Vitality Awakening (元氣覺醒)” carefully selected naturally fully-ripened fruits and vegetables and replicated the freshness and sweetness of naturally fully-ripened fruits and vegetables. In 2024, we continued to enhance product quality and optimised packaging vision and flavour, while strengthening the benefit of “Naturally Fully-ripened with Freshness and Sweetness (完熟清甜)”. We continued to focus on cultivating 100% fruit (vegetable) juice market in key first-tier cities by refining e-commerce platforms to boost sales share. Our communication revolved around the brand slogan of “Vitality is awakened every day by the freshness and sweetness of naturally fully-ripened fruits (自然完熟才清甜，元氣覺醒天天見)”, promoted positive energy and conveyed the brand identity of “Full of vitality and awakening new power (元氣滿滿、覺醒新力量)”.

Looking ahead to 2025, the juice business will continue to seize the definite growth opportunity from the existing products by adhering to the business strategy of cultivating mass taste through diversifying specifications and scenarios to expand revenue from featured juice products. We will also adapt to consumer demands and market trends, explore new opportunities for product category, seize opportunities to launch upgraded product series that are more healthy and create new growth driver for the juice business.

Milk Tea

In 2024, the milk tea business of the Group generated revenue of RMB6,403.7 million, representing an increase of 1.6% over last year. As a leading brand in the market, “Uni Assam Milk Tea (統一阿薩姆奶茶)” has always insisted on “product quality is the key to competitiveness (產品力是王道)” and managing the freshness well to boost the mood of consumers nationwide with smooth and tasty Assam Milk Tea anytime and anywhere.

“Uni Assam Milk Tea (統一阿薩姆奶茶)” insisted on implementing its stable operational strategy, leveraging its strong brand influence to continuously expand drinking scenarios, and achieved significant results in lower-tier markets and steady revenue growth. The original milk tea grew steadily across various specifications, demonstrating robust market competitiveness. Targeting young consumers in first-tier cities, a sugar-free original milk tea was newly launched, seizing the initiative in the sugar-free trend in advance, broadening its user base and rejuvenating the mature brand. As a market-leading brand, “Uni Assam Milk Tea (統一阿薩姆奶茶)” continuously discerns market trends to meet evolving consumer demands. The brand remains centered on the core value of “Smooth and Good Mood (順滑好心情)”. During the Chinese New Year, it focused on the drinking scenario of family reunion and conveyed the brand’s new year appeal of “Happy New Year to the Family (新年順到家)”, to enhance brand recognition during the festive season. Through the exclusive title sponsorship of the variety show “Friends Together 2024 (是好朋友의週末2024)”, the brand was deeply embedded in scenarios of consumers’ daily lives, strengthening the connection between the brand and good moods, solidifying the emotional bond with consumers and laying a solid foundation for long-term development.

“CITEA milk tea (希蒂CITEA牛乳茶)” offers young consumers a new choice of milk tea. In terms of product features, it uses an innovative slow-boiling technique and carefully selects raw materials such as the original leaves of Da Hong Pao and Rose Puer Tea, and imported milk for slow-boiling of 12 minutes. Its rich yet balanced sweetness making it highly popular among the young consumers. In the quarter four of 2024, a limited-edition blue-and-white porcelain packaging capitalised on neo-Chinese aesthetic trends was launched, receiving widespread acclaim from consumers. In terms of brand communication, promoting topics like “Slow cooking is more flavorful (慢下來真香)” on Xiaohongshu online, and promoting in-depth collaborations between the CITEA Slow Life Center (希蒂慢生活小館) and comic-animation exhibitions offline continuously deliver the brand concept of “The Companion of Slow Life in the City (城市慢生活的陪伴者)”, advocating that young consumers take the time of enjoying a bottle of milk tea to slow down and savor the beauty in their busy lives.

Coffee

In 2024, while focusing on the brand building of “A-Ha (雅哈)” and steadily expanding its basic market share, the coffee business actively grasped the industry development trends and continuously sought secondary growth through product innovation. In September 2024, a 1L American coffee named “Coffee Shop on the Go (隨行的咖啡館)” was launched on e-commerce platforms, mainly to meet the drinking needs in office and home settings and to target the “sugar-free black coffee (無糖黑咖)” niche market. In December 2024, a “Coffee Plaza (咖啡廣場)” TP-packaged product was developed for the snack channels, catering the trend of diversified consumption and the coffee demand in lower-tier markets.

Looking forward to 2025, the coffee business will continue to implement its existing business strategies, focus on the “A-Ha (雅哈)” brand, and achieve growth breakthroughs through in-depth cultivation in its strongholds. Meanwhile, it will actively incubate and cultivate innovative products to meet the needs of different niche consumer groups and promote the healthy development of product mix.

Bottled Water

The water business of the Group focused on the operation of “ALKAQUA (愛誇)” natural mineral water. “ALKAQUA (愛誇)” is dedicated to the in-depth operation in the Shanghai market and has established a deep emotional connection with core groups such as urban elites, sophisticated mothers, student, families and urban couples. Through its simple and transparent bottle design, high-quality water source and minimalist blue label, it conveys the life concept of “simplicity and nature (簡約、自然)”. In terms of communication, “ALKAQUA (愛誇)” enhanced its interaction with consumers and increased brand awareness and reputation through offline advertising placements in subways and on podcasts online. By conveying the brand concept of “ALKAQUA, Linked by Origin (愛誇礦泉，因源結緣)”, it connects the high-quality water source with the emotion of consumers, further deepens the brand connotation and improves market recognition. Through sustained breakthroughs in the fierce market competition, we are positioned to become a brand favored by more consumers.

Looking forward to 2025, “ALKAQUA (愛誇)” will still focus on the Shanghai market, concentrate on long-term brand building, expand its target consumers, combine the emotional connection between the high-quality water source and consumers, and further deepen the brand connotation to enhance market recognition. In the future, efforts will be made to further enhance its leading position in the Shanghai mineral water market, create high-end brand water, and strive to achieve sustained breakthroughs in the fierce market competition to become a brand favored by more consumers.

E-commerce

The Group’s online business is committed to enriching customers’ purchasing channels and creating a convenient, safe and efficient business model that continuously brings more convenience to consumers. While maintaining the online e-commerce business foundation, we have strategically deployed our resources into the field of universal interest-based e-commerce, which is represented by platforms like Douyin Shop (抖音商城), Kuaishou (快手), Pinduoduo (拼多多) and Wechat Channels (微信視頻號). We aim to advance the process of product promotion via short video and live streaming and have also set up five themed live streaming rooms to meet the emerging demand of most users for “cost-effectiveness (性價比)”. We are committed to providing more emotional value while creating new promotional platforms for various brands within the Group.

RESEARCH AND DEVELOPMENT

Targeting at developing mass products, the Group’s business research institute kept pursuing product innovation and optimisation to meet customer needs, thereby promoting industrial development, creating social values and achieving sustainable development.

In order to ensure the effective implementation of business strategy, the Company optimised the management of its research and development (the “R&D”) projects in 2024, and strengthened the project approval management requirements for product R&D projects through determining whether or not to approval a project according to the Company’s business strategy, so as to concentrate the investment of R&D resources and reduce unnecessary R&D activities. With a focus on two major products, namely “Ice Tea (冰紅茶)” and “Stewed Beef Flavoured Noodles (紅燒牛肉麵)”, the Company optimised the R&D organisations of beverages and food in a targeted way to develop flatter organisations, and strengthened the commercialisation of project achievements and the cultivation of talent team, to achieve a better value-for-money services corresponding to business, motivate innovation, and assist the Company to realise its operation targets.

In 2024, the Company continued to innovate and develop new products to satisfy the diverse needs of consumers. Beverages and food business were developing in a healthier and more lifestyle-oriented direction. In terms of the beverages business, the Company has launched sugar-free tea “Uni Green Tea Spring Breeze Green Tea (統一綠茶春拂綠茶)”, grapefruit flavour of isotonic electrolyte drink “Haizhiyan (海之言)”, “LA RIVE GAUCHE DE LA SEINE (左岸)” refrigerated milk tea and “Uni Assam (統一阿薩姆)” sugar-free milk tea this year. In terms of the food business, the Company expanded into the non-fried products, launching the non-fried noodle “Danggui Huadiao Chicken Noodle (當歸花雕雞麵)” under the “Da Bu Tie (大補帖)” brand. At the same time, the business research institute responded quickly to the demands of customers for customized products to conduct the R&D of customized products. In order to continue to develop advantageous core technologies, the Company regarded the establishment of core patented technologies as one of its regular and important tasks. In 2024, the Company won awards for five technologies in assessment of core technology achievements. As of December 2024, the Company has been granted 179 authorized patents, with 50 patents in application. The Company will continue to build its competitive barriers.

The Group focused on the existing mass taste products with revenues of over RMB1 billion while expanding into competitive product categories. The Group continued to improve its product strength with the spirit of “attaining knowledge by investigation of things (格物致知)” to bring better consumption experience to consumers and maintain its competitiveness in the market.

“Uni Assam Milk Tea (統一阿薩姆奶茶)” maintained its product strength by having stricter traceability control of core raw materials and optimising and upgrading the manufacturing process, with its “3Ys” (stability, continuity and consistency) being enhanced continuously, contributing to a continuous increment in sales in lower-tier markets and a constant expansion in the catering market. To maintain a sound development trend, description on zero trans fatty acids was added to the nutrition facts of all series of the product, thereby not only delivering good taste but also ensuring product safety. As a leader of milk tea, the Company kept improving its product layout with an innovative and enterprising spirit. The Company launched the first ready-to-drink sugar-free milk tea in China to enrich the brand and provide consumers with a brand new experience.

“Uni Ice Tea (統一冰紅茶)” continued to enhance its product strength with enhancements in tea flavour, tea aroma and lemon taste. Upon the enhancements, the product came with a richer and more pleasant tea flavour and a fresher lemon scent, making it ever charming.

“Uni Green Tea (統一綠茶)” focused on and kept improving tea raw materials and production techniques, continuously improved its product strength and effectively enhanced the consistency of quality through multi-source reserves of raw materials, on-site guiding at factories, and simplified on-site production operation.

“Uni Stewed Beef Flavoured Noodles (統一紅燒牛肉麵)” continued to enhance its product strength with seasoning optimisation. The condensed fresh flavour oil and stir-fried sauce stimulate the fragrance and taste of stewed beef. The vacuum freeze-drying (FD) meatball technology together with ingredients matching with the stewed beef flavoured noodles create a tasty soup and rich meat flavour with delicate and juicy taste, offering a keenly-priced product to consumers.

“Uni Green Tea Spring Breeze Green Tea (統一綠茶春拂綠茶)” strictly selected high mountain green tea with micro-fermentation technology and special jasmine tea. It adopts exclusive green tea with micro-fermentation technology and a patented rapid cooling technology, which is not only energy-saving and environmental-friendly but can also achieve enhancements in tea aroma and extraction efficiency. The product is healthier as it is sugar-free, and the application of core technology of green tea micro-fermentation makes it more fragrant and environmental-friendly.

“Haizhiyan (海之言)” isotonic electrolyte drink launched its grapefruit flavour designed in isotonic formulation in April 2024, which received positive feedback from customers while the taste and the concept of the product were gradually recognised by consumers.

“Danggui Huadiao Chicken Noodle (當歸花雕雞麵)” under the “Da Bu Tie (大補帖)” brand is a non-fried product introduced by the Company, which utilises non-fried straight noodle technology to replicate the texture of freshly boiled noodle. Through a process of steaming and drying, the noodles are shaped into a straight form, allowing for quick rehydration. The texture and flavour of the rehydrated noodles closely resemble those of freshly boiled noodles. 4 patents have been applied, covering formulation, processes and equipment. The noodles were simmered with various Chinese herbs and chicken soup, adopting key process such as constant temperature chopping, low temperature pulping and two-stage freeze-drying technology. The Company also obtained the utility model patent of “Cooking equipment with auto-dispensing function (具有自動撥料功能的蒸煮設備)”.

“CITY BAKER” oat cookies were launched in March 2024, crafted with Australian oatmeal, New Zealand butter, American cranberries and European 70% pure dark chocolate, with no artificial flavours, artificial colours or preservatives, but rich in dietary fiber. Only high-quality Australian oatmeal is used in “CITY BAKER”, and the Nutrient Reference Value (NRV) for dietary fiber in every 100g of “CITY BAKER” oat cookies exceeds 36%.

“LA RIVE GAUCHE DE LA SEINE (左岸)” frozen milk tea was released in March 2024, to cater consumers demands for clean and hygiene food and taste of fresh, rich and non-greasy, bringing a high quality product experience to the middle class. With simply four ingredients, namely water, pure milk, condensed milk and black tea, the taste is light and sweet. Responding to consumers’ demand for sugar reduction and control, no additional sugar is added, striking a balance between deliciousness and health.

INSISTING ON FOOD SAFETY

We uphold the philosophy of “Three Goods and One Fairness (三好一公道)”, i.e. Good Quality, Good Credit, Good Service and Fair Price (品質好、信用好、服務好、價格公道), and with the mission of producing products that consumers will “be comfortable and happy to eat (吃得安心、吃得開心)”, we offer safe, healthy and delicious food to consumers. We have set up the Food Safety and Quality Committee with our General Manager as its Director. The Committee serves as the organisation with supreme power to design and optimise the food safety and quality assurance system. The members of the Food Safety and Quality Committee cover all relevant departments including the business research institute, procurement resources management office, the production management group, food safety and management office, etc. The Committee holds meetings periodically to discuss food safety and quality assurance management issues. Besides, we have set up the Food Safety and Management Office as the food safety and quality assurance management department to establish a food safety and quality assurance system, implement and put in place policies, enhance food safety risk assessment, provide warning and monitoring, etc.

We have established three lines of defence for food safety, namely, qualification review, field assessment, and food safety testing. By managing suppliers’ food safety from multiple perspectives, we have effectively controlled the food safety risk brought by suppliers and ensured food safety of suppliers.

We adhere to three controls to ensure quality and prevent abnormality in quality: quality control on product development and design, quality control on production process, and quality control on finished products. The Group strictly abides by relevant laws and regulations such as the Food Safety Law of the People’s Republic of China. Besides, the food safety of all products are strictly monitored to ensure they comply with the relevant laws and regulations and are “comfortable and happy to eat (吃得安心、吃得開心)”.

The Group’s Food Safety and Management Office has set up a Food Safety Testing Centre to provide strong support for food safety risk control. Since 2005, the Centre has passed the annual China National Accreditation Service for Conformity Assessment (CNAS accreditation). As of 2024, 173 projects of the Group have been approved. Meanwhile, the Group has a number of national patents for utility models and more than 700 perennial independent testing projects. The scope of assessment on the Group’s food safety projects covers drinks, food, water, additives, grain and oil, and packaging materials.

The Group’s plants have established a complete food safety management system according to ISO 22000, FSSC 22000 and Hazard Analysis Critical Control Point (HACCP). As of 2024, 25 subsidiaries of the Group were accredited with the ISO 22000 International Standard Food Safety Management System Certification, one with the FSSC 22000 certification, and five with the HACCP certification.

PRODUCTION STRATEGIES

The Group spared no effort in its operation, and research and development and innovation of products, aiming to meet different customer needs. In order to strike a balance between the supply chain risk and the transportation cost, and to achieve synergistic effects in production efficiency and operational support, the Group did not solely rely on its own production resources, but also 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 co-operation with the external manufacturers, enabling the Group to outsource production 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.

FINANCIAL RESULTS

For the year ended 31 December 2024 (the “Year”), the Group recorded revenue of RMB30,331.5 million, representing an increase of 6.1% from RMB28,591.3 million for 2023. Revenue from the food business amounted to RMB9,998.2 million, representing an increase of 1.5% as compared with the corresponding period of last year, which accounted for 33.0% of the Group’s total revenue, and revenue from the beverages business amounted to RMB19,240.6 million, representing an increase of 8.2% as compared with the corresponding period of last year, which accounted for 63.4% of the Group’s total revenue. During the Year, gross profit of the Group increased from RMB8,711.7 million for the corresponding period of last year to RMB9,869.7 million, representing an increase of 13.3%, while the gross profit margin increased by 2.0 percentage points from 30.5% for the corresponding period of last year to 32.5%, which was mainly due to the improvement of productivity and the optimisation of product mix.

During the Year, the selling and marketing expenses increased by approximately RMB460.5 million to RMB6,738.4 million (2023: RMB6,277.9 million) as compared with the corresponding period of last year. The increase in selling and marketing expenses was mainly due to the increase in the scale of brand building, the transportation costs and the depreciation of refrigerators and freezers in sales channels. During the Year, administrative expenses amounted to RMB1,107.5 million (2023: RMB1,065.9 million), representing an increase of approximately RMB41.6 million as compared with the corresponding period of last year, which was mainly due to the increase in employee social security expenses and performance bonus.

The operating profit was RMB2,243.9 million for the Year (2023: RMB1,996.5 million), representing an increase of 12.4% as compared to the corresponding period of last year, which was mainly attributable to the increase of sales and the increase of gross profit due to the optimisation of product mix. The share of profits of investments accounted for using the equity method amounted to RMB59.4 million (2023: RMB49.9 million) during the Year, which was mainly due to the increase in income from investments in associates and joint ventures. Profit attributable to equity holders of the Company for the Year was RMB1,849.1 million (2023: RMB1,667.1 million), representing an increase of 10.9% as compared to the corresponding period of last year. Earnings per share during the Year were RMB42.81 cents (2023: RMB38.60 cents).

FINANCIAL ANALYSIS

Cash and Borrowings

As at 31 December 2024, the Group had cash at bank and on hand of RMB8,577.2 million (31 December 2023: RMB7,565.5 million), among which 99.89% was denominated in Renminbi, 0.06% was denominated in New Taiwan dollar, 0.03% was denominated in Hong Kong dollar, and 0.02% was denominated in United States dollar. The Group mainly financed its operation and capital expenditures with internally generated cash flow. As at 31 December 2024, the Group's total financial liabilities amounted to RMB290.0 million (31 December 2023: RMB1,079.4 million), representing a decrease of 73.1% as compared to the corresponding period of last year, which was mainly attributable to the decrease in short-term borrowings. The short-term working capital was relatively sufficient to repay bank borrowings. 100% of borrowings under the Group's total financial liabilities was denominated in Renminbi. As at 31 December 2024, all of the Group's financial liabilities bore floating interest rates. As at 31 December 2024, the Group did not have any secured bank borrowing (31 December 2023: Nil).

Financing

The Group aims to maintain an appropriate capital structure. The gearing ratios of the Group as at 31 December 2024 and 31 December 2023 were as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Total borrowings (including lease liabilities)	289,996	1,079,435
Less: cash at bank and on hand (<i>Note 1</i>)	(8,577,196)	(7,565,454)
Net cash	(8,287,200)	(6,486,019)
Total equity	<u>13,399,110</u>	<u>13,382,377</u>
Gearing ratio (<i>Note 2</i>)	<u>(61.85%)</u>	<u>(48.47%)</u>

Note 1: As at 31 December 2024, cash at bank and on hand excluded the Group's purchase of financial products issued by four major domestic banks and other commercial banks. As at 31 December 2024, the Group had financial assets at fair value through profit or loss of RMB1,676.7 million (31 December 2023: RMB1,618.7 million).

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

The Group reviewed its gearing ratio on a regular basis. According to the capital plan for the future, the Group tried to maximize revenue for its shareholders with capital risk awareness in mind. Capital structure was constantly adjusted according to changes in the operational environment.

Cash Flow and Capital Expenditure

As at 31 December 2024, the Group recorded a year-on-year net decrease in cash and cash equivalents of RMB322.0 million, comprising net cash inflow from operating activities of RMB4,373.3 million, net cash outflow from investing activities of RMB1,997.8 million and net cash outflow from financing activities of RMB2,697.5 million. The Group's capital expenditure (including lease right-of-use assets) for the Year was RMB728.7 million (31 December 2023: RMB1,078.8 million), which was mainly investments in marketing assets for sales channels, technological improvement of production equipment and environmental protection equipment.

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 and e-commerce business (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 Year, net trade receivables increased by RMB41.8 million to RMB627.6 million (31 December 2023: RMB585.8 million).

The Group's inventories mainly comprised raw materials, packaging materials, finished goods and low-value consumables. As at 31 December 2024, the inventories balance increased by RMB361.2 million to RMB2,487.1 million (31 December 2023: RMB2,125.9 million) as compared to the beginning of the Year, which was attributable to the product preparation for the Chinese New Year in 2025. The inventory turnover days decreased by one day as compared with that of 2023. The Group's trade payables mainly arise from credit purchases of raw materials and finished goods. During the Year, trade payables increased by RMB160.9 million to RMB2,283.5 million (31 December 2023: RMB2,122.6 million). The increase in trade payables was mainly due to the purchase of raw materials and finished goods as a result of the product preparation for the Chinese New Year in advance. The following table sets out the major turnover days for the past two years ended 31 December.

	Year ended 31 December	
	2024	2023
Trade receivables turnover days	7	9
Inventory turnover days	41	42
Trade payables turnover days	<u>39</u>	<u>43</u>

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 360 days.

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 360 days.

Trade payables turnover days were calculated based on the average of trade payables balances as at the beginning and the end of the year divided by cost of sales multiplied by 360 days.

The Group reckoned that receivables turnover days, inventory turnover days and trade payables turnover days in the distribution channel helped the Group in understanding the efficiency of inventory liquidity and the sales and cash conversion cycle. Through reviewing and improving the turnover days, the Group could further improve its revenue, profit and the ability of on-going growth for the sake 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 Year, the Group has maintained an automated reconciliation system, which significantly improved capital efficiency and accounting treatment effectiveness.

TREASURY POLICY

It was the Group's treasury management policy not to engage in any high-risk investment or speculative derivative products and not to invest 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 to financial risk management with no significant bank borrowing during the Year. 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.

SIGNIFICANT INVESTMENT

As at 31 December 2024, the Group did not hold any significant investments with a value of 5% or more of the Group's total assets.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2024.

CHARGES ON GROUP ASSETS

The Group did not have any charge on group assets as at 31 December 2024.

MATERIAL ACQUISITION AND DISPOSAL

The Group had no material acquisition or disposal of subsidiaries, associates and joint ventures during the Year.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2024, the total number of employees of the Group was 33,755. The Group adhered 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 secured talents for key positions of the Group. 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 realized earnings and profits objectives of individual business units and the Group as a whole, as well as the performance appraisal of the respective employees.

The Group's remuneration policy rewarded 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.

During the Year, total staff costs (including directors' remuneration) were RMB4,702.0 million (2023: RMB4,474.7 million). The Group does not have any share option scheme or share award scheme.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2024 have been agreed by the external auditors of the Company, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

AUDIT COMMITTEE

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

FINAL DIVIDEND

The Board recommends the payment of a final dividend of RMB42.81 cents per share of the Company for the Year (the “Proposed Final Dividend”), amounting to a total dividend of approximately RMB1,849.1 million. The Proposed Final Dividend shall be declared in RMB and paid in Hong Kong dollars. The actual amount of dividend payable in Hong Kong dollars will be calculated based on the average exchange rate of USD/CNY (HK) spot rate and the average exchange rate of USD/HKD spot rate as published by The Treasury Markets Association for the five business days in Hong Kong immediately preceding the date of the annual general meeting of the Company (the “Annual General Meeting”).

The Proposed Final Dividend, subject to the approval of shareholders of the Company (the “Shareholders”) at the Annual General Meeting to be held on or around Friday, 6 June 2025, will be paid on or around Wednesday, 25 June 2025 to Shareholders whose names appear on the register of members of the Company on Monday, 16 June 2025.

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has complied with all code provisions of the corporate governance code as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange during the Year.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

EVENTS AFTER THE REPORTING PERIOD

No significant event has occurred after the reporting period.

RE-ELECTION OF DIRECTORS

In accordance with Article 130 of the articles of association of the Company (the “Articles of Association”), each of Mr. Chen Johnny, Dr. Fan Ren-Da, Anthony and Mr. Lo Peter, will retire by rotation at the forthcoming Annual General Meeting. Each of Mr. Chen Johnny, Dr. Fan Ren-Da, Anthony and Mr. Lo Peter being eligible, will offer himself for re-election at the Annual General Meeting.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 2 June 2025 to Friday, 6 June 2025 (both days inclusive) in order to determine the entitlement of the Shareholders to attend the Annual General Meeting, during which period no transfer of the Shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 30 May 2025.

Subject to the Shareholders' approval of the payment of the final dividend at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 12 June 2025 to Monday, 16 June 2025 (both days inclusive) in order to determine the entitlement of the Shareholders to receive the final dividend, during which period no transfer of the Shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at the above address not later than 4:30 p.m. on Wednesday, 11 June 2025.

Subject to the approval of the Shareholders at the Annual General Meeting, the final dividend will be paid on or around Wednesday, 25 June 2025 to Shareholders whose names appear on the register of members of the Company on Monday, 16 June 2025.

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

The consolidated financial information set out above does not constitute the Company's statutory financial statements for the years ended 31 December 2023 or 2024 but is derived from those financial statements. The 2024 annual report of the Company will be published on the website of the Stock Exchange at <http://www.hkexnews.hk> and on the Company's website at <http://www.uni-president.com.cn> in due course.

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

5 March 2025

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 Ms. Chien Chi-Lin as non-executive directors; and Mr. Chen Johnny, Mr. Chen Sun-Te, Dr. Fan Ren-Da, Anthony and Mr. Lo Peter as independent non-executive directors.