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 31 MARCH 2019

FINANCIAL HIGHLIGHTS

	Year ended 31 March		
Key Income statement items	**2019[1]** ***RMB'000*** **Audited**	2018[2] *RMB'000* Unaudited *(Restated)*	Change *%*
Revenue	**20,712,027**	20,149,781	+2.8
Gross profit	**9,400,171**	8,610,402	+9.2
Operating profit (excluding other income and other gains–net)	**4,077,414**	3,490,481	+16.8
Operating profit	**4,586,483**	4,192,076	+9.4
EBITDA[3]	**5,440,400**	5,109,049	+6.5
Profit attributable to equity holders of the Company	**3,476,599**	3,115,834	+11.6
Key financial ratios	***%***	*%*	*% point*
Gross profit margin	**45.4**	42.7	+2.7
Operating profit margin (excluding other income and other gains–net)	**19.7**	17.3	+2.4
Operating profit margin	**22.1**	20.8	+1.3
EBITDA margin	**26.3**	25.4	+0.9
Margin of Profit attributable to equity holders of the Company	**16.8**	15.5	+1.3

1 As announced by the Company on 22 August 2017, the Company's financial year end date has been changed from 31 December to 31 March, commencing from the financial period ended on 31 March 2018. Accordingly, the current financial year covers a twelve-month period from 1 April 2018 to 31 March 2019 with comparative figures for a fifteen-month period from 1 January 2017 to 31 March 2018, and therefore may not be comparable.

2. In order to improve the comparability of financial information, the unaudited comparative financial figures for the twelve-month period from 1 April 2017 to 31 March 2018 were presented on a voluntary basis.

3. EBITDA refers to earnings before interest, income tax, depreciation and amortization. It is calculated by adding back depreciation and amortization expenses to the operating profit for the period.

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 (together, the "Group") for the year ended 31 March 2019 together with the comparative figures for the fifteen months ended 31 March 2018 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2019

	Note	**Audited Year ended 31 March 2019**	Unaudited Twelve months ended 31 March* 2018	Audited Fifteen months ended 31 March 2018
		RMB'000	*RMB'000 (Restated)*	*RMB'000 (Restated)*
Revenue	4	**20,712,027**	20,149,781	24,705,513
Cost of sales		**(11,311,856)**	(11,539,379)	(14,064,890)
Gross profit		**9,400,171**	8,610,402	10,640,623
Distribution costs		**(2,984,626)**	(2,878,847)	(3,543,205)
Administrative expenses		**(2,338,131)**	(2,241,074)	(2,783,910)
Other income	5	**459,304**	553,211	711,839
Other gains – net	6	**49,765**	148,384	167,473
Operating profit		**4,586,483**	4,192,076	5,192,820
Finance income		**503,035**	349,680	435,450
Finance costs		**(277,753)**	(240,963)	(297,598)
Finance income-net		**225,282**	108,717	137,852
Share of losses of associates		**(5,444)**	(7,326)	(7,939)
Profit before income tax		**4,806,321**	4,293,467	5,322,733
Income tax expense	7	**(1,343,750)**	(1,183,019)	(1,468,445)
Profit for the year/period		**3,462,571**	3,110,448	3,854,288
Profit attributable to:				
– Equity holders of the Company		**3,476,599**	3,115,834	3,862,603
– Non-controlling interests		**(14,028)**	(5,386)	(8,315)
		3,462,571	3,110,448	3,854,288
Earnings per share for profit attributable to equity holders of the Company				
Basic earnings per share	8	**RMB27.93 cents**	RMB24.93 cents	RMB30.90 cents
Diluted earnings per share	8	**RMB27.93 cents**	RMB24.93 cents	RMB30.90 cents

* *Voluntarily presented*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2019

	Note	**Audited Year ended 31 March 2019**	Unaudited Twelve months ended 31 March* 2018	Audited Fifteen months ended 31 March 2018
		RMB'000	*RMB'000*	*RMB'000*
Profit for the year/period		**3,462,571**	3,110,448	3,854,288
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations		**2,991**	(1,946)	(1,946)
Change in value of financial assets at fair value through other comprehensive income		**(9,376)**	–	–
Items that may be reclassified to profit or loss				
Change in value of available-for-sale financial assets		**–**	7,031	11,975
Currency translation differences		**(332,143)**	471,144	503,409
Other comprehensive income for the year/period		**(338,528)**	476,229	513,438
Total comprehensive income for the year/period		**3,124,043**	3,586,677	4,367,726
Attributable to:				
– Equity holders of the Company		**3,139,120**	3,592,118	4,374,552
– Non-controlling interests		**(15,077)**	(5,441)	(6,826)
Total comprehensive income for the year/period		**3,124,043**	3,586,677	4,367,726

* *Voluntarily presented*

CONSOLIDATED BALANCE SHEET

As at 31 March 2019

	Note	**Audited As at 31 March 2019**	Audited As at 31 March 2018
		RMB'000	*RMB'000* *(Restated)*
ASSETS			
Non-current assets			
Property, plant and equipment		**7,324,116**	7,800,800
Leasehold land and land use rights		**939,914**	1,149,627
Investment properties		**38,038**	39,293
Intangible assets		**14,199**	15,968
Investments in associates		**18,779**	28,859
Deferred income tax assets		**242,205**	248,560
Available-for-sale financial assets		**–**	46,962
Financial assets at fair value through other comprehensive income		**38,671**	–
Other non-current assets		**25,980**	–
		8,641,902	9,330,069
Current assets			
Inventories		**2,384,046**	2,569,489
Trade receivables	10	**1,034,949**	1,146,340
Prepayments, deposits and other receivables		**641,450**	671,723
Financial assets at fair value through profit or loss		**–**	465,790
Cash and cash equivalents		**17,134,091**	12,499,692
		21,194,536	17,353,034
Total assets		**29,836,438**	26,683,103

	Note	**Audited** **As at 31 March** **2019**	Audited As at 31 March 2018
		RMB'000	*RMB'000* *(Restated)*
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**1,871,067**	1,871,067
Reserves		**13,459,632**	12,617,130
		15,330,699	14,488,197
Non-controlling interests		**97,537**	122,703
Total equity		**15,428,236**	14,610,900
LIABILITIES			
Non-current liabilities			
Borrowings		**7,770,478**	3,101,257
Deferred income tax liabilities		**267,528**	144,200
Other non-current liabilities		**75,037**	97,794
		8,113,043	3,343,251
Current liabilities			
Trade payables	11	**1,034,900**	1,286,830
Accruals and other payables		**2,057,816**	1,902,794
Contract liabilities	4(b)	**1,117,431**	1,320,652
Current income tax liabilities		**341,130**	415,820
Borrowings		**1,743,882**	3,802,856
		6,295,159	8,728,952
Total liabilities		**14,408,202**	12,072,203
Total equity and liabilities		**29,836,438**	26,683,103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2019

1. General Information

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 Group's activities are primarily conducted in the People's Republic of China (the "PRC"), Taiwan, Japan, Hong Kong and Singapore, and its products are also sold to the United States of America, Canada, countries in South-East Asia and Europe.

The Company was incorporated in the Cayman Islands on 3 October 2007 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company has had its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited since 26 March 2008.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") and requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried 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 judgement in the process of applying the Group's accounting policies.

3. Changes in accounting policy and disclosures

(a) Change of financial year end date and voluntary financial information

Pursuant to a resolution of the Board of Directors passed in 2017, the Company's financial year end date was changed from 31 December to 31 March. These consolidated financial statements for the current financial year cover a twelve-month period from 1 April 2018 to 31 March 2019, whereas the comparative figures in these consolidated financial statements cover a fifteen-month period from 1 January 2017 to 31 March 2018. So the figures presented in these consolidated financial statements are not comparable.

In order to improve the comparability of financial information, the Company has voluntarily presented the consolidated income statement, consolidated statement of comprehensive income and related explanatory notes for the twelve-month period from 1 April 2017 to 31 March 2018.

(b) New standards, amendments and interpretation of HKFRSs adopted by the Group during the year ended 31 March 2019

A number of new standards, amendments and interpretation to existing standards became applicable for the financial year beginning on 1 April 2018 and the Group had to change its accounting policies. The adoption of these new standards, amendments and interpretation did not give rise to any significant impact on the Group's financial statements. These new standards, amendments and interpretation are set out below:

(i) HKFRS 9 'Financial Instruments'

(ii) HKFRS15 'Revenue from Contracts with Customers'

The impact of the adoption of the above two new standards and the new accounting policies are disclosed in Note 3.1 below.

(iii) Amendments to HKFRS 2 regarding classification and measurement of share-based payment transactions clarify the measurement basis for cash-settled share-based payments and the accounting for modification that change an award from cash-settled to equity-settled. They also introduce an exception to the classification principles in HKFRS 2. Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature.

Entities with the following arrangements are likely to be affected by these changes:

- equity-settled awards that include net settlement features relating to tax obligations
- cash-settled share-based payments that include performance conditions, and
- cash-settled arrangements that are modified to equity-settled share-based payments.

(iv) Amendments to HKFRS 4 'Insurance Contracts' address the concerns of insurance companies about the different effective dates of HKFRS 9 'Financial Instruments' and the forthcoming new insurance contracts standard. The amendments provide two different solutions for insurance companies: a temporary exemption from HKFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional.

HKFRS 4 (including the amendments) will be superseded by the forthcoming new insurance contracts standard. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standards becomes effective.

(v) Annual Improvements to HKFRSs 2014-2016 Cycle which were finalised in December 2016:

- HKFRS 1 – deleted short-term exemptions covering transition provisions of HKFRS 7, HKAS 19 and HKFRS 10 which are no longer relevant.

- HKAS 28 – clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

(vi) Amendments to HKAS 40 regarding transfers of investment property, clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples to help illustrate the principle.

The Board provided two options for transition:

- prospectively, with any impact from the reclassification recognised as adjustment to opening retained earnings as at the date of initial recognition, or

- retrospectively – only permitted without the use of hindsight.

Additional disclosures are required if an entity adopts the requirements prospectively.

(vii) HK (IFRIC) 22 'Foreign Currency Transactions and Advance Consideration', clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability).

If there are multiple payments or receipts for one item, a date of transaction should be determined as above for each payment or receipt.

Entities can choose to apply the interpretation:

- retrospectively for each period presented

- prospectively to items in scope that are initially recognised on or after the beginning of the reporting period in which the interpretation is first applied, or

- prospectively from the beginning of a prior reporting period presented as comparative information.

No retrospective adjustment has been made in respect of the adoption of the above new standards, amendments and interpretation of HKFRSs during the year ended 31 March 2019.

(c) New standards, amendments and interpretation of HKFRSs issued but are not effective for the financial year beginning on 1 April 2018 and have not been early adopted by the Group

(i) HKFRS 16 'Leases'

Nature of change

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

Impact

The Group has set up a project team which has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules in HKFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

As at the reporting date, the Group has non-cancellable operating lease commitments of RMB 142,656,000. Of these commitments, approximately RMB 5,614,000 relate to short-term leases and RMB 2,605,000 to low value leases which will both be recognised on a straight-line basis as expense in profit or loss. The management will take the exemption for short-term leases and low value leases.

For the remaining lease commitments the Group expects to recognise right-of-use assets and lease liabilities of approximately RMB 105,596,000 on 1 April 2019. Overall net current assets will be RMB 26,075,000 lower due to the presentation of a portion of the liabilities as current liabilities.

The Group expects that net profit after tax will decrease by approximately RMB 1,227,000 for the year ended 31 March 2020 as a result of adopting the new rules.

Operating cash flows will increase and financing cash flows decrease by approximately RMB 32,764,000 as repayment of the principal and interest of the lease liabilities will be classified as cash flows from financing activities.

The Group's activities as a lessor are not material and hence the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

Date of adoption by the Group

The Group will apply the standard from its mandatory adoption date of 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. All right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

(ii) HKFRS 17 'Insurance Contracts', effective for annual periods beginning on or after 1 January 2021.

(iii) HK (IFRIC) 23 'Uncertainty over Income Tax Treatments', effective for annual periods beginning on or after 1 January 2019.

(iv) Amendments to HKFRS 9 regarding prepayment features with negative compensation, effective for annual periods beginning on or after 1 January 2021.

(v) Amendments to HKAS 28 regarding long-term interests in associates and joint ventures, effective for annual periods beginning on or after 1 January 2019.

(vi) Annual Improvements to HKFRSs 2015-2017 Cycle, effective for annual periods beginning on or after 1 January 2019.

(vii) Amendments to HKAS 19 regarding plan amendment, curtailment or settlement, effective for annual periods beginning on or after 1 January 2019.

(viii) Amendments to HKFRS 10 and HKAS 28 regarding sale or contribution of assets between an investor and its associate or joint venture, originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed.

(ix) Amendments to HKAS 1 and HKAS 8 regarding definition of material, effective for annual periods beginning on or after 1 January 2020.

(x) Amendments to HKFRS 3 regarding definition of a business, effective for annual periods beginning on or after 1 January 2020.

3.1 Change in accounting policies

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

(a) Impact on the financial statements

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

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

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 April 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in HKFRS 15, the Group has adopted the new rules retrospectively and has restated comparatives for the fifteen months ended 31 March 2018 and the twelve months ended 31 March 2018.

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

Balance sheet (extract)	**31 March 2018 As originally presented RMB'000**	**HKFRS 15 RMB'000**	**31 March 2018 Restated RMB'000**	**HKFRS 9 RMB'000**	**1 April 2018 Restated RMB'000**
Available–for–sale financial assets ("AFS")	46,962	–	46,962	(46,962)	–
Financial assets at fair value through other comprehensive income ("FVOCI")	–	–	–	46,962	46,962
Accruals and other payables	3,223,446	(1,320,652)	1,902,794	–	1,902,794
Contract liabilities	–	1,320,652	1,320,652	–	1,320,652

Income statement and other comprehensive income (extract) – fifteen months ended 31 March 2018	**As originally presented RMB'000**	**HKFRS 15 RMB'000**	**Restated RMB'000**
Revenue	24,854,462	(148,949)	24,705,513
Distribution costs	3,692,154	(148,949)	3,543,205

Income statement and other comprehensive income (extract) – twelve months ended 31 March 2018	**As originally presented** RMB'000	**HKFRS 15** RMB'000	**Restated** RMB'000
Revenue	20,274,708	(124,927)	20,149,781
Distribution costs	3,003,774	(124,927)	2,878,847

(b) HKFRS 9 Financial Instruments

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

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

(i) Classification and measurement

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

Financial assets-1 April 2018	**AFS RMB'000**	**FVOCI RMB'000**
Closing balance 31 March 2018-HKAS 39	46,962	–
Reclassify non-trading equities from AFS to FVOCI (1)	(46,962)	46,962
Opening balance 1 April 2018-HKFRS 9	–	46,962

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

	Effect on AFS reserves RMB'000	**Effect on FVOCI reserves RMB'000**
Opening balance 1 April 2018-HKAS 39	28,699	–
Reclassify non-trading equities from AFS to FVOCI (1)	(28,699)	28,699
Opening balance 1 April 2018-HKFRS 9	–	28,699

(1) The Group elected to present in other comprehensive income changes in the fair value of all its equity investments previously classified as available-for-sale, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of RMB 46,962,000 were reclassified from available-for-sale financial assets to financial assets at FVOCI and fair value gains of RMB 28,699,000 were reclassified from the AFS reserves to the FVOCI reserves on 1 April 2018.

(ii) Impairment of financial assets

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

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. The adoption of new approach did not result in any impact on the amounts reported in the opening balance sheet on 1 April 2018.

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

(c) *HKFRS 15 Revenue from Contracts with Customers*

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 April 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Group has adopted the new rules retrospectively and has restated comparatives for the fifteen months ended 31 March 2018 and the twelve months ended 31 March 2018. In summary, the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 April 2018):

	HKAS 18 carrying amount 31 March 2018	**Reclassification**	**HKFRS 15 carrying amount 31 March 2018**
	RMB'000	*RMB'000*	*RMB'000*
Accruals and other payables	3,223,446	(1,320,652)	1,902,794
Contract liabilities	–	1,320,652	1,320,652

	HKAS 18 carrying amount 31 December 2016	**Reclassification**	**HKFRS 15 carrying amount 1 January 2017**
	RMB'000	*RMB'000*	*RMB'000*
Accruals and other payables	3,017,393	(798,083)	2,219,210
Contract liabilities	–	798,083	798,083

	Fifteen months ended 31 March 2018		
	HKAS 18 amount	**Reclassification**	**HKFRS 15 amount**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	24,854,462	(148,949)	24,705,513
Distribution costs	3,692,154	(148,949)	3,543,205

	Twelve months ended 31 March 2018		
	HKAS 18 amount	**Reclassification**	**HKFRS 15 amount**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	20,274,708	(124,927)	20,149,781
Distribution costs	3,003,774	(124,927)	2,878,847

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

(i) Accounting for refunds

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

(ii) Accounting for customer loyalty programme

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

(iii) Accounting for payment to customers

The application of HKFRS 15 results in the consideration payable to a customer recorded as a reduction of the arrangement's transaction price, thereby reducing the amount of revenue recognised, unless the payment is for a distinct good or service received from the customer. As a consequence, revenue and distribution costs for the fifteen months ended 31 March 2018 decreased by RMB148,949,000. For the twelve months ended 31 March 2018, revenue and distribution costs decreased by RMB124,927,000.

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

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

- Contract liabilities in relation to advance receipts from customers were previously included in accruals and other payables (RMB1,320,652,000 as at 31 March 2018, RMB798,083,000 as at 1 January 2017).

4. Revenue and Segment information

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

The executive Directors consider the business from a product perspective and assess the performance of the operating segments based on a measure of segment profit or loss. Management assesses the performance of rice crackers, dairy products and beverages, snack foods and other products.

The Group's operations are mainly organized under four business segments, including manufacturing and sale of:

– Rice crackers, including sugar coated crackers, savoury crackers and fried crackers, gift packs;

– Dairy products and beverages, including flavoured milk, room-temperature yogurt, yogurt drinks, ready-to-drink coffee, juice drinks, sports drinks, herbal tea and milk powder;

– Snack foods, including candies, popsicles, ball cakes and jellies, beans, nuts and others; and

– Other products, including mainly wine and other food products.

Over 90% of the Group's revenue and business activities are conducted in the PRC.

The executive Directors assess the performance of the business segments based on profit before income tax excluded other unallocated head office operating expenses, finance income-net and share of losses of associates, which is consistent with that in the financial statements.

(a) Segment information

The revenue of the Group for the year ended 31 March 2019, for the twelve months ended 31 March 2018 and for the fifteen months ended 31 March 2018 are set out as follows:

	Audited Year ended 31 March 2019	Unaudited Twelve months ended 31 March 2018	Audited Fifteen months ended 31 March 2018
	RMB'000	*RMB'000 (Restated)*	*RMB'000 (Restated)*
Rice crackers	**5,813,485**	5,597,188	6,650,679
Dairy products and beverages	**9,729,601**	9,581,009	11,792,647
Snack foods	**5,101,099**	4,926,681	6,204,086
Other products	**67,842**	44,903	58,101
Total revenue	**20,712,027**	20,149,781	24,705,513

The segment information for the year ended 31 March 2019 is as follows:

	Audited Year ended 31 March 2019					
	Rice crackers *RMB'000*	**Dairy products and beverages** *RMB'000*	**Snack foods** *RMB'000*	**Other products** *RMB'000*	**Unallocated** *RMB'000*	**Group** *RMB'000*
Segment results						
Revenue	**5,813,485**	**9,729,601**	**5,101,099**	**67,842**	**–**	**20,712,027**
Timing of revenue recognition						
At a point in time	**5,813,485**	**9,729,601**	**5,101,099**	**67,842**	**–**	**20,712,027**
Segment profit/(loss)	**1,201,441**	**2,951,513**	**1,020,820**	**4,826**	**(592,117)**	**4,586,483**
Finance income-net						**225,282**
Share of losses of associates						**(5,444)**
Profit before income tax						**4,806,321**
Income tax expense						**(1,343,750)**
Profit for the year						**3,462,571**
Other segment items included in the income statement						
Depreciation of property, plant and equipment	**229,539**	**349,066**	**227,589**	**949**	**15,316**	**822,459**
Amortisation of leasehold land and land use rights	**6,202**	**13,638**	**5,993**	**1,228**	**207**	**27,268**
Depreciation of investment properties	**–**	**–**	**–**	**1,461**	**–**	**1,461**
Amortisation of intangible assets	**–**	**–**	**–**	**–**	**2,729**	**2,729**
Capital expenditure	**94,633**	**115,951**	**51,358**	**41,755**	**78,115**	**381,812**

Segment assets exclude cash and cash equivalents, investments in associates and other unallocated head office and corporate assets as these assets are managed on a group basis. Segment liabilities exclude borrowings and other unallocated head office and corporate liabilities, as these liabilities are managed on a group basis.

The segment assets and liabilities as at 31 March 2019 are as follows:

	Audited 31 March 2019					
	Rice crackers	**Dairy products and beverages**	**Snack foods**	**Other products**	**Unallocated**	**Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets and liabilities						
Segment assets	**2,518,037**	**6,711,871**	**3,212,351**	**120,879**	**120,430**	**12,683,568**
Cash and cash equivalents						**17,134,091**
Investments in associates						**18,779**
Total assets						**29,836,438**
Segment liabilities	**1,280,730**	**2,256,105**	**1,190,525**	**11,077**	**155,405**	**4,893,842**
Borrowings						**9,514,360**
Total liabilities						**14,408,202**

The segment information for fifteen months ended 31 March 2018 is as follows:

	Audited Fifteen months ended 31 March 2018					
	Rice crackers	Dairy products and beverages	Snack foods	Other products	Unallocated	Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment results						
Revenue (restated)	6,650,679	11,792,647	6,204,086	58,101	–	24,705,513
Timing of revenue recognition						
At a point in time	6,650,679	11,792,647	6,204,086	58,101	–	24,705,513
Segment profit/(loss)	1,084,361	3,465,146	1,238,951	888	(596,526)	5,192,820
Finance income-net						137,852
Share of losses of associates						(7,939)
Profit before income tax						5,322,733
Income tax expense						(1,468,445)
Profit for the period						3,854,288
Other segment items included in the income statement						
Depreciation of property, plant and equipment	318,382	453,984	311,512	2,181	24,934	1,110,993
Amortisation of leasehold land and land use rights	10,180	17,675	7,679	1,524	255	37,313
Depreciation of investment properties	–	–	–	1,872	-	1,872
Amortisation of intangible assets	–	–	–	–	2,736	2,736
Capital expenditure	55,690	205,014	88,071	17,545	53,569	419,889

Segment assets exclude cash and cash equivalents, financial assets at fair value through profit or loss, investments in associates and other unallocated head office and corporate assets as these assets are managed on a group basis. Segment liabilities exclude borrowings and other unallocated head office and corporate liabilities, as these liabilities are managed on a group basis.

The segment assets and liabilities as at 31 March 2018 are as follows:

	Audited 31 March 2018					
	Rice crackers *RMB'000*	Dairy products and beverages *RMB'000*	Snack foods *RMB'000*	Other products *RMB'000*	Unallocated *RMB'000*	Group *RMB'000*
Segment assets and liabilities						
Segment assets	2,709,716	7,413,141	3,301,756	121,739	142,410	13,688,762
Cash and cash equivalents						12,499,692
Financial assets at fair value through profit or loss						465,790
Investments in associates						28,859
Total assets						26,683,103
Segment liabilities	1,335,411	2,352,429	1,241,354	11,550	227,346	5,168,090
Borrowings						6,904,113
Total liabilities						12,072,203

The segment information for the twelve months ended 31 March 2018 is as follows:

	Unaudited Twelve months ended 31 March 2018					
	Rice crackers *RMB'000*	Dairy products and beverages *RMB'000*	Snack foods *RMB'000*	Other products *RMB'000*	Unallocated *RMB'000*	Group *RMB'000*
Segment results						
Revenue (restated)	5,597,190	9,581,009	4,926,681	44,901	–	20,149,781
Timing of revenue recognition						
At a point in time	5,597,190	9,581,009	4,926,681	44,901	–	20,149,781
Segment profit/(loss)	939,145	2,785,028	936,194	(2,596)	(465,695)	4,192,076
Finance income-net						108,717
Share of losses of associates						(7,326)
Profit before income tax						4,293,467
Income tax expense						(1,183,019)
Profit for the period						3,110,448
Other segment items included in the income statement						
Depreciation of property, plant and equipment	254,524	369,104	238,306	1,743	18,939	882,616
Amortisation of leasehold land and land use rights	8,719	14,107	6,087	1,220	201	30,334
Depreciation of investment properties	–	–	–	1,492	–	1,492
Amortisation of intangible assets	–	–	–	–	2,531	2,531
Capital expenditure	48,018	163,482	51,008	16,686	43,862	323,056

(b) Liabilities related to contracts with customers

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

	31 March 2019	31 March 2018
	RMB'000	*RMB'000*
Contract liabilities – rice crackers	**307,834**	356,235
Contract liabilities – dairy products and beverages	**528,480**	629,592
Contract liabilities – snack foods	**277,981**	331,728
Contract liabilities – others	**3,136**	3,097
	1,117,431	1,320,652

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

	For the year ended 31 March 2019
	RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the period	
Rice crackers	**356,235**
Dairy products and beverages	**629,592**
Snack foods	**331,728**
Others	**3,097**
	1,320,652

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.

5. Other income

	Audited Year ended 31 March 2019	Unaudited Twelve months ended 31 March 2018	Audited Fifteen months ended 31 March 2018
	RMB'000	*RMB'000*	*RMB'000*
Government grants	**368,757**	477,223	624,066
Sale of scraps	**73,830**	62,653	72,834
Rental income from investment properties, net	**3,660**	2,413	2,985
Others	**13,057**	10,922	11,954
Total	**459,304**	553,211	711,839

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

6. Other gains – net

	Audited Year ended 31 March 2019	Unaudited Twelve months ended 31 March 2018	Audited Fifteen months ended 31 March 2018
	RMB'000	*RMB'000*	*RMB'000*
Net foreign exchange (losses)/gains	**(39,924)**	104,930	95,485
Gains on disposal of financial assets at fair value through profit or loss	**16,600**	22,866	22,866
Gains on fair value re-measurement of financial assets at fair value through profit or loss	**–**	16,411	25,030
Losses on disposal of property, plant and equipment, net	**(13,941)**	(16,501)	(12,972)
Donation expenses	**(5,174)**	(6,490)	(9,048)
Gains on disposal of leasehold land and land use rights	**92,554**	2,636	2,636
Losses on disposal of investments in associates, net	**(9,554)**	–	–
Others	**9,204**	24,532	43,476
Total	**49,765**	148,384	167,473

7. Income tax expense

	Audited Year ended 31 March 2019	Unaudited Twelve months ended 31 March 2018	Audited Fifteen months ended 31 March 2018
	RMB'000	*RMB'000*	*RMB'000*
Current income tax			
Current income tax on profits for the year/period	**1,212,332**	1,061,530	1,319,873
Deferred income tax			
Withholding tax on dividends from PRC subsidiaries	**125,000**	96,714	115,834
Origination and reversal of temporary differences	**6,418**	24,775	32,738
Total	**1,343,750**	1,183,019	1,468,445

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

Enterprises incorporated in the PRC are subject to Corporate Income Tax ("**CIT**") mainly at rate of 25% (during the fifteen months ended 31 March 2018: 25%) during the year ended 31 March 2019.

Enterprises incorporated in Taiwan, Hong Kong and other places (mainly including Singapore, Japan and British Virgin Islands ("**BVI**")) are subject to income tax at the prevailing rates of 17%, 16.5% and 0% to 30% during the year ended 31 March 2019 (during the fifteen months ended 31 March 2018: 17%, 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 period.

	Audited Year ended 31 March 2019	Unaudited Twelve months ended 31 March 2018	Audited Fifteen months ended 31 March 2018
Profit attributable to equity holders of the Company (RMB'000)	**3,476,599**	3,115,834	3,862,603
Weighted average number of ordinary shares in issue (thousands)	**12,449,287**	12,496,366	12,500,112
Basic earnings per share	**RMB 27.93 cents**	RMB 24.93 cents	RMB 30.90 cents

(b) Diluted

Diluted earnings per share are the same as the basic earnings per share since the Company does not have diluted shares.

9. Dividends

	Year ended 31 March 2019	Fifteen months ended 31 March 2018
	RMB'000	RMB'000
Interim dividend paid of US0.53 cent (for the fifteen months ended 31 March 2018: US0.96 cent) per ordinary share	**453,622**	790,162
Proposed final dividend of US2.41 cents (for the fifteen months ended 31 March 2018: US0.90 cent) per ordinary share (note (a))	**2,020,050**	704,541
Proposed special dividend of US0.48 cent (for the fifteen months ended 31 March 2018: US1.25 cents) per ordinary share (note (b))	**404,010**	978,530
	2,877,682	2,473,233

(a) On 18 June 2019, the Board recommended the payment of a final dividend of US2.41 cents (for the fifteen months ended 31 March 2018: US0.90 cent) per ordinary share, totalling RMB2,020,050,000 (for the fifteen months ended 31 March 2018: RMB704,541,000) for the year ended 31 March 2019. The proposed final dividend in respect of the year ended 31 March 2019 is calculated based on the total number of shares in issue as at the date of this report. The payment of the proposed final dividend is to be approved by the shareholders at the Company's forthcoming Annual General Meeting. The financial statements do not reflect this dividend payable.

(b) On 18 June 2019, the Board recommended the payment of a special dividend of US0.48 cent (for the fifteen months ended 31 March 2018: US1.25 cents) per ordinary share, totalling RMB404,010,000 (for the fifteen months ended 31 March 2018: RMB978,530,000) for the year ended 31 March 2019. The proposed special dividend in respect of the year ended 31 March 2019 is calculated based on the total number of shares in issue as at the date of this report. The payment of the proposed special dividend is to be approved by the shareholders at the Company's forthcoming Annual General Meeting. The financial statements do not reflect this dividend payable.

The dividends paid during the year ended 31 March 2019 amounted to RMB2,296,618,000, comprising the final dividend and special dividend of RMB1,842,996,000 for the fifteen months ended 31 March 2018 and the interim dividend of RMB453,622,000 for the year ended 31 March 2019, which were paid in August and December 2018 respectively.

10. Trade receivables

	31 March 2019	31 March 2018
	RMB'000	*RMB'000*
Trade receivables		
– from third parties	**1,094,011**	1,198,025
– from a related party	**13,018**	12,255
	1,107,029	1,210,280
Less: provision for impairment of trade receivables	**(72,080)**	(63,940)
Trade receivables, net	**1,034,949**	1,146,340

Most of the Group's sales are on cash-on-delivery basis whereas those made through modern distribution channels are normally on credit terms ranging from 60 to 90 days (for the fifteen months ended 31 March 2018: 60 to 90 days).

As at 31 March 2019 and 31 March 2018, the ageing analysis of trade receivables based on invoice date is as follows:

	31 March 2019	31 March 2018
	RMB'000	*RMB'000*
Within 60 days	**447,461**	438,711
61-90 days	**368,843**	477,733
91-180 days	**199,770**	202,214
181-365 days	**36,511**	21,366
Over 365 days	**54,444**	70,256
Total	**1,107,029**	1,210,280

The carrying amounts of the Group's trade 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 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 trade receivables.

11. Trade payables

	31 March 2019	31 March 2018
	RMB'000	*RMB'000*
Trade payables-to third parties	**1,034,900**	1,286,830

The ageing analysis of the trade payables as at 31 March 2019 and 31 March 2018 is as follows:

	31 March 2019	31 March 2018
	RMB'000	*RMB'000*
Within 60 days	**970,721**	1,206,949
61 to 180 days	**43,194**	65,446
181 to 365 days	**6,422**	2,630
Over 365 days	**14,563**	11,805
Total	**1,034,900**	1,286,830

The carrying amounts of trade payables approximately their fair values as at the balance sheet dates.

CHAIRMAN'S STATEMENT

I am glad to report that revenue for 2018FY (from 1 April 2018 to 31 March 2019) grew by 2.8% to RMB20,712.0 million as compared with that of 2017FY (from 1 April 2017 to 31 March 2018). The three key product segments each achieved growth to different extents. Due to the increase in gross profit margin, gross profit grew by 9.2% to RMB9,400.2 million as compared with that of 2017FY. The profit attributable to equity holders of the Company increased by 11.6% to RMB3,476.6 million as compared with that of 2017FY.

Before the Chinese New Year this year, I invited some of our best performing customers from all provinces of China to come to Shanghai to celebrate the Chinese New Year with the senior management of the Company. Some of them have been in business with Want Want for more than 20 years. There is no doubt that Want Want has reached the current scale as the result of their support and contribution. I hereby express my heartfelt thanks to these hard-working partners of Want Want. Regardless of how the market would change in the future, we will work together and go forward to bring more wonderful Want Want product experiences to consumers.

Since I joined Want Want in 1976, I have always considered "Food Safety" as utmost important in the operations of the Company. A banner titled "Pursue Perfection from Inside Out" is hanged on the walls of all factories and R&D and quality assurance offices to remind our staff to be attentive to every detail at all time. The quality of upstream raw materials and packaging materials shall also meet our highest standards. Together with the unique taste of Want Want products, it has laid the foundation for the consistent popularity and continuous growth in sales of some Want Want star products in the past two decades. In the future, we will continue to introduce more unique new products so that more diversified Want Want products are offered to cater to different consumer scenarios and groups and to create a golden brand of Want Want in the mind of consumers with the lively branding IP strategy.

One of the operating concepts of Want Want is "Solidarity". In order to achieve seamless teamwork, good communication is a must. I have asked the management to be open-minded and honest, and to tackle all the operational challenges and problems through communication, in particular to maintain close communication with customers and suppliers. We can go farther as long as we all share the same goal.

Last but not least, I would like to wish all shareholders Want Want (prosperity) in all their endeavor in 2019.

Tsai Eng-Meng
Chairman of the Board and Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

For the year ended 31 March 2019 (the "2018FY"), total revenue of the Group increased by 2.8% to RMB20,712.0 million as compared with that of the year ended 31 March 2018 (the "2017FY"). Revenue growth was achieved in all three key product segments and across all distribution channels. Emerging channels have been the key revenue growth drivers of the Group. Benefiting from the continuous product mix optimization and improvement of product profitability in the channels, the Group's gross profit margin for 2018FY increased by 2.7 percentage points year-on-year to 45.4%. The operating expense (the sum of distribution costs and administrative expenses) as a percentage of revenue was 25.7% and amounted to RMB5,322.8 million. The operating profit (excluding other income and other gains – net) increased by 16.8% to RMB4,077.4 million as compared with that of 2017FY.

As a result, the profit attributable to equity holders of the Company for 2018FY increased by 11.6% year-on-year and reached RMB3,476.6 million while the margin of profit attributable to equity holders increased by 1.3 percentage points to 16.8%.

Summary of operating strategies

The Group continued to implement and consolidate its channel diversification and product differentiation strategies, to further strengthen the point-of-sale coverage of its traditional channels, and actively explore emerging channels to seize new market opportunities. Based on the age group and consumption habits of consumers, the Group continuously optimized and upgraded the products' taste and packaging and launched new products to meet the differentiated consumer demands. The implementation of "Want Want" branding and IP (Intellectual Property) marketing strategy was successfully effected through continuous innovation in digital marketing which initiated popular discussions and promoted interactions with an increasing number of young targeted consumers.

Channel diversification

The Group continues to focus on constructing a diversified distribution model and exploring ways to operate emerging channels, which have started to see positive effects. Today, emerging channels have become important channels for brand/product promotion and consumer interaction and key contributors to the revenue growth of the Group.

Sales through traditional channels achieved steady growth. In particular, core products such as core-brand rice crackers, gift packs, popsicles and candies, each achieved a mid to high single-digit revenue growth rate. The Group undertook various initiatives, such as adjusting the pace of sales, optimizing the marketing strategies and launching lively product displays at retail stores, and introduced new products that were infused with the Chinese New Year culture, which contributed to the fruitful results of sales operation during the Chinese New Year peak season. In addition, the Group explored and guided its distributors to participate in the new Online-To-Offline (O2O) integrated distribution model and endeavoured to consolidate existing resources for effective integration with such new retail concept.

As regards modern channels, the Group focused on the optimization of product categories, specifications and packaging. The initiative to introduce products with unique packaging customized for certain key accounts of modern channels has gained positive market feedback. The product visibility and interactions with consumers were enhanced through lively display and by leveraging on the online resources of the key accounts of modern channels. As a result, revenue from sales of core products such as dairy products, gift packs and candies through modern channels, achieved high single-digit growth rates. Meanwhile, the Group evaluates and optimizes the efficiency and cost-effectiveness of the resources spent on each key account to foster the healthy development of modern channels in the medium to long term.

The Group actively promoted cooperation with e-commerce platform operators and maintained rapid growth in terms of sales through e-commerce channels. The new retail model which harmonized well with the needs and ordering frequency of the small retail stores, further supplemented and strengthened the point-of-sale coverage of the Group. Through diversified holiday-themed marketing and cross-sector IP cooperation, a fresh new lively brand image of Want Want was created. The Group will gradually sort out and differentiate the products sold through such channels and adopt differentiated marketing strategies according to product characteristics. The Group will also continue to improve the efficiency of supply chain management to promote the healthy and sustainable development of the channels.

In addition, the Group is also actively exploring emerging consumption channels such as maternity, cold chain, vending machines and Hot-Kid theme stores to meet the needs of different consumption scenarios.

During 2018FY, the Group's overseas sales continued to grow. Developing overseas markets is one of the Group's medium to long-term growth strategies. The unique and diversified product offerings and excellent brand recognition in the Chinese community provide opportunities for the Group to expand its sales in overseas markets. The Group will invest more resources in overseas markets and develop its overseas marketing system, sort out suitable products for sale and increase the penetration of overseas markets through the establishment of overseas sales offices and publicity efforts such as participation in trade exhibitions.

Upgrade and differentiation of products

The Group adheres to the product strategies of product uniqueness and balanced development among product categories, and continues to upgrade towards health, tastiness and customization. New products such as "Tian She Mi Shao" made with glutinous rice, "Dongchi" which is a dairy-based ice-cream product in a brand new Tetra Pak package and "QQ juicy gummy" which is rich in natural fruit and vegetable juices were launched, bringing brand new tasting experience to consumers. The Group also focuses on brand building. Products in the "Queen Alice" series aim to attract stylish urban ladies while those in the "Mr. Bond" series are targeted at youngsters and students.

In 2019FY (financial year ending 31 March 2020), the Group will continue to upgrade and optimize the tastes and packaging of products such as "Milky Sip & Slurp", "O-Bubble Fruit milk" and "Mr. Bond milk tea". The Group will introduce customized and functional products to meet specific consumer needs and apply differentiated resource allocation and marketing strategies to capture potential market opportunities.

Digital marketing

The digital marketing campaigns launched by the Group in 2018FY were awarded the Gold Prize in content marketing and the Bronze Prize in media integration at the 5th Top Mobile Awards. The interesting theme activities, innovative cross-sector cooperation and content disseminated through new media platforms have rejuvenated "Want Want" brand, creating a cool and youthful brand image, and demonstrated the Group's endless possibilities for the future.

Amazing festival-themed activities

At the "Want Want's New Product Release" event on April Fools' Day 2018, the Group presented the conceptual images of a series of new products with Want Want elements which were so "Unexpected" that it led to heated online discussion. The joke on April Fools' Day 2018 came true in November of the same year. The cross-sector co-branding activities between Want Want and brands in the fashion and apparel and beauty sectors are still popular. In April 2019, the "Want at home" programme, which was the idea of launching furniture products such as Hot-Kid ball cakes couch and Want Want sugar-coated crackers table lamp, was announced and such news was on the top 20 hot search list. Soon after, the announcement regarding the "Hot-Kid seasoning" (such as savoury senbei powder and condensed milk) received over 200 million impressions. Netizens have left comments such as "Hot-Kid knows us so well" and "My childhood wish came true". They showed great interest and all are looking forward to the official launch of those products.

Diversified cross-sector integrated marketing

During the period from April to August 2018, Want Want cooperated with the movie "Magical Circus". By associating the "animal family biscuits" with childhood fantasy and promoting jointly with the movie's release, the online popularity of the product was enhanced. The "A Bite to be Cute" event was initiated on TikTok and the topic itself attracted over 150,000 impressions. With over a hundred media reports, the total number of impressions for such online promotion exceeded 5 million. The event was awarded the Gold Prize in content marketing at the 5th Top Mobile Awards.

From July 2018 to present, The Group participated as a sponsor in the charity event "Finding the Auspicious Animals in the Forbidden City" organized by the Palace Museum to enhance brand awareness and social influence while dedicating love to those in need. Taking inspiration from the two IP elements authorized by the Palace Museum, the Group introduced three "Palace" series of snack food including pineapple cake, crispy milky cake and crispy oatmeal cake.

From October 2018 to present, The cartoon "Hot-Kid Knows Everything" was broadcasted on 10 major video platforms with over 37 million views in total.

Online community marketing

The Hot-Kid Club, through its social network system, releases the latest activities and information of products for emerging channels such as Hot-Kid stores, Hot-Kid Club theme stores, Want Want vending machines, etc. directly to Want Want fans and direct them to shopping platforms to buy their desired products as and whenever they want.

REVENUE

In 2018FY, the total revenue of the Group amounted to RMB20,712.0 million, representing an increase of 2.8% as compared with that of 2017FY. Revenue from rice crackers and snack foods segments was RMB5,813.5 million and RMB5,101.1 million respectively, representing a respective increase of 3.9% and 3.5% as compared with that of 2017FY. The aggregate revenue from rice crackers and snack foods segments accounted for 52.7% of the total revenue of the Group. Revenue from dairy products and beverages segment increased by 1.6% as compared with that of 2017FY, amounted to RMB9,729.6 million and accounted for 47.0% of the total revenue of the Group.

Rice crackers

Revenue from rice crackers segment for 2018FY was RMB5,813.5 million, representing an increase of 3.9% as compared with that of 2017FY. In particular, revenues from sales of core-brand rice crackers and gift packs each achieved a mid to high single-digit growth rate due to the efforts during the Chinese New Year. Revenues from all distribution channels and in the overseas regions recorded growth to various extents in 2018FY.

Revenue of core-brand rice crackers achieved a growth rate of 3.9% in 2018FY. In particular, revenue of savoury senbei and sugar-coated crackers reached new peaks since their launches. The new product "Tian She Mi Shao" made with glutinous rice, which is healthy and has a unique texture, won the "New Consumption Innovation Product Award" at the 2019 Global Food & Beverage Innovation Conference. Due to the strengthened market management, control of the pace of resource spending and enhanced interaction and communication with distributors, sales of rice crackers through traditional channels achieved a mid single-digit growth rate. For e-commerce channels, the Group actively explored cooperation with e-commerce platform operators and implemented diversified marketing strategies. As a result, revenue of rice crackers derived from such channels achieved rapid growth.

Revenue of gift packs achieved a growth rate of 6.9% in 2018FY, which was attributable mainly to the continuous upgrading and enhancement of the gift packs products and the consumers' enduring interests in Want Want Gift Packs, leveraging on the special brand advantages of Want Want during the Chinese New Year. The Group continued to upgrade and enhance the contents, packaging and specifications of products sold through traditional channels. Targeting the younger consumer group, co-branded products such as "JD Special Pack" and "Want Want Snack Box" and the eye-catching red "Big Gift Bag" that symbolized good luck during the New Year, were introduced through the e-commerce channels and became new hot sales items of online shopping. The special gift packs tailored for modern channel sales received positive feedback from customers. Meanwhile, with attractive in-store display, the Group created a festive atmosphere in every store.

In addition, export sales of rice crackers achieved a mid single-digit growth rate in 2018FY. With the expansion of overseas markets, the Group will launch rice crackers products with local characteristics of each target market in the future.

Dairy products and beverages

In 2018FY, revenue of dairy products and beverages amounted to RMB9,729.6 million, representing an increase of 1.6% as compared with that of 2017FY. The revenue of “Hot-Kid milk”, which accounted for over 90% of the segment’s revenue, increased by 1.7% year-on-year. Sales through e-commerce channels continued to maintain a rapid growth momentum. Through cross-platform collaboration and interchange/sharing of resources, product exposure and coverage of points-of-sale of e-commerce channels were improved. By offering customized products (in terms of packaging and specifications) for key accounts of modern channels, product mix was enhanced while profitability was improved, leading to a mid to high single-digit revenue growth rate.

In 2019FY, the Group will deepen the implementation of product differentiation strategies between channels, increase the proportion of specially tailored or customized products and extend the types of products to offer consumers with abundant varieties.

The Group will also focus its resources and product displays on products with market potential, such as milk-containing beverages like “Lactic Acid Bacteria” and “O-Bubble Fruit milk”. To meet the needs of specific market sub-segments, the Group will also introduce new products with special features, such as functional drinks that improve sleep quality and “Mr. Bond milk tea” that targets young people.

Snack foods

In 2018FY, revenue of snack foods increased by 3.5% as compared with that of 2017FY and reached RMB5,101.1 million. Sales of candies, due to effective marketing strategy, achieved a growth rate of 7.0%. Popsicles also recorded a revenue growth rate of 8.1% year-on-year, which was mainly driven by the outstanding performance of the new product “Dongchi”. In 2018FY, building on the healthy growth of traditional channels, the Group actively promoted sales of snack foods through the emerging channels, making emerging channels a new driving force for the revenue growth of such segment.

The high single-digit growth in revenue of candies was attributable to the unique texture and product design that are of great appeal to consumers. In 2018FY, the Group launched new products such as “black sesame flavoured milk candy” which is both delicious and healthy and “QQ juicy gummy” which has extraordinary texture. Meanwhile, through digital marketing campaigns such as “Full of good luck and embracing happiness”, the “Collection of Cliché love message” specially created for the milk candies achieved Weibo Topic views of over 30 million while the campaign attracted a total number of impressions of over 170 million. All these efforts helped to foster closer emotional ties between consumers and the Group’s products and brands.

Given its unique packaging and texture, the new product "Dongchi" is of great appeal to consumers and gained immediate recognition from consumers upon its launch. In 2019FY, the Group will increase the production capacity of the "Dongchi" production lines, introduce new chocolate flavor and enhance the taste and packaging of other popsicles products, such as launching "Sip & Slurp" in lactic acid bacteria flavor and "popsicles for joy package" to meet the consumers' demand for ever changing improvement. The Group will actively explore the sales of popsicles in the e-commerce channels and enhance the overall brand image of popsicles through lively display and tasting activities in order to attract consumers to the new products.

COST OF SALES

The cost of sales of the Group for 2018FY amounted to RMB11,311.9 million, representing a decrease of 2.0% as compared with that of 2017FY. The cost of sales of the Group included primarily cost of key raw materials (such as packaging materials, milk powder, sugar and rice, etc.), direct labour and manufacturing costs such as utility expenses. The decrease in the cost of sales was attributable mainly to the decrease in the cost of certain key raw materials used by the Group such as sugar and palm oil as compared with that of 2017FY. Moving forwards, the Group will continue to rationalize its production lines and promote automation and continue to optimize the product cost structure to ensure the profitability of its products.

GROSS PROFIT

Benefiting from the enhancement of product profitability and decrease in the cost of certain key raw materials, the gross profit margin for 2018FY increased by 2.7 percentage points as compared with that of 2017FY to 45.4%. The gross profit amounted to RMB9,400.2 million, representing an increase of 9.2% as compared with that of 2017FY.

In upholding the "High Margins, Great Success" management philosophy of the Group, the management will keep reviewing the gross profit margin of all products and optimizing the production lines and product structures and will promote smart production in the medium to long term which will enable the Group to maintain its long-term competitive advantages for the sustainable development of the Group.

Rice crackers

The gross profit margin of rice crackers was 43.2% for 2018FY, representing an increase of 4.1 percentage points as compared with that of 2017FY, which was due mainly to the Group's strategic decision to reduce the sub-brand rice crackers sales and to grow rapidly the sales of the high-margin gift packs. In addition, new products with high gross profits margin, such as the special gift packs for modern channels and "rice potato chips" effectively improved the profitability of rice crackers segment.

Dairy products and beverages

The gross profit margin of dairy products and beverages segment was 47.1% for 2018FY, representing an increase of 1.9 percentage points as compared with that of 2017FY. As the Group implemented the product mix and packaging specifications optimization, the product differentiation strategy succeeded and the overall product profitability improved. Going forward, the Group will further develop and launch new products with distinctive features and high gross profit margins which will enrich existing product categories while maintaining the healthy profitability.

Snack foods

Among the three key product segments, snack foods segment has the widest range of products, including many products with distinctive features and high market share. These products include popsicles, ball cakes and QQ gummy. In 2018FY, the gross profit margin of this segment was 44.7%, representing an increase of 2.3 percentage points as compared with that of 2017FY. The increase was attributable mainly to the optimization of product structure and launch of new products with high gross profit margins. In addition, the cost of the key raw material, sugar recorded a double-digit decrease in 2018FY as compared with that of 2017FY, which had a positive impact on the gross profit margin of such segment. Through continuous product upgrading and introduction of customized products, the Group will enhance user viscosity and maintain medium to long-term sustainable development of such segment.

DISTRIBUTION COSTS

The distribution costs for 2018FY amounted to RMB2,984.6 million, representing an increase of 3.7% or RMB105.8 million as compared with that of 2017FY. Distribution costs as a percentage of revenue was 14.4%, basically remained at similar level as compared to 2017FY. It was due mainly to the continuous reviews on the expense effectiveness and the continuous improvement of the supply chain efficiency. In the future, the Group will focus its resources on the development of emerging channels and potential products or new products to ensure that all products of the Group can be developed in a balanced manner, bringing more joy and satisfaction to its customers and consumers.

ADMINISTRATIVE EXPENSES

In 2018FY, administrative expenses of the Group amounted to RMB2,338.1 million, representing an increase of 4.3% year-on-year. It was due mainly to the increase in staff costs as a result of the salary adjustments of the employees. The Group will further rationalize its production bases and improve its management efficiency. Administrative expenses as a percentage of revenue was 11.3%, representing an increase of 0.2 percentage point from that of 2017FY.

OPERATING PROFIT

In line with the increase in gross profit margin by 2.7 percentage points in 2018FY, the operating profit of the Group increased by RMB394.4 million to RMB4,586.5 million or an increase of 9.4% as compared with that of 2017FY. The operating profit margin was 22.1%. The operating profit (excluding other income and other gains – net) increased by 16.8% to RMB4,077.4 million as compared with that of 2017FY.

INCOME TAX EXPENSE

The Group's income tax expense for 2018FY was RMB1,343.8 million, and the income tax rate was 28.0%. The income tax rate increased by 0.4 percentage point as compared with that of 2017FY.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Profit attributable to equity holders of the Company for 2018FY amounted to RMB3,476.6 million, representing an increase of 11.6% as compared with that of 2017FY. The margin of profit attributable to equity holders of the Company increased by 1.3 percentage points to 16.8%

LIQUIDITY AND CAPITAL RESOURCES

Cash and borrowings

We finance our operations and capital expenditure primarily by internally generated cash flows as well as banking facilities provided by our principal bankers. As at 31 March 2019, our bank balances and deposits amounted to RMB17,134.1 million (31 March 2018: RMB12,499.7 million) (among which, RMB accounted for approximately 97%, which was approximately RMB16,645.4 million), representing an increase of RMB4,634.4 million as compared with that as at 31 March 2018.

As at 31 March 2019, our total borrowings amounted to RMB9,514.4 million (31 March 2018: RMB6,904.1 million), representing an increase of RMB2,610.3 million as compared with that as at 31 March 2018. To improve the financial structure of the Group, the long-term borrowings, including the guaranteed bonds issued, increased by RMB4,669.2 million to RMB7,770.5 million as at 31 March 2019 (31 March 2018: RMB3,101.3 million) while the short-term borrowings decreased by RMB2,059.0 million to RMB1,743.9 million as at 31 March 2019 (31 March 2018: RMB3,802.9 million).

In May 2013, the Group issued US$600.0 million 5-year term guaranteed unsecured senior notes (the "Notes"), with a coupon rate of 1.875% per annum. Such Notes were fully settled at maturity in May 2018.

In April 2017, the Group issued US$500.0 million 5-year term guaranteed bonds (the "Bonds"), with a coupon rate of 2.875% per annum. As at 31 March 2019, the balance of such Bonds payable amounted to US$494.8 million (31 March 2018: US$493.2 million).

In June 2018, the Group issued the private placement notes in the amount of RMB500.0 million for a term of 1 year with coupon rate of 5.4% per annum ("Private Placement Notes") in the interbank market of the People's Republic of China. As at 31 March 2019, the balance of the Private Placement Notes payable amounted to RMB500.0 million.

The Group's net gearing ratio (total borrowings net of cash and cash equivalents as a ratio of total equity (excluding non-controlling interests)) as at 31 March 2019 was -0.50 times (31 March 2018: -0.39 times). At present, we maintain sufficient cash and available banking facilities for our working capital requirements and for capitalizing on any potential investment opportunities in the future. The management will from time to time make prudent financial arrangements and decisions to address changes in the domestic and international financial environment.

Cash flow

For 2018FY, our cash and cash equivalents increased by RMB4,634.4 million. Among which, RMB4,353.2 million of net cash inflow was generated from our operating activities. Net cash outflow for financing activities was RMB243.9 million, consisted mainly of payments in dividends of RMB2,296.6 million and net borrowing inflow of RMB2,111.7 million. The net cash inflow for investment activities was RMB378.9 million.

Capital expenditure

For the 2018FY, our total capital expenditure amounted to RMB381.8 million (for the fifteen months ended 31 March 2018: RMB419.9 million). We spent approximately RMB94.63 million, RMB116.0 million and RMB51.36 million for expansion of factory buildings and facilities including plant and equipment and upgrade of some of the old plant and production facilities for rice crackers, dairy products and beverages and snack foods, respectively, so as to prepare for the further growth of our Group. The remaining capital expenditure was made mainly for the purpose of adding facilities for information technology, packaging, etc.

The above capital expenditure was financed mainly by our internally generated cash flows and banking facilities.

Inventory analysis

Our inventory consists primarily of finished goods, goods in transit and work in progress for our products, as well as raw materials and packaging materials.

The following table sets forth the number of our inventory turnover days for the year ended 31 March 2019 and for the fifteen months ended 31 March 2018:

	For the year ended 31 March 2019	For the fifteen months ended 31 March 2018
Inventory turnover days	**80**	81

As at 31 March 2019, the amount of inventory was RMB2,384.0 million (31 March 2018: RMB2,569.5 million).

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. The Group only grants credit to customers in our modern channels and certain emerging channels, which then on-sell our products to end-consumers. Currently, the major modern channel customers of the Group are RT-Mart, Wal-Mart, Yong Hui and China Resources Vanguard, etc.

The following table sets forth the number of our trade receivables turnover days for the year ended 31 March 2019 and for the fifteen months ended 31 March 2018:

	For the year ended 31 March 2019	For the fifteen months ended 31 March 2018
Trade receivables turnover days	**19**	22

Trade payables

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

The following table sets forth the number of our trade payables turnover days for the year ended 31 March 2019 and for the fifteen months ended 31 March 2018:

	For the year ended 31 March 2019	For the fifteen months ended 31 March 2018
Trade payables turnover days	**37**	43

Pledge of assets

As at 31 March 2019, none of the assets of the Group was pledged.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

For the 2018FY, our average number of employees was approximately 46,100, representing a decrease of 1,180 employees as compared with the average number of employees for the fifteen months ended 31 March 2018. Our total remuneration expenses for the 2018FY amounted to RMB4,016.9 million, representing an increase of 6.4% as compared with that of 2017FY. The remuneration package of our employees includes fixed salary, commissions and allowances (where applicable), and performance-based year-end bonuses having regard to the performance of the Group and the individual.

We have always invested significant resources in the continuing education and training programmes for our employees. Training programmes, both external and internal, are also provided to relevant staff as and when required to constantly improve their professional knowledge and skills.

FOREIGN EXCHANGE RISKS

The presentation currency of the Group has been changed to RMB from USD since 2016 but the Company's functional currency is still USD. More than 90% of our activities are conducted in mainland China. Our China subsidiaries' functional currency is RMB. The Group's foreign exchange risks arise mainly from procurement of raw materials and equipment from overseas, dividend payments and certain recognised assets and liabilities.

As procurement of raw materials and equipment from overseas and USD denominated borrowings of the Group are recognised in the financial statements of the subsidiaries of the Group whose functional currency is USD, the assets and liabilities subject to foreign exchange risks are minimal and the relevant exposure after offsetting is not significant. As such, RMB does not have a significant impact on exchange gains and losses presented on the consolidated income statement under "other gains – net". During the year, the Group did not hedge against its foreign exchange risks.

DIVIDENDS

The Board recommended the payment of a final dividend of US2.41 cents per share (equivalent to approximately RMB16.23 cents per share) for the 2018FY, amounting to approximately US$300 million (equivalent to approximately RMB2,020 million). In addition, taking into account the actual financial situation of the Group, the Board recommended the payment of a special dividend of US0.48 cent per share for the 2018FY, amounting to approximately US$60 million (equivalent to approximately RMB404 million). The total amount of the above proposed final dividend and special dividend would amount to approximately US$360 million (equivalent to approximately RMB2,424 million). Including the interim dividend of US0.53 cent per share, totaled US$65.98 million (equivalent to RMB453.6 million) paid in December 2018, the total amount of dividends for 2018FY would be US3.42 cents per share and the total amount would be approximately US$426 million, representing an increase of 10% as compared with the total amount of dividends paid for the fifteen months ended 31 March 2018.

AUDIT AND RISK MANAGEMENT COMMITTEE

The audit and risk management committee comprises five independent non-executive Directors, namely Mr. Toh David Ka Hock (chairman), Dr. Pei Kerwei, Mr. Lee Kwang-Chou, Mr. Hsieh Tien-Jen and Mr. Lee Kwok Ming.

The audit and risk management committee has reviewed with the management and our Group's external auditor the accounting principles and practices adopted by our Group and discussed internal control and financial reporting matters for the year ended 31 March 2019. The audit and risk management committee has also reviewed the financial results for the year ended 31 March 2019.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures contained in the preliminary announcement of our Group's results for the year ended 31 March 2019 have been agreed by our Group's external auditor, PricewaterhouseCoopers, to the figures set out in our Group's consolidated financial statements for the year ended 31 March 2019. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, the Hong Kong Standards on Review Engagements, or the 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 PRACTICES

The Company had, throughout the year ended 31 March 2019, complied with the code provisions set out in the Corporate Governance Code (the "CG Code") in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the deviations from the code provisions A.2.1 and A.4.1. The reasons for these deviations are explained below.

Code provision A.2.1

Code provision A.2.1 provides that the roles of chairman and chief executive 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. Mr. Tsai is the founder of our Group and has over 40 years of experience in the 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.

Code provision A.4.1

Code provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election. Our Company deviates from this provision because the non-executive Directors and independent non-executive Directors of the Company do not currently have specific terms of appointment. However, the articles of association of the Company provide that all the 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 CG Code.

The Company will periodically review and improve our 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. Specific enquiries have been made with our Directors and all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2019.

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

Share repurchases

Subsequent to the balance sheet date of 31 March 2019 and up to the date of this announcement, the Company repurchased a total of 26,650,000 shares on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") for an aggregate amount (excluding expenses) of HK$162,322,352 and such repurchased shares were cancelled. Particulars of the shares repurchased on the HK Stock Exchange during the period are as follows:

Month of repurchases	**Total number of shares repurchased**	**Highest price paid per share**	**Lowest price paid per share**	**Aggregate amount paid (excluding expenses)**
		(HK$)	*(HK$)*	*(HK$)*
April 2019	160,000	6.19	6.14	984,912
May 2019	26,490,000	6.22	5.94	161,337,440
	26,650,000			162,322,352

The Directors of the Company believe that the above repurchases are in the best interests of the Company and its shareholders and that such repurchases would lead to an enhancement of the earnings per share of the Company.

The Notes

Want Want China Finance Limited, a wholly-owned subsidiary of the Company, has redeemed and settled at maturity on 14 May 2018 (the "Maturity Date") the Notes in full at their principal amount together with interest accrued to the Maturity Date. Following the completion of the redemption, the Notes were cancelled and ceased to be listed on the HK Stock Exchange.

Saved as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including the Notes and the Bonds) of the Company during the year ended 31 March 2019 and up to the date of this announcement.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of our Company (the "AGM") be held on 20 August 2019. The notice of the AGM will be published on our Company's website and sent to the shareholders of our Company in due course.

In order to qualify to attend and vote at the AGM, 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 Shops 1712–1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on 14 August 2019, for the purpose of effecting the share transfers. The register of members of the Company will be closed from 15 August 2019 to 20 August 2019 (both dates inclusive).

PROPOSED DIVIDENDS AND BOOK CLOSURE FOR ENTITLEMENT OF THE PROPOSED DIVIDENDS

The Board has recommended the payment of a final dividend of US2.41 cents per share and a special dividend of US0.48 cent per share in respect of the year ended 31 March 2019. Subject to the approval of shareholders at the AGM, the proposed final and special dividends will be paid on or about 11 September 2019. Shareholders registered under the principal register of members in the Cayman Islands will automatically receive their dividends in US dollars while shareholders registered under the Hong Kong branch register of members will automatically receive their dividends in Hong Kong dollars. The Hong Kong dollars final and special dividends will be calculated with reference to the exchange rate of US dollars against Hong Kong dollars on 20 August 2019, being the date of the AGM on which such dividends will be proposed to the shareholders of the Company for approval.

In order to qualify for the entitlement to the above mentioned final and special dividends, 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 Shops 1712-1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on 23 August 2019, for the purpose of effecting the share transfers. The register of members of the Company will be closed from 24 August 2019 to 28 August 2019 (both dates inclusive).

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

Hong Kong, 18 June 2019

As at the date of this announcement, the executive Directors are Mr. TSAI Eng-Meng, Mr. TSAI Wang-Chia, Mr. HUANG Yung-Sung, Mr. CHU Chi-Wen, Mr. TSAI Ming-Hui and Ms. LAI Hong Yee; the non-executive Directors are Mr. LIAO Ching-Tsun, Mr. TSAI Shao-Chung, Mr. MAKI Haruo and Mr. CHENG Wen-Hsien; and the independent non-executive Directors are Mr. TOH David Ka Hock, Dr. PEI Kerwei, Mr. LEE Kwang-Chou, Mr. HSIEH Tien-Jen and Mr. LEE Kwok Ming.