WANT WANT CHINA HOLDINGS LIMITED
中 國 旺 旺 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0151)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2008

FINANCIAL HIGHLIGHTS

	Year ended December 31,		
Key income statement items *(US$'000)*	**2008**	2007	Change (%)
Sales	**1,553,868**	1,094,540	42.0%
Gross profit	**596,510**	436,466	36.7%
Operating profit	**306,630**	227,634	34.7%
EBITDA [1]	**351,964**	279,065	26.1%
Profit attributable to equity holders of the Company	**262,656**	201,188	30.6%
Key financial ratios (%)			
Gross profit margin	**38.4%**	39.9%	
Operating profit margin	**19.7%**	20.8%	
Margin of profit attributable to equity holders	**16.9%**	18.4%	
Effective tax rate	**15.1%**	10.5%	
Return on equity	**32.4%**	31.3%	

1 EBITDA refers to earnings before interest, tax, depreciation and amortization.

- Turnover of the Group increased by 42.0% to US$1,553.9 million in 2008.
- Profit attributable to equity holders of the Company increased by 30.6% to US$262.7 million.
- Margin of profit attributable to equity holders decreased by 1.5 percentage points to 16.9% as a result of the cost pressure on raw material and increase in tax expense caused by the taking effect of the New CIT Law from January 1, 2008.
- The Company proposed a final dividend of US1.36 cents per share, subject to the shareholders' approval at the forthcoming annual general meeting to be held on April 30, 2009.

The board (the "Board") of directors (the "Directors") of Want Want China Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended December 31, 2008 together with the comparative figures for the corresponding period of the previous year as follows:

CONSOLIDATED INCOME STATEMENT

	Note	Year ended December 31, 2008 US$'000	2007 US$'000
Continuing Core Operations:			
Sales	*3*	**1,553,868**	1,094,540
Cost of sales		**(957,358)**	(658,074)
Gross profit		**596,510**	436,466
Other gains – net	*4*	**16,560**	6,221
Other income	*5*	**22,997**	23,383
Selling and distribution expenses		**(202,131)**	(131,930)
Administrative expenses		**(127,306)**	(106,506)
Operating profit		**306,630**	227,634
Finance income		**6,125**	2,922
Finance costs		**(3,775)**	(4,555)
Finance income/(costs) – net	*6*	**2,350**	(1,633)
Share of profit/(loss) of associated companies		**878**	(330)
Profit before income tax		**309,858**	225,671
Income tax expense	*7*	**(46,856)**	(23,753)
Profit for the year from Core Operations		**263,002**	201,918
Discontinued Non-core Operations:			
Loss for the year from Discontinued Non-core Operations	*10*	**–**	(25,790)
Profit for the year		**263,002**	176,128
Attributable to:			
Equity holders of the Company		**262,656**	176,748
Minority interest		**346**	(620)
		263,002	176,128

	Note	Year ended December 31, 2008 US$'000	2007 US$'000
Earnings per share for profit from Core Operations attributable to the equity holders of the Company for the year			
Basic earnings per share	*8*	**US2.00 cents**	US1.57 cents
Diluted earnings per share	*8*	**US2.00 cents**	US1.57 cents
Loss per share for loss from Discontinued Non-core Operations attributable to the equity holders of the Company for the year			
Basic earnings per share		**–**	(US0.19 cents)
Diluted earnings per share		**–**	(US0.19 cents)
Dividends	*9*	**259,220**	387,017

CONSOLIDATED BALANCE SHEET

	Note	As at December 31, 2008 US$'000	2007 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**555,135**	450,828
Leasehold land and land use rights		**44,648**	39,425
Investment properties		**2,866**	3,128
Intangible assets		**1,344**	1,463
Associated companies		**2,094**	1,158
Deferred income tax assets		**713**	692
Available-for-sale financial assets		**172**	652
		606,972	497,346
Current assets			
Inventories		**345,862**	204,243
Properties under development for sale		**–**	23,373
Non-current assets held for sale		**6,885**	6,244
Trade receivables	*11*	**98,448**	67,232
Prepayments, deposits and other receivables		**82,434**	65,826
Financial assets at fair value through profit or loss		**294**	680
Cash and cash equivalents		**284,210**	270,466
		818,133	638,064
Total assets		**1,425,105**	1,135,410
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**264,141**	257,103
Reserves			
– Proposed final dividend	*9*	**180,000**	120,713
– Others		**487,253**	313,170
		931,394	690,986
Minority interests in equity		**4,479**	4,533
Total equity		**935,873**	695,519
LIABILITIES			
Non-current liabilities			
Borrowings		**165,000**	168,000
		165,000	168,000
Current liabilities			
Trade payables	*12*	**87,769**	79,033
Accruals and other payables		**216,299**	166,328
Current income tax liabilities		**13,300**	11,251
Borrowings		**1,505**	15,279
Deferred income tax liabilities		**5,359**	–
		324,232	271,891
Total liabilities		**489,232**	439,891
Total equity and liabilities		**1,425,105**	1,135,410
Net current assets		**493,901**	366,173
Total assets less current liabilities		**1,100,873**	863,519

Notes:

1. GENERAL INFORMATION OF THE GROUP AND REORGANISATION

(a) General information of the Group

Want Want China Holdings Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in the manufacturing and distribution of food and beverages (the "Core Operations"). The Group's activities are primarily conducted in the People's Republic of China (the "PRC"), Taiwan and Singapore, and its products are also sold to Hong Kong, South-East Asia countries, the United States and Europe.

The Company was incorporated in the Cayman Islands on October 3, 2007 as an exempted company with limited liability under the Company Law of the Cayman Islands. The address of its registered office is M&C Corporate Services Limited, P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

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 on March 26, 2008 (the "Listing").

These consolidated financial statements are presented in units of United States dollars (US$), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on March 5, 2009.

(b) Reorganisation and Discontinued Non-core Operations

Prior to the incorporation of the Company and the completion of the reorganisation steps as described below (collectively the "Reorganisation"), the Group's business was carried out by Want Want Holdings Ltd. ("WWHL") and its subsidiaries (collectively the "WWHL Group"). The WWHL Group included the companies now comprising the Group engaging in the Core Operations, and other companies principally engaged in other businesses including the operation of hospital, hotel and property businesses and other investments that were not related to the Core Operations (the "Discontinued Non-core Operations"). WWHL was previously listed on the Singapore Exchange Securities Trading Limited, and was delisted on September 11, 2007 pursuant to a privatisation.

As part of a group reorganisation, the Company acquired 99.87% equity interests in WWHL from the then shareholders of WWHL by way of share swap and became the holding company of the WWHL Group in October 2007. In preparation for the Listing, further reorganisation was carried out to divest the companies engaged in the Discontinued Non-core Operations to the shareholders of the Company and the 0.13% minority shareholders of WWHL by way of distribution of dividend in specie. The divestment was completed on December 31, 2007.

Subsequent to the completion of the Reorganisation, the Group has only been engaged in the Core Operations since January 1, 2008.

The Reorganisation involved companies under common control. Accordingly, the 2007 comparative financial information included in this consolidated financial information of the Group for the year ended December 31, 2007 has been prepared using the principles of merger accounting, as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and present the combined results and cashflows of the companies of the Group engaging in the Core Operations as well as the Discontinued Non-core Operations as if the group structure had been in existence throughout the year ended December 31, 2007 or since the respective dates of incorporation or establishment or acquisition, whichever was the shorter period, or up to the dates of winding up, liquidation or disposal. The financial information of the companies in the Discontinued Non-core Operations has been included in the financial information for the year ended December 31, 2007 as they formed an integral part of the business of the Group prior to the divestment.

2. BASIS OF PREPARATION

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

(a) Amendments and interpretations effective in 2008

Relevant to the Group's operations:

- HKAS 39, 'Financial instruments: Recognition and measurement', amendment on reclassification of financial assets permits reclassification of certain financial assets out of the held-for-trading and available-for-sale categories if specified conditions are met. The related amendment to HKFRS 7, 'Financial instruments: Disclosures', introduces disclosure requirements with respect to financial assets reclassified out of the held-for-trading and available-for-sale categories. The amendment is effective prospectively from July 1, 2008. This amendment does not have an impact on the Group's financial statements, as the Group has not reclassified any financial assets.

- HK(IFRIC)-Int 11, 'HKFRS 2 – Group and treasury share transactions', provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. This interpretation does not have an impact on the Group's consolidated financial statements, but will be applied to the separate financial statements of the subsidiaries where relevant.

- HK(IFRIC)-Int 14, 'HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction', provides guidance on assessing the limit in HKAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This interpretation does not have a significant impact on the Group's financial statements, as the Group principally participates in defined contribution pension schemes.

Not relevant to the Group's operations:

- HK(IFRIC) – Int 12, 'Service Concession arrangements'

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after January 1, 2009 or later periods, and the Group has not early adopted them:

Relevant to the Group's operations:

- HKAS 1 (Revised), 'Presentation of financial statements' (effective from January 1, 2009).

- HKAS 23 (Revised), 'Borrowing costs' (effective from January 1, 2009).

- HKAS 27 (Revised), 'Consolidated and separate financial statements' (effective from July 1, 2009).

- HKFRS 2 (Amendment), 'Share-based payment' (effective from January 1, 2009).

- HKFRS 3 (Revised), 'Business combinations' (effective from July 1, 2009).

- HKFRS 8, 'Operating segments'.

- HK(IFRIC)-Int 13, 'Customer loyalty programmes' (effective from July 1, 2008).

- HK(IFRIC) – Int 16, 'Hedges of a net investment in a foreign operation' (effective from October 1, 2008).

- HKICPA's improvements to HKFRS published in October 2008:

  – HKAS 1 (Amendment), 'Presentation of financial statements' (effective from January 1, 2009).
  – HKAS 19 (Amendment), 'Employee benefits' (effective from January 1, 2009).
  – HKAS 23 (Amendment), 'Borrowing costs' (effective from January 1, 2009).
  – HKAS 28 (Amendment), 'Investments in associates' (and consequential amendments to HKAS 32, 'Financial Instruments: Presentation' and HKFRS 7, 'Financial instruments: Disclosures') (effective from January 1, 2009).
  – HKAS 36 (Amendment), 'Impairment of assets' (effective from January 1, 2009).
  – HKAS 38 (Amendment), 'Intangible assets' (effective from January 1, 2009).
  – HKAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from January 1, 2009).
  – HKFRS 5 (Amendment), 'Non-current assets held for sale and discontinued operations' (and consequential amendment to HKFRS 1, 'First-time adoption') (effective from July 1, 2009).
  – There are a number of minor amendments to HKFRS 7, 'Financial instruments: Disclosures', HKAS 8, 'Accounting policies, changes in accounting estimates and errors', HKAS 10, 'Events after the balance sheet date', HKAS 18, 'Revenue' and HKAS 34, 'Interim financial reporting' which are not addressed above.

Not relevant to the Group's operations:

- HKAS 32 (Amendment), 'Financial instruments: Presentation', and HKAS 1 (Amendment), 'Presentation of financial statements'-'Puttable financial instruments and obligations arising on liquidation' (effective from January 1, 2009).

- HKAS 39 (Amendment) 'Financial Instruments: Recognition and Measurement' – 'Eligible hedged items' (effective from July 1, 2009).

- HKFRS 1 (Amendment), 'First time adoption of HKFRS' and HKAS 27 'Consolidated and separate financial statements' (effective from January 1, 2009).

- HK(IFRIC) – Int 15, 'Agreements for construction of real estates' (effective from January 1, 2009).

- HK(IFRIC) – Int 17 – 'Distributions of non-cash assets to owners' (effective from July 1, 2009).

- HKICPA's improvements to HKFRS published in October 2008:

  – HKAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to HKAS 7, 'Statement of cash flows') (effective from January 1, 2009).
  – HKAS 20 (Amendment), 'Accounting for government grants and disclosure of government assistance' (effective from January 1, 2009).
  – HKAS 27 (Amendment), 'Consolidated and separate financial statements' (effective from January 1, 2009).
  – HKAS 28 (Amendment), 'Investments in associates' (and consequential amendments to HKAS 32, 'Financial Instruments: Presentation' and HKFRS 7, 'Financial instruments: Disclosures') (effective from January 1, 2009).
  – IHKAS 29 (Amendment), 'Financial reporting in hyperinflationary economies' (effective from January 1, 2009).
  – HKAS 31 (Amendment), 'Interests in joint ventures (and consequential amendments to HKAS 32 and HKFRS 7) (effective from January 1, 2009).
  – HKAS 38 (Amendment), 'Intangible assets'(effective from January 1, 2009).
  – HKAS 40 (Amendment), 'Investment property' (and consequential amendments to HKAS 16) (effective from January 1, 2009).
  – HKAS 41 (Amendment), 'Agriculture' (effective from January 1, 2009).
  – The minor amendments to HKAS 20 'Accounting for government grants and disclosure of government assistance', HKAS 29, 'Financial reporting in hyperinflationary economies', HKAS 40, 'Investment property' and HKAS 41, 'Agriculture', which have not been addressed above.

3. SEGMENT INFORMATION

The Group's Core Operations are mainly organized under the following business segments:

Manufacturing and sale of:

– Rice crackers, including sugar coated crackers, savoury crackers and fried crackers;
– Dairy products and beverages, including flavored milk, yogurt drinks, ready-to-drink coffee, carbonated drinks, herbal tea and milk powder;
– Snack foods, including candies, popsicles and jellies, ball cakes and beans and nuts; and
– Other products, mainly wine and other food products.

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

(a) Sales

The sales of the Group derived from the Core Operations for the year ended December 31, 2008 and 2007 are set out as follows:

	2008	2007
	US$'000	*US$'000*
Core Operations		
Rice crackers	**561,109**	376,283
Dairy products and beverages	**535,840**	390,230
Snack foods	**448,070**	317,806
Other products	**8,849**	10,221
Total sales	**1,553,868**	1,094,540

(b) Analysis by segments

(i) Primary reporting – business segments

The segment information for the year ended December 31, 2008 are as follows:

	Rice crackers *US$'000*	Dairy products and beverages *US$'000*	Snack foods *US$'000*	Other products *US$'000*	Unallocated *US$'000*	Total *US$'000*
Year ended December 31, 2008						
Segment results						
Core Operations:						
Sales	**561,109**	**535,840**	**448,070**	**8,849**	**–**	**1,553,868**
Segment profit/(loss)	**113,500**	**92,437**	**115,118**	**(1,299)**	**(13,126)**	**306,630**
Finance income – net						**2,350**
Share of profit of associated companies						**878**
Profit before income tax						**309,858**
Income tax expense						**(46,856)**
Profit for the year						**263,002**
Other segment items included in the income statement						
Depreciation of property, plant and equipment	**14,151**	**13,872**	**12,151**	**1,456**	**2,352**	**43,982**
Amortisation of leasehold land and land use rights	**396**	**397**	**332**	**9**	**–**	**1,134**
Depreciation of investment properties	**–**	**–**	**–**	**16**	**–**	**16**
Amortisation of intangible assets	**–**	**–**	**–**	**–**	**202**	**202**
Capital expenditure	**16,842**	**49,390**	**37,953**	**14,583**	**6,746**	**125,514**

	Rice crackers US$'000	Dairy products and beverages US$'000	Snack foods US$'000	Other products US$'000	Unallocated US$'000	Total US$'000
As at December 31, 2008						
Segment assets and liabilities						
Segment assets	**420,857**	**482,969**	**392,666**	**86,323**	**40,196**	**1,423,011**
Associated companies						**2,094**
Total assets of the Group						**1,425,105**
Segment and total liabilities of the Group	**161,515**	**85,162**	**58,561**	**15,346**	**168,648**	**489,232**

The segment information for the year ended December 31, 2007 are as follows:

	Rice crackers *US$'000*	Dairy products and beverages *US$'000*	Snack foods *US$'000*	Other products *US$'000*	Unallocated *US$'000*	Total *US$'000*
Year ended December 31, 2007						
Segment results						
Core Operations:						
Sales	376,283	390,230	317,806	10,221	–	1,094,540
Segment profit/(loss)	60,830	101,983	78,753	(46)	(13,886)	227,634
Finance cost – net						(1,633)
Share of loss of associated companies						(330)
Profit before income tax						225,671
Income tax expense						(23,753)
Profit for the year from Core Operations						201,918
Discontinued Non-core Operations:						
Loss for the year from Discontinued Non-core Operations						(25,790)
Profit for the year						176,128
Other segment items included in the income statement						
Depreciation of property, plant and equipment	16,441	14,923	13,295	13,871	–	58,530
Amortisation of leasehold land and land use rights	386	280	385	1,161	–	2,212
Depreciation of investment properties	–	–	–	15	–	15
Amortisation of intangible assets	–	–	–	–	190	190
Capital expenditure*	28,138	26,478	24,033	111,251	130	190,030

* The capital expenditure of other products for the year ended 2007 included capital expenditures for both the Core Operations and the Discontinued Non-Core Operations.

	Rice crackers *US$'000*	Dairy products and beverages *US$'000*	Snack foods *US$'000*	Other products *US$'000*	Unallocated *US$'000*	Total *US$'000*
As at December 31, 2007						
Segment assets and liabilities						
Segment assets of Core Operations	368,160	305,150	337,395	100,071	23,476	1,134,252
Associated companies						1,158
Assets of Core Operations and total assets of the Group						1,135,410
Segment liabilities of Core Operations and total liabilities of the Group	109,079	63,943	50,197	18,789	197,883	439,891

(ii) *Secondary reporting — geographical segments*

	2008 ***US$'000***	2007 *US$'000*
Sales		
PRC	**1,452,294**	1,005,901
Taiwan	**50,742**	41,040
Hong Kong and overseas	**50,832**	47,599
	1,553,868	1,094,540

The overseas countries mainly include Korea, Japan, Thailand, United States, Australia, Canada and Netherland.

Since the Group's substantial sales and business activities are conducted in the PRC, no further analysis of total assets and capital expenditure by geographical segments has been presented.

4. OTHER GAINS-NET

	2008	2007
	US$'000	*US$'000*
Core Operations		
Net foreign exchange gains	**13,954**	7,359
Gain on disposal of financial assets at fair value through profit or loss	**101**	63
Fair value loss on the financial assets at fair value through profit or loss	**(398)**	–
(Losses)/Gain on disposal of property, plant and equipment and leasehold land and land use rights, net	**(755)**	1,137
Gain on disposal of properties under development for sale	**5,790**	–
Loss on disposal of investment property	**(138)**	–
Impairment charge of property, plant and equipment	**(609)**	–
Donation expenses	**(2,758)**	(1,001)
Others	**1,373**	(1,337)
Total	**16,560**	6,221

5. OTHER INCOME

	2008	2007
	US$'000	*US$'000*
Core Operations		
Government grants	**15,058**	13,698
Sale of scraps	**7,271**	4,927
Rental income	**101**	574
Interest income from Discontinued Non-core Operations	**–**	1,400
Others	**567**	2,784
Total	**22,997**	23,383

The government grants represented subsidy income received from various government authorities as incentives to certain subsidiaries of the Group in the PRC.

6. FINANCE INCOME/(COSTS) – NET

	2008	2007
	US$'000	*US$'000*
Core Operations		
Finance costs		
– Interest expenses on bank borrowings	**(3,775)**	(4,555)
Finance income		
– Interest income on cash and cash equivalents	**6,125**	2,922
Net finance income/(costs)	**2,350**	(1,633)

7. INCOME TAX EXPENSE

	2008	2007
	US$'000	*US$'000*
Core Operations		
Current tax		
– PRC	**39,047**	23,087
– Taiwan	**2,448**	703
– Hong Kong and overseas	**2**	3
	41,497	23,793
Deferred tax	**5,359**	(40)
	46,856	23,753

Effective from January 1, 2008, the Company's subsidiaries incorporated in the PRC are required to determine and pay the Corporate Income Tax ("CIT") in accordance with the Corporate Income Tax Law of the PRC (the "New CIT Law") as approved by the National People's congress on March 16, 2007 and Detailed Implementations Regulations of the New CIT Law (the "DIR") as approved by the State Council on December 6, 2007. According to the new CIT Law and DIR, the income tax rates for both domestic and foreign investment enterprises have been unified at 25% effective from January 1, 2008. For enterprises which were established before the publication of the new CIT Law and were entitled to preferential treatments of reduced CIT rates granted by relevant tax authorities, the new CIT rate will be gradually increased from the preferential rates to 25% within 5 years after the effective date of the new CIT Law on January 1, 2008. For the regions that enjoy a reduced CIT rate at 15%, the tax rate would gradually increase to 18% for 2008, 20% for 2009, 22% for 2010, 24% for 2011 and 25% for 2012 according to the grandfathering rules stipulated in the DIR and related circular. Enterprises that are currently entitled to exemptions or reductions from the standard income tax rate for a fixed term may continue to enjoy such treatment until the fixed term expires.

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

Enterprises incorporated in Taiwan, Hong Kong and other places (mainly including Singapore, Japan and British Virgin Islands) are subject to income tax at the prevailing rates of 25%, 16.5% and 0% to 30% (2007: 25%, 16.5% and 0% to 30%) respectively.

8. EARNINGS PER SHARE

(a) 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. The Company was incorporated on October 3, 2007. The weighted average number of ordinary shares in issue during the years ended December 31, 2008 and 2007 is determined on the assumption that 1,285,514,075 shares issued upon the incorporation of the Company in connection with the Reorganisation had been in issue since January 1, 2007 and the subdivision of number of shares by a multiple of 10 had been effected on January 1, 2007.

	2008	2007
Profit from Core Operations attributable to equity holders of the Company (US$'000)	**262,656**	201,188
Weighted average number of ordinary shares in issue (thousands)	**13,130,172**	12,855,141
Basic earnings per share for Core Operations	**US2.00 cents**	US1.57 cents
Loss from Discontinued Non-core Operations attributable to equity holders of the Company (US$'000)	**–**	(24,440)
Weighted average number of ordinary shares in issue (thousands)	**–**	12,855,141
Basic loss per share for Discontinued Non-core Operations	**–**	(US0.19 cents)
Basic earnings per share for Core Operations and Discontinued Non-core Operations	**US2.00 cents**	US1.38 cents

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming the conversion of all dilutive potential ordinary shares. The Company's potentially dilutive ordinary shares comprised share options.

	2008	2007
Profit from Core Operations attributable to equity holders of the Company (US$'000)	**262,656**	201,188
Weighted average number of ordinary shares in issue (thousands)	**13,130,172**	12,855,141
Adjustments for share options (thousands)	**802**	–
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**13,130,974**	12,855,141
Diluted earnings per share for Core Operations	**US2.00 cents**	US1.57 cents
Loss from Discontinued Non-core Operations attributable to equity holders of the Company (US$'000)	**–**	(24,440)
Weighted average number of ordinary shares in issue (thousands)	**–**	12,855,141
Adjustments for share options (thousands)	**–**	–
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**–**	12,855,141
Diluted loss per share for Discontinued Non-core Operations	**–**	(US0.19 cents)
Diluted earnings per share for Core Operations and Discontinued Non-core Operations	**US2.00 cents**	US1.38 cents

9. DIVIDENDS

The directors recommend the payment of a final dividend of US1.36 cents (2007: US0.91cents) per ordinary share, totalling US$180,000,000 (2007: US$120,713,000). Such dividend is to be approved by the shareholders at the forthcoming Annual General Meeting. The financial statements for the year ended December 31, 2008 do not reflect this dividend payable.

	2008	2007
	US$'000	*US$'000*
Interim dividend of US0.6 (2007: Nil) cents per ordinary share of the Company	**79,220**	–
Interim dividend of US$266,304,000, paid by way of divestment of Discontinued Non-core Operations	**–**	266,304
Proposed final dividend of US1.36 (2007: US 0.91) cents per ordinary share of the Company	**180,000**	120,713
	259,220	387,017

The proposed final dividend is calculated based on 13,207,041,750 shares in issue as at the date of this report.

10. DISCONTINUED NON-CORE OPERATIONS

In preparation for the Listing, the Company transferred its interests in companies involved in the Discontinued Non-core Operations, including hospital, hotel and property businesses and other investments, to the Company's shareholders and the minority shareholders of WWHL. The divestment was completed on December 31, 2007. Following the completion of the divestment, neither the Company nor any of its subsidiaries retained any interests in the Discontinued Non-core Operations.

The operating results of the Discontinued Non-core Operations during the year ended December 31, 2007 are set out as follows:

	2007
	US$'000
Sales	12,323
Cost of sales	(7,380)
Gross profit	4,943
Other loss, net	(644)
Other income	2
Selling and distribution expenses	(7,226)
Administrative expenses	(14,351)
Operating loss	(17,276)
Finance income	466
Finance costs	(11,173)
Finance costs-net	(10,707)

	2007
	US$'000
Loss before income tax	(27,983)
Income tax expense	2,193
Loss for the year	(25,790)
Attributable to:	
Equity holders of the Company	(24,440)
Minority interests	(1,350)
	(25,790)

11. TRADE RECEIVABLES

	2008	2007
	US$'000	*US$'000*
Trade receivables		
– from third parties	**98,747**	66,921
– from related parties	**1,045**	1,220
Less: provision for impairment	**(1,344)**	(909)
Trade receivables, net	**98,448**	67,232

Most of the Group's sales are on cash-on-delivery basis whereas those made through modern channels are normally on credit terms from 60 to 90 days (2007: 60 days).

The ageing analysis of trade receivables, before provision for impairment, as at December 31, 2008 and 2007 is as follows:

	2008	2007
	US$'000	*US$'000*
Trade receivables, gross		
– within 60 days	**85,729**	63,038
– 61-90 days	**11,239**	4,486
– 91-180 days	**2,026**	475
– 181-365 days	**247**	77
– Over 365 days	**551**	65
	99,792	68,141

12. TRADE PAYABLES

The ageing analysis of the trade payables to third parties as at December 31, 2008 and 2007 is as follows:

	2008	2007
	US$'000	*US$'000*
Within 60 days	**79,588**	75,793
61 to 180 days	**7,435**	2,586
181 to 365 days	**585**	275
Over 1 year	**161**	379
	87,769	79,033

13. CONTINGENCIES

	2008	2007
	US$'000	*US$'000*
Loan guarantees provided to a related party	**–**	45,100

As at December 31, 2007, WWHL provided guarantees amounted to US$45,100,000 to the bank borrowings of Hunan Want Want Hospital Co., Ltd., a company of the Discontinued Non-core Operations. The guarantees was subsequently released in March 2008.

MANAGEMENT DISCUSSION & ANALYSIS

BASIS OF PRESENTATION

As at December 31, 2007, we completed the divestment of interests in the subsidiaries engaged in the Discontinued Non-core Operations. Starting from January 1, 2008, the results of operations of the Discontinued Non-core Operations have not been included in the consolidated financial statements of our Group.

SUMMARY

According to the preliminary information of the National Bureau of Statistics of China, the gross domestic product ("GDP") in the PRC for the year 2008 grew by 9.0% over the previous year. The per capita disposable income in urban areas increased by 14.5% over the previous year, representing a real growth of 8.4% after discounting the inflation factor, lower than the real growth for the previous year. Nevertheless, our Group attained a remarkable sales of US$1,553.9 million for 2008, representing an increase of 42.0% over the previous year. Rice crackers, dairy products and beverages and snack foods accounted for 36.1%, 34.5% and 28.8% of the sales of our Group respectively. The healthy development trend in the three key product segments has formed a balanced product combination for our Group. Profit attributable to equity holders of the Company increased by 30.6% to US$262.7 million.

SALES

Our total sales increased by 42.0% from US$1,094.5 million in 2007 to US$1,553.9 million in 2008. All product segments recorded higher sales over the previous year with rice crackers achieving the most significant growth of 49.1%.

Rice crackers

Sales of rice crackers increased by 49.1% from US$376.3 million in 2007 to US$561.1 million in 2008. Our core brand "Want Want" accounted for 66.4% (2007: 65.5%) in sales mix and recorded an increase of 51.1% in sales over the previous year. The sales growth was primarily attributable to an increase in sales volume and a slight increase in average selling price. On the other hand, contribution from sub-brand rice crackers in sales mix declined to 8.9% in 2008 from 12.8% in 2007. As the Chinese New Year of 2009 was earlier than that of last year, gift packs recorded an increase of 69.7% in sales from US$81.6 million in 2007 to US$138.4 million in 2008, mainly contributed by a 41.1% increase in sales volume.

Dairy products and beverages

Although the "melamine" incident in 2008 caused a significant decrease in overall sales of dairy products in the market, sales of our dairy products and beverages grew by 37.3% from US$390.2 million in 2007 to US$535.8 million in 2008. In particular, sales volume of tetra-pak Hot-Kid milk increased by 27.1% over the previous year, average selling price of milk products increased slightly. Sales volume of other beverage products recorded a 72.5% increase, which shows that new products have been increasingly accepted by the consumers and made contribution to our sales.

Snack foods

Sales of snack foods increased by 41.0% from US$317.8 million in 2007 to US$448.1 million in 2008, of which popsicles and jellies, candies and ball cakes recorded sales growth of 51.0%, 38.7% and 35.1% respectively. The increase was primarily attributable to the continued sales growth of existing products and the launch of new flavors and packaging.

COST OF SALES

Cost of sales increased by 45.5% from US$658.1 million in 2007 to US$957.4 million in 2008 as a result of an increase in production and higher costs of certain raw materials. The prices of milk powder and palm oil rose significantly compared with those of last year. However, after the third quarter, costs of our main raw materials and packaging materials decreased in different extents and we believe that the cost pressure should be relatively relieved in 2009.

GROSS PROFIT

Gross profit increased by 36.7% from US$436.5 million in 2007 to US$596.5 million in 2008 due to growth in sales. Gross profit margin decreased by 1.5 percentage points from 39.9% in 2007 to 38.4% in 2008 due to the cost pressure of some raw materials such as milk powder, palm oil and packaging materials.

Rice crackers

Gross profit margin of rice crackers increased by 1.0 percentage point to 39.7% in 2008 over the previous year. The increase was due to a shift in sales mix towards higher margin products comprising core brand “Want Want” rice crackers and gift packs which offset the increase in price of some raw materials.

Dairy products and beverages

Dairy products and beverages recorded a decrease in gross profit margin by 5.5 percentage points to 33.0% over the previous year. Due to a significant increase in the price of key raw material milk powder during the year, production costs for dairy products and beverages increased, resulting in a lower gross profit margin.

Snack foods

Snack foods enjoyed the highest gross profit margin among the three product segments. The slight decrease in gross profit margin of snack foods by 0.3 percentage point to 43.6% over the previous year was mainly due to a decrease in gross profit margin of milk chewy as a result of an increase in cost of milk powder.

SELLING AND DISTRIBUTION EXPENSES

Our selling expenses increased by 53.2% from US$131.9 million in 2007 to US$202.1 million in 2008. The number of sales offices increased from 308 as at December 31, 2007 to 329 as at December 31, 2008 and sales staff increased from 7,771 as at December 31, 2007 to 14,316 as at December 31, 2008. The increase was mainly due to our policy of intensive cultivation of distribution channels, which resulted in a significant increase in personnel costs of the sales force and relevant business costs. Selling and distribution expenses as a percentage of our sales increased by 0.9 percentage point to 13.0% in 2008.

ADMINISTRATIVE EXPENSES

Administrative expenses of our Group increased by 19.5% from US$106.5 million in 2007 to US$127.3 million in 2008 due to higher inflationary pressure in the PRC and a slight increase in the number of management staff. The increase in expenses was primarily resulted from an increase in salaries and benefits for management and administrative staff. However, administrative expenses as a percentage of our sales decreased by 1.5 percentage points to 8.2% in 2008 due to economies of scale.

OPERATING PROFIT

Our operating profit increased by 34.7% from US$227.6 million in 2007 to US$306.6 million in 2008. However, our operating profit margin decreased from 20.8% in 2007 to 19.7% in 2008 due to the decrease in gross profit margin.

INCOME TAX EXPENSES

Our income tax expenses increased from US$23.8 million in 2007 to US$46.9 million in 2008, primarily as a result of the taking effect of the New CIT Law and the expiry of tax reductions and exemptions enjoyed by certain factories.

PROFIT ATTRIBUTABLE TO OUR EQUITY HOLDERS

As a result of the above, the profit attributable to our equity holders in 2008 increased by 30.6% from US$201.2 million in 2007 to US$262.7 million in 2008. The margin of profit attributable to our equity holders decreased from 18.4% in 2007 to 16.9% in 2008 due to the decrease in gross profit margin and increase in effective tax rate.

LIQUIDITY AND CAPITAL RESOURCES

Cash and bank borrowings

We generally finance our operations and capital expenditure by internally generated cash flows as well as banking facilities provided by our principal bankers.

As at December 31, 2008, our bank balances and deposits amounted to US$284.2 million (December 31, 2007: US$270.5 million) representing an increase of 5.1%. 85% of our cash was denominated in Renminbi.

Our total borrowings as at December 31, 2008 decreased slightly by 9.2% over 2007 to US$166.5 million (December 31, 2007: US$183.3 million). Over 99% of our borrowings are repayable between 2 to 5 years and denominated in US Dollars.

We were in a net cash position (cash and cash equivalents less total borrowings) of US$117.7 million as at December 31, 2008. The gearing ratio (total borrowings divided by total equity excluding minority interest) decreased to 17.9% as at December 31, 2008 from 26.5% as at December 31, 2007. We maintain sufficient cash and available banking facilities for our working capital requirements and to capitalize on investment opportunities in future.

Cash flow

In 2008, our net cash increased by US$13.7 million. US$182.3 million were generated from our operating activities, while US$91.0 million and US$87.3 million were spent on investing activities and financing activities respectively. Net cash outflows from investing activities were mainly related to the expansion of production facilities and the purchase of land use rights and property, plant and equipment.

Capital expenditure

For the year 2009, we have budgeted US$102.0 million for capital expenditure, including mainly the capital expenditure to increase production capacity and addition of information and storage equipment in the factories.

During the year 2008, our total capital expenditure amounted to US$125.5 million (2007: US$87.9 million). We spent approximately US$16.8 million, US$49.4 million and US$38.0 million on the addition of factory buildings and facilities for rice crackers, dairy products and beverages and snack foods respectively so as to further enhance our production capacity. The balance thereof was spent on capital expenditure on packaging facilities, sales offices and etc.

The above capital expenditure was financed by the net proceeds from the global offering.

Inventory analysis

Our inventory primarily consists of finished goods, goods in transit, work in progress for rice crackers, dairy products and beverages, snack foods and other products, as well as raw materials and packaging materials.

The following table sets forth the number of inventory turnover days for 2008 and 2007:

	As at December 31,	
	2008	2007
Inventory turnover days	**105**	104

Trade receivables

Our trade receivables represent the receivables from our customers. The terms of credit granted to our customers are usually 60 to 90 days. Most of our sales in the PRC are on cash-on-delivery basis. We only grant credit to customers in our modern sales channel, which then on-sell our products to end-consumers.

The following table sets forth the number of trade receivables turnover days for 2008 and 2007:

	As at December 31,	
	2008	2007
Trade receivables turnover days	**19**	20

Trade payables

Our trade payables mainly relate to the purchase of equipment and raw materials from our suppliers with credit terms generally of 180 days for equipment and between 30 days and 60 days for raw materials after receipt of goods and invoices.

The following table sets forth the number of our trade payables turnover days for 2008 and 2007:

	As at December 31,	
	2008	2007
Trade payables turnover days	**32**	47

Trade payables turnover days in 2008 had a decrease compared with that in 2007 as a result of an increase in imported raw materials requiring advance payment during 2008.

Pledge of assets

As at December 31, 2008, none of our assets was pledged.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

As at December 31, 2008, we had approximately 47,000 employees and total remuneration for the year 2008 was US$188.1 million. The remuneration package of our employees includes fixed salary, commissions and allowances (where applicable), and sales-based rewards. Some Directors and senior management staff of the Company were granted share options under our pre-IPO share option scheme. The employee share option scheme has been put in place for the Company to incentivise employees, and to encourage them to work towards enhancing the value of our Company and promoting the long-term growth of our Company.

We significantly invest in the continuing education of and training programs for our employees to upgrade their skills and knowledge constantly. External training programs as well as internal training courses are also frequently provided to the relevant staff as and when required.

PROSPECTS FOR 2009

Although the global economy in 2009 is perceived to be pessimistic, through policies such as promotion of domestic demand, stimulation of consumer spending and increase in income of the rural population by the PRC government, the PRC will be among the top performers in the global economy. The boosting measures for income of the rural population will directly increase the market consumption of our products and consumer confidence will also increase due to implementation of various consumption stimulating measures. The Company will also benefit from heightened consumer confidence due to the good positioning of our products and high recognition of our brand.

The Group will further expand its production lines in the new year and launch new beverage product through its renowned brand name and high penetration of the sales and distribution networks. The unique packaging and design of this new beverage product, "pocket convenient beverage", will feature an innovative effect to our advantage.

The Group will pursue to enhance its supply chain system. We will achieve efficiency through more stringent management of costs and prompt response to market demand to ensure continuing rapid growth during the downturn of global economy.

SUBSEQUENT EVENTS

There is no significant event taken place subsequent to December 31, 2008.

AUDIT COMMITTEE

The Audit Committee was established on February 18, 2008 in compliance with the requirements of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Details of the powers and duties of the Audit Committee are set out in its terms of reference. The Audit Committee has been established primarily for the purpose of overseeing the Group's financial reporting system, risk management and evaluating internal controls and auditing processes.

The Audit Committee comprises all four independent non-executive Directors namely Mr. Toh David Ka Hock (Chairman), Dr. Pei Kerwei, Mr. Chien Wen-Guey and Mr. Lee Kwang-Chou.

The annual results for the year ended December 31, 2008 have been reviewed by the Audit Committee of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee was established on February 18, 2008 in compliance with the requirements of the Code. Details of the powers and duties of the Remuneration Committee are set out in its terms of reference. The Remuneration Committee has been established primarily for the purpose of ensuring that the Company can recruit, retain and motivate high quality personnel, who are essential to the success of the Company.

The Remuneration Committee comprises all four independent non-executive Directors namely Mr. Toh David Ka Hock (Chairman), Dr. Pei Kerwei, Mr. Chien Wen-Guey and Mr. Lee Kwang-Chou and two executive Directors, namely Mr. Chu Chi-Wen and Mr. Tsai Shao-Chung.

NOMINATION COMMITTEE

The Nomination Committee was established on February 18, 2008 in compliance with the requirements of the Code. Details of the powers and duties of the Nomination Committee are set out in its terms of reference.

The Nomination Committee comprises five members, of whom three are independent non-executive Directors namely Dr. Pei Kerwei (Chairman), Mr. Toh David Ka Hock and Mr. Lee Kwang-Chou, one is a non-executive Director namely Mr. Lin Feng-I and one is an executive Director namely Mr. Tsai Shao-Chung.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures contained in the preliminary announcement of the Group's results for the year have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statement for the year ended December 31, 2008. 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.

CORPORATE GOVERNANCE

The Company has complied with the Code from the date of the Listing up to December 31, 2008, except for the deviation from provisions A.2.1 and A.4.1 only of the Code. The reasons for these deviations are explained below.

Provision A.2.1 of the Code provides that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same person. The Company deviates from this provision because Mr. Tsai Eng-Meng performs both the roles of Chairman and Chief Executive Officer. Mr Tsai is the founder of the Group and has over 30 years of experience in food and beverages industry. Given the current stage of development of the Group, the Board believes that vesting the two roles in the same person provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group's business strategies. The Group shall nevertheless review the structure from time to time in light of the prevailing circumstances.

Provision A.4.1 of the Code provides that non-executive directors should be appointed for a specific term, subject to re-election. Currently, non-executive Directors and independent non-executive Directors of the Company do not have specific terms of appointment which deviate from this Code provision.

However, the articles of association of the Company provide that all the Directors including the non-executive Directors and independent non-executive Directors are subject to retirement by rotation at least once every three years and at each annual general meeting, one-third of the Directors for the time being or, if the number is not a multiple of three, then, the number nearest to but not less than one-third, shall retire from office by rotation and offer themselves for re-election. As such, the Board considers that sufficient measures have been put in place to ensure the Company's corporate governance practice in this aspect provides sufficient protection for the interests of shareholders to a standard commensurate with that of the Code.

The Company will periodically review and improve its corporate governance practices with reference to the latest developments in corporate governance.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules regarding directors' securities transactions. The Company has made specific enquiries to all Directors, and all Directors have confirmed that, they were in compliance with the Model Code from the date of the Listing up to December 31, 2008.

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

The Company repurchased a total of 45,681,000 shares on the HK Stock Exchange at an aggregate consideration (excluding expenses) of HK$133,229,220 from the date of the Listing up to December 31, 2008. All the repurchased shares were subsequently cancelled. Details of the repurchases are as follows:

Month of repurchases	**Total number of ordinary shares repurchased**	**Lowest price paid per share** *(HK$)*	**Highest price paid per share** *(HK$)*	**Aggregate consideration paid (excluding expenses)** *(HK$)*
April 2008	35,331,000	2.85	2.97	103,991,310
June 2008	206,000	3.00	3.00	618,000
September 2008	6,144,000	2.70	2.99	17,476,250
October 2008	4,000,000	2.76	2.80	11,143,660
Total	45,681,000			133,229,220

The repurchases were made for the benefit of the equity holders to enhance the earnings per share of the Group.

Save as disclosed above, the Company had not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold, any of the shares of the Company from the date of the Listing up to December 31, 2008.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the "Annual General Meeting") be held on April 30, 2009. The notice of the Annual General Meeting will be published on the Company's website and sent to the shareholders of the Company in due course.

PROPOSED FINAL DIVIDENDS AND CLOSURE OF REGISTER OF MEMBERS

The Board has recommended the payment of a final dividend of US1.36 cents per ordinary share of the Company in respect of the year ended December 31, 2008. Subject to the approval of shareholders at the Annual General Meeting, the final dividend will be paid on or about May 15, 2009 to shareholders whose names appear on the register of members of the Company on April 30, 2009. The register of members of the Company will be closed from April 27, 2009 to April 30, 2009 (both days inclusive). In order to determine the identity of the shareholders who are entitled to attend and vote at the Annual General Meeting and to qualify for the abovementioned proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30pm on April 24, 2009.

By order of the Board
Want Want China Holdings Limited
TSAI Eng-Meng
Chairman

Hong Kong, March 5, 2009

As at the date of this announcement, the executive Directors are Mr. TSAI Eng-Meng, Mr. LIAO Ching-Tsun, Mr. CHU Chi-Wen, Mr. TSAI Shao-Chung, the non-executive Directors are Mr. MAKI Haruo, Mr. TOMITA Mamoru, Mr. LIN Feng-I, Mr. CHENG Wen-Hsien, and the independent non-executive Directors are Mr. TOH David Ka Hock, Dr. PEI Kerwei, Mr. CHIEN Wen-Guey and Mr. LEE Kwang-Chou.