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 2022

FINANCIAL HIGHLIGHTS

	Year ended 31 March		
	2022	2021	Change
Key income statement items	***RMB'000***	*RMB'000*	*%*
Revenue	**23,984,891**	21,998,400	+9.0
Gross profit	**10,747,394**	10,605,524	+1.3
Operating profit	**5,456,813**	5,736,178	-4.9
Profit attributable to equity holders of the Company	**4,202,655**	4,157,809	+1.1
Key financial ratios	***%***	*%*	*% point*
Gross profit margin	**44.8**	48.2	-3.4
Operating profit margin	**22.8**	26.1	-3.3
Margin of profit attributable to equity holders of the Company	**17.5**	18.9	-1.4

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" or "Want Want") for the year ended 31 March 2022 ("2021FY") together with the comparative figures for the year ended 31 March 2021 ("2020FY") as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2022

	Note	**Year ended 31 March**	
		2022	2021
		RMB'000	*RMB'000*
Revenue	3	**23,984,891**	21,998,400
Cost of sales		**(13,237,497)**	(11,392,876)
Gross profit		**10,747,394**	10,605,524
Other gains – net	4	**163,337**	289,118
Other income		**414,025**	320,586
Distribution costs		**(3,133,220)**	(2,765,622)
Administrative expenses		**(2,734,723)**	(2,713,428)
Operating profit		**5,456,813**	5,736,178
Finance income		**444,131**	469,161
Finance costs		**(164,328)**	(208,379)
Finance income – net		**279,803**	260,782
Share of losses of associates		**(2,233)**	(2,118)
Profit before income tax		**5,734,383**	5,994,842
Income tax expense	5	**(1,545,269)**	(1,847,161)
Profit for the year		**4,189,114**	4,147,681
Profit attributable to:			
– Equity holders of the Company		**4,202,655**	4,157,809
– Non-controlling interests		**(13,541)**	(10,128)
		4,189,114	4,147,681
Earnings per share for profit attributable to equity holders of the Company			
Basic earnings per share	6	**RMB35.16 cents**	RMB33.83 cents
Diluted earnings per share	6	**RMB35.16 cents**	RMB33.83 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Year ended 31 March	
	2022	2021
	RMB'000	*RMB'000*
Profit for the year	**4,189,114**	4,147,681
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**127,498**	571,242
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of post-employment benefit obligations	**69**	134
Change in value of financial assets at fair value through other comprehensive income	**(11,142)**	11,486
Other comprehensive income for the year	**116,425**	582,862
Total comprehensive income for the year	**4,305,539**	4,730,543
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	**4,315,156**	4,738,608
– Non-controlling interests	**(9,617)**	(8,065)
Total	**4,305,539**	4,730,543

CONSOLIDATED BALANCE SHEET
As at 31 March 2022

	Note	**31 March 2022**	31 March 2021
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**5,973,476**	6,335,441
Investment properties		**34,585**	36,414
Intangible assets		**10,021**	11,169
Investments in associates		**11,074**	13,307
Deferred income tax assets		**392,786**	373,767
Financial assets at fair value through other comprehensive income		**104,023**	92,935
Right-of-use assets		**1,006,684**	1,098,451
Long-term bank deposits		**5,737,000**	2,850,000
Total non-current assets		**13,269,649**	10,811,484
Current assets			
Inventories		**3,226,184**	2,528,819
Trade receivables	8	**1,004,538**	920,032
Prepayments, other receivables and other assets		**1,091,791**	901,613
Cash and bank balances		**11,265,819**	16,081,070
Total current assets		**16,588,332**	20,431,534
Total assets		**29,857,981**	31,243,018

	Note	31 March 2022	31 March 2021
		RMB'000	*RMB'000*
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**1,798,203**	1,821,152
Reserves		**14,835,392**	13,077,825
Subtotal		**16,633,595**	14,898,977
Non-controlling interests		**75,183**	72,663
Total equity		**16,708,778**	14,971,640
LIABILITIES			
Non-current liabilities			
Borrowings		**3,546,364**	6,493,151
Lease liabilities		**51,795**	124,475
Deferred income tax liabilities		**166,617**	348,267
Other non-current liabilities		**135,899**	139,627
Total non-current liabilities		**3,900,675**	7,105,520
Current liabilities			
Trade payables	9	**1,106,946**	943,281
Accruals and other payables		**3,104,596**	2,931,890
Contract liabilities	3(b)	**1,255,592**	1,556,783
Current income tax liabilities		**315,765**	287,793
Borrowings		**3,355,850**	3,339,961
Lease liabilities		**109,779**	106,150
Total current liabilities		**9,248,528**	9,165,858
Total liabilities		**13,149,203**	16,271,378
Total equity and liabilities		**29,857,981**	31,243,018

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") and its products are also sold to the North America, East Asia, 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. Summary of significant accounting policies

The principal accounting policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs 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.

2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform – Phase 2*
Amendment to HKFRS 16	*COVID-19-Related Rent Concessions beyond 30 June 2021*

The nature and the impact of the revised HKFRSs are described below:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank borrowings denominated in United States dollars based on the London Interbank Offered Rate ("LIBOR") as at 31 March 2022. Since the interest rates of these instruments were not replaced by RFRs during the year, the amendments did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply the above-mentioned practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met.

Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

As the Group has not received COVID-19-related rent concessions, the amendment has no impact on the financial position and financial performance of the Group.

2.3 Issued but not yet effective Hong Kong financial reporting standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	*Reference to the Conceptual Framework*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
HKFRS 17	*Insurance Contracts*[2]
Amendments to HKFRS 17	*Insurance Contracts*[2, 5]
Amendment to HKFRS 17	*Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information*[2, 6]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[2, 4]
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*[2]
Amendments to HKAS 8	*Definition of Accounting Estimates*[2]
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[2]
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[1]
Amendments to HKAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[1]
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41[1]

1 Effective for annual periods beginning on or after 1 January 2022

2 Effective for annual periods beginning on or after 1 January 2023

3 No mandatory effective date yet determined but available for adoption

4 As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

5 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

6 The HKICPA amends HKFRS 17 in February 2022 to permit a classification overlay for financial assets presented in comparative periods on initial application of HKFRS 17

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. Revenue and Segment Information

The chief operating decision maker has been identified as the executive Directors. The executive Directors review the Group's internal 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, which is based on profit before income tax without allocation of unallocated costs, net finance income and share of losses of associates. Management assesses the performance of rice crackers, dairy products and beverages, snack foods and other products.

The Group's operations are mainly organised under four business segments, including manufacture and sales 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 and over 90% of the Group's non-current assets are located in the PRC.

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's total revenue for each of the years ended 31 March 2022 and 2021.

(a) Segment information

The revenue of the Group for the year ended 31 March 2022 and for the year ended 31 March 2021 are set out as follows:

	Year ended 31 March	
	2022	2021
	RMB'000	*RMB'000*
Rice crackers	**5,592,257**	5,582,611
Dairy products and beverages	**12,873,473**	11,011,323
Snack foods	**5,397,160**	5,312,688
Other products	**122,001**	91,778
Total revenue	**23,984,891**	21,998,400

The segment information for the year ended 31 March 2022 is as follows:

	Year ended 31 March 2022				
	Rice crackers *RMB'000*	**Dairy products and beverages** *RMB'000*	**Snack foods** *RMB'000*	**Other products** *RMB'000*	**Group** *RMB'000*
Segment results					
Revenue	**5,592,257**	**12,873,473**	**5,397,160**	**122,001**	**23,984,891**
Timing of revenue recognition					
At a point in time	**5,592,257**	**12,873,473**	**5,397,160**	**122,001**	**23,984,891**
Segment profit	**1,077,108**	**4,039,882**	**1,071,254**	**1,794**	**6,190,038**
Unallocated costs					**(733,225)**
Finance income – net					**279,803**
Share of losses of associates					**(2,233)**
Profit before income tax					**5,734,383**
Income tax expense					**(1,545,269)**
Profit for the year					**4,189,114**
Other segment items included in the income statement					
Depreciation of property, plant and equipment	**221,453**	**336,124**	**221,939**	**691**	**780,207**
Depreciation of right-of-use assets	**27,357**	**74,446**	**35,654**	**7,974**	**145,431**
Depreciation of investment properties	**–**	**–**	**–**	**1,174**	**1,174**
Unallocated depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets					**15,900**
Capital expenditure					
Capital expenditure by segments	**131,392**	**154,282**	**82,850**	**27,187**	**395,711**
Unallocated capital expenditure					**64,836**
Total capital expenditure					**460,547**

Segment assets exclude cash and bank balances, long-term bank deposits, 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 2022 are as follows:

	31 March 2022				
	Rice crackers *RMB'000*	**Dairy products and beverages** *RMB'000*	**Snack foods** *RMB'000*	**Other products** *RMB'000*	**Group** *RMB'000*
Segment assets and liabilities					
Segment assets	**2,492,742**	**7,108,069**	**3,013,382**	**119,725**	**12,733,918**
Unallocated assets					**110,170**
Cash and bank balances					**11,265,819**
Long-term bank deposits					**5,737,000**
Investments in associates					**11,074**
Total assets					**29,857,981**
Segment liabilities	**1,448,942**	**3,326,008**	**1,306,918**	**30,487**	**6,112,355**
Unallocated liabilities					**134,634**
Borrowings					**6,902,214**
Total liabilities					**13,149,203**

The segment information for the year ended 31 March 2021 is as follows:

	Year ended 31 March 2021				
	Rice crackers *RMB'000*	Dairy products and beverages *RMB'000*	Snack foods *RMB'000*	Other products *RMB'000*	Group *RMB'000*
Segment results					
Revenue	5,582,611	11,011,323	5,312,688	91,778	21,998,400
Timing of revenue recognition					
At a point in time	5,582,611	11,011,323	5,312,688	91,778	21,998,400
Segment profit	1,376,271	3,744,421	1,268,739	21,098	6,410,529
Unallocated costs					(674,351)
Finance income – net					260,782
Share of losses of associates					(2,118)
Profit before income tax					5,994,842
Income tax expense					(1,847,161)
Profit for the year					4,147,681
Other segment items included in the income statement					
Depreciation of property, plant and equipment	230,895	348,440	229,880	855	810,070
Depreciation of right-of-use assets	42,730	46,156	22,120	4,946	115,952
Depreciation of investment properties	–	–	–	1,200	1,200
Unallocated depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets					14,455
Capital expenditure					
Capital expenditure by segments	67,948	114,418	57,156	20,996	260,518
Unallocated capital expenditure					56,792
Total capital expenditure					317,310

The segment assets and liabilities as at 31 March 2021 are as follows:

	31 March 2021				
	Rice crackers	Dairy products and beverages	Snack foods	Other products	Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets and liabilities					
Segment assets	2,436,583	6,546,993	3,087,476	119,104	12,190,156
Unallocated assets					108,485
Cash and bank balances					16,081,070
Long-term bank deposits					2,850,000
Investments in associates					13,307
Total assets					31,243,018
Segment liabilities	1,581,804	3,169,901	1,529,104	28,480	6,309,289
Unallocated liabilities					128,977
Borrowings					9,833,112
Total liabilities					16,271,378

(b) Liabilities related to contracts with customers

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

	31 March 2022	31 March 2021
	RMB'000	*RMB'000*
Contract liabilities – rice crackers	**295,195**	392,686
Contract liabilities – dairy products and beverages	**678,570**	780,703
Contract liabilities – snack foods	**275,501**	376,633
Contract liabilities – others	**6,326**	6,761
	1,255,592	1,556,783

The following table shows how much of the revenue recognised in the current reporting period related to carried-forward contract liabilities.

	Year ended 31 March	
	2022	2021
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liability balance at the beginning of the year:		
Rice crackers	**392,686**	440,608
Dairy products and beverages	**780,703**	774,964
Snack foods	**376,633**	366,074
Others	**6,761**	3,005
	1,556,783	1,584,651

The Group selected to apply the practical expedient and not to disclose remaining performance obligations as all related contracts have a duration of one year or less.

4. Other gains – net

	Year ended 31 March	
	2022	2021
	RMB'000	*RMB'000*
Net foreign exchange losses	**(2,171)**	(2,972)
Donation expenses	**(44,363)**	(20,484)
(Losses)/ gains on disposal of property, plant and equipment and land use rights	**(4,727)**	230,137
Gain on early termination of lease	**1,405**	–
Income from long-term bank deposits	**141,717**	73,775
Income from compensation	**63,214**	–
Others	**8,262**	8,662
Total	**163,337**	289,118

5. Income tax expense

	Year ended 31 March	
	2022	2021
	RMB'000	*RMB'000*
Current income tax		
Current income tax on profits for the year	**1,382,738**	1,568,502
Deferred income tax		
Withholding tax on dividends from Chinese mainland subsidiaries	**181,778**	365,000
Origination and reversal of tax losses and temporary differences	**(19,247)**	(86,341)
Total	**1,545,269**	1,847,161

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 Chinese mainland were subject to Corporate Income Tax ("**CIT**") mainly at rate of 25% (during the year ended 31 March 2021: 25%) during the year ended 31 March 2022.

Enterprises incorporated in other places were subject to income tax at the prevailing rates of 0% to 30% during the year ended 31 March 2022 (during the year ended 31 March 2021: 0% to 30%).

According to the new Corporate Income Tax Law of the PRC, starting from 1 January 2008, a reduced withholding tax rate of 10% will generally be levied on the immediate holding companies outside the Chinese mainland when their Chinese mainland subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the Chinese mainland subsidiaries are established in Singapore or Hong Kong, holding at least 25% interest in the Chinese mainland subsidiaries and recognised as the beneficial owner of the Chinese mainland subsidiaries according to applicable tax treaty arrangements and PRC tax laws.

6. 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.

	Year ended 31 March	
	2022	2021
	RMB'000	*RMB'000*
Profit attributable to equity holders of the Company (RMB'000)	**4,202,655**	4,157,809
Weighted average number of ordinary shares in issue (thousands)	**11,953,156**	12,288,575
	RMB	RMB
Basic earnings per share	**35.16 cents**	33.83 cents

(b) Diluted

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

7. Dividends

	Year ended 31 March	
	2022	2021
	RMB'000	*RMB'000*
Interim dividend paid of US0.83 cent (for the year ended 31 March 2021: US0.65 cent) per ordinary share	**629,920**	521,051
Proposed final dividend of US2.10 cents (for the year ended 31 March 2021: US1.46 cents) per ordinary share (note (a))	**1,692,256**	1,188,950
Proposed special dividend of US2.94 cents per ordinary share (note (b))	**2,369,158**	–
	4,691,334	1,710,001

Notes:

(a) On 28 June 2022, the Board recommended the payment of a final dividend of US2.10 cents (for the year ended 31 March 2021: US1.46 cents) per ordinary share, totalling RMB1,692,256,000 (for the year ended 31 March 2021: RMB1,188,950,000) for the year ended 31 March 2022. The proposed final dividend in respect of the year ended 31 March 2022 is calculated based on the total number of shares in issue as at the date of this announcement. The payment of the proposed final dividend is to be approved by the shareholders at the Company's Annual General Meeting. The financial statements do not reflect this dividend payable.

(b) On 28 June 2022, the Board recommended the payment of a special dividend of US2.94 cents per ordinary share was recommended, totalling RMB2,369,158,000 for the year ended 31 March 2022. The proposed special dividend in respect of the year ended 31 March 2022 is calculated based on the total number of shares in issue as at the date of this announcement. The payment of the proposed special dividend is to be approved by the shareholders at the Company's Annual General Meeting. The financial statements do not reflect this dividend payable.

The dividends paid during the year ended 31 March 2022 amounted to RMB1,761,045,000, comprising the final dividend of RMB1,131,125,000 for the year ended 31 March 2021 and the interim dividend of RMB629,920,000 for the year ended 31 March 2022, which were paid in September 2021 and January 2022 respectively.

8. Trade receivables

	31 March 2022	31 March 2021
	RMB'000	*RMB'000*
Trade receivables		
– from third parties	**1,017,726**	966,438
– from related parties	**15,113**	15,689
	1,032,839	982,127
Less: provision for impairment	**(28,301)**	(62,095)
Trade receivables, net	**1,004,538**	920,032

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 year ended 31 March 2021: 60 to 90 days).

As at 31 March 2022 and 31 March 2021, the ageing analysis of trade receivables based on invoice date is as follows:

	31 March 2022	31 March 2021
	RMB'000	*RMB'000*
Within 60 days	**427,418**	386,828
61 to 90 days	**240,569**	316,862
91 to 180 days	**336,799**	202,668
181 to 365 days	**18,461**	30,926
Over 365 days	**9,592**	44,843
Total	**1,032,839**	982,127

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 measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

9. Trade payables

	31 March 2022	31 March 2021
	RMB'000	*RMB'000*
Trade payables-to third parties	**1,106,946**	943,281

As at 31 March 2022 and 31 March 2021, the ageing analysis of the trade payables, based on the invoice date, is as follows:

	31 March 2022	31 March 2021
	RMB'000	*RMB'000*
Within 60 days	**964,391**	817,867
61 to 180 days	**115,625**	97,920
181 to 365 days	**6,077**	9,896
Over 365 days	**20,853**	17,598
Total	**1,106,946**	943,281

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

CHAIRMAN'S STATEMENT

Dear shareholders,

The history of Want Want began with the establishment of I Lan Foods Industrial Co., Ltd. ("I Lan Foods") 60 years ago in Yilan County, Northeast Taiwan, where the people were simple and diligent. At the age of 19, I offered myself to my father to be the general manager of I Lan Foods. Although I was not fully familiar with the company's business and future operation direction at that time, I was impressed by the hardworking and pragmatic attitude of the local people, and have deeply implanted such attitude in Want Want's corporate culture over the years.

In 1992, taking the opportunity of market reform and opening-up in the Chinese mainland and after careful consideration and discussion with my family, I decided to travel to the Chinese mainland and set up our first rice cracker factory in Wangcheng County, Hunan Province. Our dream was, by leveraging on our product offering with unique taste and flavour and capitalising on the world's most populous nation with a population of over a billion, to build a brand that brings endless joy and happiness to consumers in the niche market of the Chinese mainland. I strongly believe that "there is a market wherever there are people". As long as Want Want could be able to gain a foothold in the Chinese mainland market in the future, it would be able to become one of the industry leaders in the world one day. For the 2021 fiscal year, we achieved revenue of RMB23,984.9 million, representing an increase of more than 100 times as compared with the annual revenue before our tapping investment into the Chinese mainland. It was attributable not only to the support of numerous Want Want consumers over the years, but also to the win-win cooperation with a number of distributors, customers and business partners as well as the hard work and dedication of Want Want colleagues, which enabled Want Want to progress forward step by step to achieve today's position. I hereby express my heartfelt thanks to all of them for their support and contribution.

In 2022, I ask our management to inherit the hardworking attitude of the Yilan people and reflect on the major achievements and failures in the Chinese mainland market over the past 30 years in order to make further planning for the future with the objective of expanding into the global market. Every department should pragmatically formulate its future development plans and work out meticulously the implementation details of each year, so that Want Want can progress towards the corporate vision of "Elite Dragons of the World", because we believe that it is the mission and responsibility of this generation of Want Want's people to "Inheriting 60, surpassing 30 and then setting sail".

Last but not least, I would like to thank all shareholders again for your support. In 2022, we will enjoy a year of good fortune and prosperity! I believe the next chapter in Want Want's story will be even more exciting than it was in the past.

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

28 June 2022

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

Although the 2021FY was still adversely affected by the pandemic, the Group's total revenue for the 2021FY grew by 9.0% year-on-year and reached RMB23,984.9 million, achieving a record high in total revenue since its listing. In particular, revenue of "Hot-Kid Milk" (旺仔牛奶), core-brand rice crackers and candies sub-categories all surpassed respective historic peak, due mainly to the success of the multi-channel and multi-brand strategies implemented by the Group in recent years.

In the 2021FY, the three key product segments of the Group and all channels in the Chinese mainland realised revenue growth. As regard the second half of the financial year, although the escalation of pandemic control measures in certain regions of the Chinese mainland posted a greater impact on the supply chain and the sales performance in some regions was adversely affected, the Group's overall revenue still maintained high single-digit growth in the second half of the year, and rice crackers and snack foods segments resumed growth momentum in the second half of the year with low-to-mid single-digit and mid-to-high single-digit year-on-year growth respectively. The overseas markets also returned to mid-to-high single-digit year-on-year revenue growth as the supply chain pressure eased.

The gross profit margin decreased by 3.4 percentage points year-on-year to 44.8% in the 2021FY due to the increasing cost pressure from the high prices of certain raw materials and packaging materials (collectively the "raw materials"). The operating profit of the 2021FY decreased by 4.9% year-on-year to RMB5,456.8 million. Excluding the one-off gain on disposal of factory land in the second half of the 2020FY, the operating profit of the 2021FY remained nearly flat year-on-year. Since the effect of revenue growth and economies of scale offset some of the impacts of surging costs, profit attributable to equity holders of the Company still increased by 1.1% year-on-year to RMB4,202.7 million in the 2021FY, and the margin of profit attributable to equity holders of the Company was 17.5%. The Group will continue to pay close attention to the impact of changes in the external environment on its operations, manage the costs and associated risks properly and maintain healthy development of the Group.

The pandemic has occurred in several parts of the Chinese mainland since the beginning of 2022, and the national supply chain and consumption have suffered to a certain extent, with total retail sales of consumer goods falling by 11.1% year-on-year in April and 6.7% year-on-year in May. All of the above also posed a certain degree of impact on the Group's operating performance. The Group will remain mindful of systematic risks in association with the pandemic and the macro environment etc., and the potential impact on the Group and make timely adjustments to its operations accordingly.

OPERATIONAL REVIEW

During 2021FY, the Group continued to pursue its operational strategy of diversification and consolidated its growth momentum on a medium-to-long term basis. Specific strategies implemented are as follows:

1) Intensive development and diversification of channels: expanding coverage of points-of-sale and facilitating new product launches;

2) Brand and product differentiation strategy: broadening the consumer base and meeting the individual needs of consumers;

3) Dynamic and diversified digital marketing: revitalising the brand image and enhancing interaction with consumers.

(I) Intensive development and diversification of channels

1. Intensive development of traditional distribution channels

Revenue derived from traditional channels achieved a high-single-digit year-on-year growth rate in the 2021FY. The Group has secured the competitive advantage of Want Want's products in the marketplace by continuously improving the efficiency of the supply chain. Through digital management, the Group has been able to explore market opportunities and enhance its coverage of unexplored points-of-sale. By installing special displays in benchmark stores and making use of dynamic and diversified promotional products and point-of-sale activities, consumers' desire to purchase Want Want products has been boosted. Differentiated product promotion strategy and keeping the visibility and publicity of Want Want's products helped to promote the balanced development of all product categories.

2. Cultivation of modern channels

Revenue derived from the modern channels achieved a near high single-digit growth in the 2021FY year-on-year, mainly driven by new products and the newly developed convenience store channels through managing the product varieties on retailers' shelves, launching new products suitable for the channels, enriching the display of products on shelves, enhancing the shelf utilisation with the use of the supply chain replenishment system and organising various marketing activities designed for festive occasions to drive small climax for festive sales.

3. Diversification of emerging channels

Emerging channels, being an important revenue growth driver of the Group, maintained rapid growth and contributed close to a double-digit percent of the Group's overall revenue in the 2021FY. Forty percent of the revenue generated from the emerging channels was derived from new products that were launched in the past three years, thus, emerging channels has been serving as an important platform for the Group to showcase its new products. Emerging channels are operated under B2B and B2C models:

The B2B model includes online/offline cooperation with various platforms, self-developed e-shopping mall – the Want Want official online store (旺仔旺鋪), maternity channels, OEM business channels and special channels and others. Through the adoption of multiple means, the Group has effectively expanded its point-of-sales coverage and the product flow at the end market has been accelerated. The OEM business channels have allowed more consumers to enjoy the high quality products produced by Want Want and enabled the Group to enhance the utilisation of production resources and gain efficiency.

The B2C model mainly includes Want Want's self-operated online official flagship store as well as offline vending machines and theme stores. Revenue generated by vending machines in the 2021FY doubled over that of the previous financial year. Although the pandemic affected the level of offline interaction with consumers, the Group has, through the cooperation with delivery platforms to improve the last-mile delivery, effectively expanded its sales network.

4. Continuous expansion of overseas markets

Facing the impact brought by the global pandemic and the supply chain pressure, the Group's overseas sales in the 2021FY recorded a year-on-year decline in revenue. However, with the gradual improvement in the global supply chain capacity, the second half of the year saw a significant improvement as compared to the first half, with revenue achieving a mid-to-high single-digit growth rate. If excluding the exchange rate effects, the revenue would have achieved a double-digit growth. In addition, our factory in Vietnam is expected to commence production in mid-2022 while other new offices in the Southeast Asia have started operation one after another. The Group will take full advantage of its diversified product portfolios and develop suitable products for sale based on local consumers' preferences so that consumers around the world can taste the delicious products manufactured by Want Want.

(II) Brand and product differentiation strategy

The Group defines its brand characteristics and brand portfolio based on the differentiated needs and preferences of consumers. The brands successively launched by the Group in recent years included:

"Baby Mum-Mum" – a special brand of complementary foods for babies and toddlers
"Mr. Bond" – a brand of novel beverages for youngsters
"Fix x Body" – a special brand for healthiness and nutrition
"Queen Alice" – a high-quality brand for female consumers
"Mr. Hot" – a customised brand for spicy lovers
"Got Rice" – a novel brand for rice snacks
"Prime of Love" – a brand of healthy nutritious products for middle-aged and elderly people

The Group regularly reviews the profitability of its existing products, and incorporates new consumer demands to roll out new products and maintain the healthy development of different product categories. Revenue generated from the new products that were first introduced by the Group during the past three years accounted for nearly a double-digit percent of the Group's total revenue in the 2021FY.

New products that were introduced by the Group in recent years contain the following attributes:

- Enriching the product range in line with the latest market trends, such as the addition of chocolate milk and nut milk in the dairy products segment;

- Premiumisation and upgrading of products and product packaging, such as the new candy products with unique chewing texture, "Super QQ" (超QQ) and "QQ syrup popping gummy" (QQ漿爆);

- Catering for new demands for nutrition and healthiness, such as the low GI chia seed multigrain crackers and non-fried crispy rice chips with abundant dietary fibers;

- new functional products to meet individual needs of consumers, such as "Dream Water" (夢夢水), "Moisten-throat Tea" (大口爽) and energy candies, etc.

(III) Dynamic and diversified digital marketing

Through dynamic and diversified digital marketing activities, the Group has reinforced the brand image of "health, happiness and vitality", created diversified consumption scenarios and promoted new product features. It has, through digitalisation, improved private domain traffic management and built the Want Want fans ecosystem and increased consumers' awareness and brand loyalty.

REVENUE

Total revenue of the Group for the 2021FY grew by 9.0% as compared with that of the 2020FY, reaching RMB23,984.9 million. Due to the adverse impact of the disruption in the supply chain of exported products, revenue from the rice crackers segment for the 2021FY remained at the similar level as that of the previous year and recorded a low-to-mid single-digit year-on-year growth in the second half of the year. Revenue from the dairy products and beverages segment increased by 16.9% year-on-year, with double-digit growth in both the first and second half of the year. Revenue from the snack foods segment grew by 1.6% year-on-year, with year-on-year growth in a mid-to-high single digit in the second half of the year.

Rice crackers

Revenue from rice crackers amounted to RMB5,592.3 million for the 2021FY, remaining at the similar level as that of the previous year, of which, revenue from the core-brand rice crackers grew by a low-single digit year-on-year while that from overseas sales, which accounted for approximately 20% of the segment revenue, registered a decline due to the global pandemic and supply chain pressure. During the second half of the financial year, revenue from core-brand rice crackers achieved a mid-single digit year-on-year growth rate, driven mainly by the numerous diverse festive sales activities while revenue derived from the emerging channels achieved a double-digit year-on-year growth rate during the period and with the ease of supply chain pressure in the overseas market, overseas sales resumed a mid-single digit growth.

In order to enrich the rice crackers product offerings and to meet the health demands of consumers, the Group launched a series of new products under the new brand "Got Rice", such as "Want Want Donuts" (旺旺甜甜圈) and "Crispy Rice Chips" (脆米片). In addition to adding a variety of coarse grains and dietary fibers, the products are non-fried so that they are nutritious and do not put any burden on the weight, which aroused consumers' desire to purchase.

Dairy products and beverages

Revenue from the dairy products and beverages segment for the 2021FY amounted to RMB12,873.5 million, representing a 16.9% increase year-on-year and a record high in its yearly revenue since listing. Double-digit growth rates were achieved across all channels in the Chinese mainland. Revenue from "Hot-Kid Milk" (旺仔牛奶), which accounted for over 90% of the revenue from the dairy products and beverages segment, recorded a year-on-year growth rate of 18.4%.

The Group enhanced emotional interaction with consumers through dynamic and diversified digital marketing campaigns which helped to drive sales momentum. During 2021FY, the Group launched a special campaign featuring the "Hot-Kid Milk" IP titled "Black Hot-Kid Milk" (旺仔牛奶黑化了), which involved creative activities organised on social media platforms and offline encouraging Want Want fans to dress up in black to facilitate product promotion.

In order to diversify the product variety under the dairy products and beverages segment, a number of healthy and distinctive new products were launched one after another, such as "Hot-Kid Chocolate Milk" (旺仔巧克力牛奶) with a creamy and smooth taste and "Nut Milk" (堅果牛奶) with rich nutrition, which together contributed sales of over RMB100 million in the 2021FY. The product range of the star product in the beverages segment, "Fruit Juice Drink Beverage" (果粒多), was expanded with the launch of new flavours, including passion fruit lemon and mango pineapple, which are popular among young consumers.

Snack foods

In the 2021FY, revenue from the snack foods segment amounted to RMB5,397.2 million, representing a year-on-year increase of 1.6%, of which revenue from candies and jellies, each hit a record high in its revenue since listing. During the second half of the financial year, revenue from the snack foods segment achieved mid-to-high single-digit growth year-on-year, among which each of popsicles and candies sub-category reached double-digit growth while beans, jellies and other sub-category presented mid-single-digit growth.

In 2021FY, revenue from the candies sub-category increased by 5.1% year-on-year, with all channels achieving year-on-year revenue growth, in particular emerging channels which posted significant growth. In the second half of the financial year, revenue from overseas markets realised double-digit growth, attributable mainly to the contribution from new products and the development of overseas markets.

Revenue from the popsicles sub-category grew by 2.7% year-on-year in the 2021FY. The social media marketing campaign, "Have a craving for Dongchi" (凍痴，動不動就想吃), generated more than 220 million views and helped "Dongchi" (凍痴) to exceed annual sales of RMB200 million. Driven by the strong sales performance of the new products of "Dongchi", the emerging channels achieved rapid revenue growth while the modern channels also achieved high single-digit growth.

In the 2021FY, a number of new products were launched in the snack foods segment through product innovation and upgrade: "fruit-flavored aerated gummies" (水果充氣咬咬糖) and "Hot-Kid Super QQ" (旺仔超 QQ) with unique chewing texture and real fruit juice; "YA-MI Sandwich Bun" (YA-MI 夾心麵包) which enriched the range of products offered by the Group; and "Jelly Jelly", a new jelly product with unique packaging and "low-sugar, low-calorie and with collagen peptides" features, which is popular among female consumers.

COST OF SALES

The cost of sales of the Group for the 2021FY amounted to RMB13,237.5 million, representing a year-on-year increase of 16.2% and the costs of certain key raw materials, such as palm oil, tinplate and paper increased by double digits and whole milk powder (in US dollar term) increased by a near double-digit year-on-year.

Since the beginning of the 2022FY, the exchange rate of RMB against USD and some raw materials costs have experienced significant fluctuations under the impact of the external macro-environment. In recent years, the Group has optimised its cost management by optimising its production layout and production process flow and promoting automation. Meanwhile, the Group will continue to monitor and assess the extent of impact of related systematic risks.

GROSS PROFIT

Suffered from the increase in cost of certain raw materials in the 2021FY as compared with those of the previous year, the gross profit margin of the Group for the 2021FY decreased by 3.4 percentage points to 44.8%. As the increase in sales helped to relieve some of the cost pressure, gross profit increased by 1.3% year-on-year, and reached RMB10,747.4 million.

The Group continued to adopt a variety of methods, including optimisation of its product mix by introducing new products with special features and promoting lean production management to alleviate the cost pressure brought by rising prices of raw materials. The Group will also pay close attention to the potential adverse impact from cost increases in 2022FY (financial year ending 31 March 2023), rationalise the supply chain efficiency and optimise the product mix in order to ensure the operational capability of the Group.

Rice crackers

The gross profit margin of the rice crackers segment was 41.4% for the 2021FY, representing a year-on-year decrease of 4.7 percentage points, due mainly to the significant increase in the cost of raw materials such as palm oil. The Group will continue to optimise the product structure and launch new products with higher margin to manage the profitability of the products at a reasonable level.

Dairy products and beverages

The gross profit margin of the dairy products and beverages segment was 46.7% for the 2021FY, representing a decrease of 2.9 percentage points year-on-year, due mainly to the increase in the cost of certain raw materials such as tinplate and whole milk powder. Optimisation of production processes and diversification of channels will help the segment maintain a healthy profitability.

Snack foods

The gross profit margin of the snack foods segment was 44.2% for the 2021FY, representing a decrease of 3.5 percentage points as compared with that of the same period in the previous year, due mainly to a larger increase in the cost of some raw materials such as paper and plastic pellets. The Group will continue to promote product upgrade, introduce new products with high gross profit margin and improve the product price range to maintain a healthy profitability of the segment.

DISTRIBUTION COSTS

The distribution costs for the 2021FY increased by RMB367.6 million as compared with those of the 2020FY to RMB3,133.2 million, representing an increase of 13.3% year-on-year. Distribution costs as a percentage of revenue increased by 0.5 percentage point year-on-year to 13.1%. Of these, staff costs as a percentage of revenue was 4.5%, remaining at the same level of the 2020FY. Transportation expense to revenue ratio was 4.1%, representing an increase of 0.1 percentage point as compared with that of the 2020FY. Advertising and promotion expenses as a percentage of revenue were 2.9%, representing a year-on-year increase of 0.4 percentage point.

ADMINISTRATIVE EXPENSES

Administrative expenses for the 2021FY increased by RMB21.30 million to RMB2,734.7 million, representing an increase of 0.8% as compared with those of the 2020FY. Administrative expenses as a percentage of revenue were 11.4%, representing a decrease of 0.9 percentage point as compared with that of the 2020FY, due mainly to the improved operational leverage as a result of revenue growth.

OPERATING PROFIT

Despite the revenue growth of 9.0% year-on-year, the operating profit of the Group for the 2021FY decreased by 4.9% year-on-year to RMB5,456.8 million with an operating profit margin of 22.8% due to the decrease in gross profit margin of 3.4 percentage points as a result of the significant increase in raw material prices.

INCOME TAX EXPENSE

The Group's income tax expense for the 2021FY amounted to RMB1,545.3 million, and the income tax rate was 26.9% which decreased by 3.9 percentage points as compared with that for the 2020FY, due mainly to the relative high income tax rate for the 2020FY as a result of the increase in the provision for dividend withholding tax in the 2020FY.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Profit attributable to equity holders of the Company for the 2021FY increased by 1.1% as compared with that of the 2020FY and reached RMB4,202.7 million. The margin of profit attributable to equity holders decreased by 1.4 percentage points to 17.5% due to the decrease in the gross profit margin of 3.4 percentage points as compared with that of the previous year.

LIQUIDITY AND CAPITAL RESOURCES

Cash and borrowings

As at 31 March 2022, the net cash of the Group (cash and bank deposits (including long-term bank deposits) net of borrowings) amounted to RMB10,100.6 million, representing an increase of RMB1,002.6 million as compared with that as at 31 March 2021 (RMB9,098.0 million). This was due mainly to the net cash generated from operating activities during the financial year amounted to RMB3,910.5 million. The Group still has sufficient cash reserves after payment of dividends and share repurchases in 2021FY, totaling RMB2,580.5 million (2021FY: RMB1,761.0 million for dividends and RMB819.5 million for share repurchases).

We finance our operations and capital expenditure primarily by cash flows generated from internal operations as well as banking facilities provided by our principal bankers. As at 31 March 2022, our cash and bank deposits balances (including long-term bank deposits of RMB5,737.0 million) amounted to RMB17,002.8 million (in which RMB accounted for approximately 85.1%, being approximately RMB14,469.0 million), representing a decrease of RMB1,928.3 million as compared with RMB18,931.1 million as at 31 March 2021. It was due mainly to the repayment of USD denominated bank borrowings with our internal source of funds, accordingly, bank borrowings balance decreased by RMB2,930.9 million.

As at 31 March 2022, our total borrowings amounted to RMB6,902.2 million, representing a decrease of RMB2,930.9 million as compared with the balance as at 31 March 2021 (RMB9,833.1 million), due mainly to the repayment of USD denominated borrowings by our overseas subsidiaries. Among which, short-term borrowings (including the Bonds (as defined below)) amounted to RMB3,355.9 million, representing an increase of RMB15.89 million as compared with those as at 31 March 2021 (RMB3,340.0 million); and long-term borrowings amounted to RMB3,546.4 million, representing a decrease of RMB2,946.8 million as compared with those as at 31 March 2021 (RMB6,493.2 million, including the Bonds (as defined below)).

In April 2017, the Group issued 5-year term guaranteed bonds with a face value of US$500 million and a coupon rate of 2.875% (the "Bonds"). As at 31 March 2022, the balance of the Bonds payable amounted to US$499.9 million (31 March 2021: US$498.1 million). The Bonds were subsequently repaid in full upon maturity in April 2022.

The Group's net gearing ratio (total borrowings net of cash and bank deposits (including long-term bank deposits) as a ratio of total equity (excluding non-controlling interests)) as at 31 March 2022 was -0.61 time (31 March 2021: -0.61 time). At present, the Group maintains sufficient cash and available banking facilities for its working capital requirements and for capitalising 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

A net cash inflow of RMB3,910.5 million was generated from operating activities, consisting mainly of profit before income tax of RMB5,734.4 million. Cash outflow for financing activities was RMB5,342.4 million, among which net outflow of borrowings amounted to RMB2,642.6 million (mainly for repayment of USD denominated borrowings of approximately RMB2,000 million), cash outflow for dividend payment of RMB1,761.0 million and cash outflow for share repurchases of RMB819.5 million. Net cash outflow for investing activities was RMB3,432.9 million, mainly due to the placement of RMB3,097.0 million to bank deposits with a term of more than three months. As a result, the cash and cash equivalents as of 31 March 2022 amounted to RMB11,055.8 million, which, together with bank deposits with a term of more than three months of RMB5,947.0 million, amounted to RMB17,002.8 million.

Capital expenditure

For the 2021FY, our capital expenditure amounted to RMB460.5 million (for the year ended 31 March 2021: RMB317.3 million). We invested approximately RMB131.4 million, RMB154.3 million and RMB82.85 million on the expansion of production plants and equipment for the three key product segments (rice crackers, dairy products and beverages, and snack foods segments), mainly for the construction of new plant and equipment in Vietnam and upgrade of some of the old plant and production facilities to prepare for the Group's future growth. The remaining capital expenditure was made mainly for the purpose of adding facilities for information technology, packaging and others.

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 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 our inventory turnover days for the year ended 31 March 2022 and for the year ended 31 March 2021:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory turnover days	**79**	85

As at 31 March 2022, inventory amounted to RMB3,226.2 million, representing an increase of RMB697.4 million as compared with RMB2,528.8 million as at 31 March 2021. In response to the Group's sales growth, the Group increased the level of inventory. Owing to the continued refinement of supply chain efficiency management, inventory turnover days reduced by 6 days as compared with that for the previous year.

Trade receivables

Our trade receivables represent the receivables from our credit sales to customers. The terms of credit granted to our customers are usually 60 to 90 days. Our sales to most of the customers in China are conducted on a cash-on-delivery basis. We only grant credit to customers in our modern distribution channels and certain emerging channels, which then on-sell our products to end-consumers of the Group.

The following table sets forth the number of our trade receivables turnover days for the year ended 31 March 2022 and for the year ended 31 March 2021:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Trade receivable turnover days	**15**	15

Trade payables

Our trade payables mainly relate to the purchase of raw materials on credit 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 2022 and for the year ended 31 March 2021:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Trade payables turnover days	**28**	33

Pledge of assets

As at 31 March 2022, none of the assets of the Group was pledged.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

For the 2021FY, our average number of employees was approximately 41,265, representing an increase of 72 employees as compared with the average number of employees for the year ended 31 March 2021. Our total remuneration expenses for the 2021FY amounted to RMB4,403.4 million. 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 that of the individual.

Our Group always concerns about and has invested a significant amount of resources in continuing education and training programs for our employees. Training programs, 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 is RMB, but the Company's functional currency is still USD. More than 90% of our operating activities are conducted in the Chinese mainland. Our Chinese mainland subsidiaries' functional currency is RMB. The Group's foreign exchange risks arise mainly from procurement of raw materials and equipment from overseas, overseas dividend payments, and certain recognised assets or liabilities.

As procurement of raw materials and equipment from overseas and USD denominated borrowings of the Group are mainly 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 risk exposure after offsetting is not significant. As such, RMB does not have a significant impact on exchange gains and losses presented on the "Other gains – net" section of the consolidated income statement. During the 2021FY, the Group did not hedge against its foreign exchange risks.

DIVIDENDS

The Board recommended the payment of a final dividend of US2.10 cents per share for the 2021FY, amounting to approximately US$250 million (equivalent to approximately RMB1,692 million). In addition, taking into account the actual financial condition of the Group, the Board recommended the payment of a special dividend of US2.94 cents per share for the 2021FY, amounting to approximately US$350 million (equivalent to approximately RMB2,369 million). The above proposed final dividend and special dividend would amount to approximately US$600 million (equivalent to approximately RMB4,061 million) in total. In January 2022, the Company paid an interim dividend of US0.83 cent per share for the 2021FY, amounted to approximately US$99 million (equivalent to approximately RMB630 million). Total dividends for the 2021FY would be US5.87 cents per share, amounting to approximately US$699 million, representing an increase of 174% as compared to the total dividend of US2.11 cents per share for the 2020FY, amounting to approximately US$255 million. Together with an amount of approximately US$127 million (equivalent to RMB819 million) for share repurchases in the 2021FY, the Group would have returned a total of approximately US$826 million (equivalent to approximately RMB5,510 million) to its shareholders, representing an increase of 67% as compared to the amount of approximately US$495 million (equivalent to approximately RMB3,311 million) for dividends and share repurchases in the 2020FY, and representing approximately 131% of the profit attributable to equity holders of the Company for the 2021FY.

AUDIT AND RISK MANAGEMENT COMMITTEE

The audit and risk management committee of the Company comprises five independent non-executive Directors, namely Mr. Lee Kwok Ming (chairman), Dr. Pei Kerwei, Mr. Hsieh Tien-Jen, Mr. Pan Chih-Chiang and Mrs. Kong Ho Pui King, Stella.

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 2022. The audit and risk management committee has also reviewed the financial results for the year ended 31 March 2022.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated income statement, statement of comprehensive income and balance sheet and the related notes thereto contained in the preliminary announcement of our Group's results for the year ended 31 March 2022 have been agreed by our Group's external auditor, Ernst & Young, to the figures set out in our Group's consolidated financial statements for the year ended 31 March 2022. The work performed by Ernst & Young 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 Ernst & Young on the preliminary announcement.

CORPORATE GOVERNANCE PRACTICES

The Company had, throughout the year ended 31 March 2022, complied with the code provisions set out in the Corporate Governance Code with amendments that came into effect on 1 January 2022 (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 (which has been re-numbered as C.2.1 since 1 January 2022) and A.4.1 (which was removed on 1 January 2022). The reasons for these deviations are explained below.

Code provision A.2.1

Code provision A.2.1 (which has been re-numbered as C.2.1 since 1 January 2022) 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

According to the code provision A.4.1 (which was removed on 1 January 2022), non-executive directors should be appointed for a specific term, subject to re-election. Our Company deviated from this provision because the non-executive Directors and independent non-executive Directors of the Company have not been appointed for a specific term 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 considered that sufficient measures had 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 in force for the year.

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 2022.

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

During the year ended 31 March 2022, the Company repurchased a total of 177,396,000 shares on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") for an aggregate amount (excluding expenses) of HK$982,743,042 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 2021	35,421,000	5.90	5.62	203,833,190
May 2021	16,263,000	5.79	5.60	93,319,260
June 2021	4,000,000	5.55	5.47	22,096,820
July 2021	36,803,000	5.44	5.21	198,135,860
August 2021	29,563,000	5.33	5.10	154,433,870
September 2021	28,709,000	5.79	5.22	156,908,528
October 2021	26,637,000	6.00	5.68	154,015,514
	177,396,000			982,743,042

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.

Saved for the share repurchases and the redemption of the Bonds as disclosed in this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including the Bonds) of the Company during the year ended 31 March 2022 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 23 August 2022. 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 17 August 2022, for the purpose of effecting the share transfers. The register of members of the Company will be closed from 18 August 2022 to 23 August 2022 (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 US2.10 cents per share and a special dividend of US2.94 cents per share in respect of the year ended 31 March 2022. Subject to the approval of shareholders at the AGM, the proposed final and special dividends will be paid on or about 15 September 2022. 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 23 August 2022, 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 26 August 2022, for the purpose of effecting the share transfers. The register of members of the Company will be closed from 27 August 2022 to 31 August 2022 (both dates inclusive).

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

Hong Kong, 28 June 2022

As at the date of this announcement, the executive Directors are Mr. TSAI Eng-Meng, Mr. TSAI Shao-Chung, 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. MAKI Haruo and Mr. CHENG Wen-Hsien; and the independent non-executive Directors are Dr. PEI Kerwei, Mr. HSIEH Tien-Jen, Mr. LEE Kwok Ming, Mr. PAN Chih-Chiang and Mrs. KONG HO Pui King, Stella.