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 2023

FINANCIAL HIGHLIGHTS

	Year ended 31 March		
	2023	2022	Change
Key income statement items	***RMB'000***	*RMB'000*	*%*
Revenue	**22,928,219**	23,984,891	-4.4
Gross profit	**10,071,028**	10,747,394	-6.3
Operating profit	**4,846,711**	5,456,813	-11.2
Profit attributable to equity holders of the Company	**3,371,584**	4,202,655	-19.8
Key financial ratios	*%*	*%*	*% point*
Gross profit margin	**43.9**	44.8	-0.9
Operating profit margin	**21.1**	22.8	-1.7
Margin of profit attributable to equity holders of the Company	**14.7**	17.5	-2.8

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 2023 ("2022FY") together with the comparative figures for the year ended 31 March 2022 ("2021FY") as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2023

	Notes	Year ended 31 March	
		2023	2022
		RMB'000	*RMB'000*
Revenue	3	**22,928,219**	23,984,891
Cost of sales		**(12,857,191)**	(13,237,497)
Gross profit		**10,071,028**	10,747,394
Other gains – net	4	**262,185**	163,337
Other income		**380,821**	414,025
Distribution costs		**(3,018,130)**	(3,133,220)
Administrative expenses		**(2,849,193)**	(2,734,723)
Operating profit		**4,846,711**	5,456,813
Finance income		**163,480**	444,131
Finance costs		**(221,933)**	(164,328)
Finance (costs)/income – net		**(58,453)**	279,803
Share of losses of associates		**(8,308)**	(2,233)
Profit before income tax		**4,779,950**	5,734,383
Income tax expense	5	**(1,417,239)**	(1,545,269)
Profit for the year		**3,362,711**	4,189,114
Profit attributable to:			
– Equity holders of the Company		**3,371,584**	4,202,655
– Non-controlling interests		**(8,873)**	(13,541)
		3,362,711	4,189,114
Earnings per share for profit attributable to equity holders of the Company			
Basic earnings per share	6	**RMB28.35 Cents**	RMB35.16 cents
Diluted earnings per share	6	**RMB28.35 Cents**	RMB35.16 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Year ended 31 March	
	2023	2022
	RMB'000	*RMB'000*
Profit for the year	**3,362,711**	4,189,114
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**(200,841)**	127,498
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of post-employment benefit obligations	**862**	69
Change in value of financial assets at fair value through other comprehensive income	**(7,979)**	(11,142)
Other comprehensive (loss)/income for the year	**(207,958)**	116,425
Total comprehensive income for the year	**3,154,753**	4,305,539
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	**3,175,808**	4,315,156
– Non-controlling interests	**(21,055)**	(9,617)
Total	**3,154,753**	4,305,539

CONSOLIDATED BALANCE SHEET
As at 31 March 2023

	Notes	**31 March 2023**	31 March 2022
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**5,664,517**	5,973,476
Investment properties		**33,718**	34,585
Intangible assets		**7,906**	10,021
Investments in associates		**107,766**	11,074
Deferred income tax assets		**379,884**	392,786
Financial assets at fair value through other comprehensive income		**146,133**	104,023
Right-of-use assets		**1,076,309**	1,006,684
Long-term bank deposits		**5,752,000**	5,737,000
Total non-current assets		**13,168,233**	13,269,649
Current assets			
Inventories		**3,142,103**	3,226,184
Trade receivables	8	**853,937**	1,004,538
Prepayments, other receivables and other assets		**902,205**	1,091,791
Cash and bank balances		**7,907,599**	11,265,819
Total current assets		**12,805,844**	16,588,332
Total assets		**25,974,077**	29,857,981

	Notes	**31 March 2023**	31 March 2022
		RMB'000	*RMB'000*
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**1,795,722**	1,798,203
Reserves		**12,856,051**	14,835,392
Subtotal		**14,651,773**	16,633,595
Non-controlling interests		**52,297**	75,183
Total equity		**14,704,070**	16,708,778
LIABILITIES			
Non-current liabilities			
Borrowings		**2,060,307**	3,546,364
Lease liabilities		**132,276**	51,795
Deferred income tax liabilities		**196,035**	166,617
Other non-current liabilities		**106,410**	135,899
Total non-current liabilities		**2,495,028**	3,900,675
Current liabilities			
Trade payables	9	**970,395**	1,106,946
Accruals and other payables		**2,468,580**	3,104,596
Contract liabilities	3(b)	**1,591,926**	1,255,592
Current income tax liabilities		**328,502**	315,765
Borrowings		**3,282,014**	3,355,850
Lease liabilities		**133,562**	109,779
Total current liabilities		**8,774,979**	9,248,528
Total liabilities		**11,270,007**	13,149,203
Total equity and liabilities		**25,974,077**	29,857,981

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

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"), and all values are rounded to the nearest thousand, 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 3	*Reference to the Conceptual Framework*
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to HKAS 37	*Onerous Contracts-Cost of Fulfilling a Contract*
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the "Conceptual Framework") issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 April 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 April 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.

Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 April 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

Annual Improvements to HKFRSs 2018-2020 set out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 April 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or 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 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*[2]
HKFRS 17	*Insurance Contracts*[1]
Amendments to HKFRS 17	*Insurance Contracts*[1, 5]
Amendment to HKFRS 17	*Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information*[6]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")[2, 4]
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to HKAS 8	*Definition of Accounting Estimates*[1]
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]

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

2 Effective for annual periods beginning on or after 1 January 2024

3 No mandatory effective date yet determined but available for adoption

4 As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, 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 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 An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it 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 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 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 2023 and 2022.

(a) Segment information

The revenue of the Group for the year ended 31 March 2023 and for the year ended 31 March 2022 is set out as follows:

	Year ended 31 March	
	2023	2022
	RMB'000	*RMB'000*
Rice crackers	**5,843,348**	5,592,257
Dairy products and beverages	**11,130,495**	12,873,473
Snack foods	**5,820,262**	5,397,160
Other products	**134,114**	122,001
Total revenue	**22,928,219**	23,984,891

The segment information for the year ended 31 March 2023 is as follows:

	Year ended 31 March 2023				
	Rice crackers *RMB'000*	**Dairy products and beverages** *RMB'000*	**Snack foods** *RMB'000*	**Other products** *RMB'000*	**Group** *RMB'000*
Segment results					
Revenue	5,843,348	11,130,495	5,820,262	134,114	22,928,219
Timing of revenue recognition					
At a point in time	5,843,348	11,130,495	5,820,262	134,114	22,928,219
Segment profit	1,294,130	3,099,534	1,263,926	44,246	5,701,836
Unallocated costs					(855,125)
Finance costs – net					(58,453)
Share of losses of associates					(8,308)
Profit before income tax					4,779,950
Income tax expense					(1,417,239)
Profit for the year					3,362,711
Other segment items included in the income statement					
Depreciation of property, plant and equipment	217,792	324,582	216,132	520	759,026
Depreciation of right-of-use assets	32,897	75,569	37,542	10,819	156,827
Depreciation of investment properties	–	–	–	1,180	1,180
Unallocated depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets					15,621
Capital expenditure					
Capital expenditure by segment	173,469	139,855	113,213	38,524	465,061
Unallocated capital expenditure					66,231
Total capital expenditure					531,292

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 2023 are as follows:

	31 March 2023				
	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	**2,495,404**	**6,348,825**	**3,136,663**	**121,468**	**12,102,360**
Unallocated assets					**104,352**
Cash and bank balances					**7,907,599**
Long-term bank deposits					**5,752,000**
Investments in associates					**107,766**
Total assets					**25,974,077**
Segment liabilities	**1,465,703**	**2,852,469**	**1,485,253**	**36,196**	**5,839,621**
Unallocated liabilities					**88,065**
Borrowings					**5,342,321**
Total liabilities					**11,270,007**

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 segment	131,392	154,282	82,850	27,187	395,711
Unallocated capital expenditure					64,836
Total capital expenditure					460,547

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

(b) *Liabilities related to contracts with customers*

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

	31 March 2023	31 March 2022
	RMB'000	*RMB'000*
Contract liabilities – rice crackers	**402,635**	295,195
Contract liabilities – dairy products and beverages	**775,203**	678,570
Contract liabilities – snack foods	**404,499**	275,501
Contract liabilities – others	**9,589**	6,326
	1,591,926	1,255,592

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	
	2023	2022
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liability balance at the beginning of the year:		
Rice crackers	**295,195**	392,686
Dairy products and beverages	**678,570**	780,703
Snack foods	**275,501**	376,633
Others	**6,326**	6,761
	1,255,592	1,556,783

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

4. Other gains – net

	Year ended 31 March	
	2023	2022
	RMB'000	*RMB'000*
Net foreign exchange gains/(losses)	**17,600**	(2,171)
Donation expenses	**(38,543)**	(44,363)
Gains/(losses) on disposal of property, plant and equipment and land use rights	**9,349**	(4,727)
Gains on early termination of leases	**60**	1,405
Income from long-term bank deposits	**241,394**	141,717
Income from compensations	**14,196**	63,214
Others	**18,129**	8,262
Total	**262,185**	163,337

5. Income tax expense

	Year ended 31 March	
	2023	2022
	RMB'000	*RMB'000*
Current income tax		
Current income tax on profits for the year	**1,056,751**	1,382,738
Deferred income tax		
Withholding tax on dividends from Chinese mainland subsidiaries	**347,500**	181,778
Origination and reversal of tax losses and temporary differences	**12,988**	(19,247)
Total	**1,417,239**	1,545,269

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 2022: 25%) during the year ended 31 March 2023.

Enterprises incorporated in other places were subject to income tax at the prevailing rates of 0% to 30% during the year ended 31 March 2023 (during the year ended 31 March 2022: 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	
	2023	2022
	RMB'000	*RMB'000*
Profit attributable to equity holders of the Company (RMB'000)	**3,371,584**	4,202,655
Weighted average number of ordinary shares in issue (thousands)	**11,891,247**	11,953,156
	RMB	RMB
Basic earnings per share	**28.35 Cents**	35.16 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	
	2023	2022
	RMB'000	*RMB'000*
Interim dividend paid of US1.14 cents (for the year ended 31 March 2022: US0.83 cent) per ordinary share	**934,688**	629,920
Proposed final dividend of US2.10 cents (for the year ended 31 March 2022: US2.10 cents) per ordinary share (note (a))	**1,717,709**	1,692,256
Proposed special dividend of US2.94 cents per ordinary share for the year ended 31 March 2022 (note (b))	**–**	2,369,158
	2,652,397	4,691,334

Notes:

(a) On 27 June 2023, the Board recommended the payment of a final dividend of US2.10 cents (for the year ended 31 March 2022: US2.10 cents) per ordinary share, totalling RMB1,717,709,000 (for the year ended 31 March 2022: RMB1,692,256,000) for the year ended 31 March 2023. The proposed final dividend in respect of the year ended 31 March 2023 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) 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 dividend payable was not reflected in the financial statements for the year ended 31 March 2022.

The dividends paid during the year ended 31 March 2023 amounted to RMB5,078,925,000, comprising the final and special dividend of RMB4,144,237,000 for the year ended 31 March 2022 and the interim dividend of RMB934,688,000 for the year ended 31 March 2023, which were paid in September 2022 and January 2023 respectively.

8. Trade receivables

	31 March 2023	31 March 2022
	RMB'000	*RMB'000*
Trade receivables		
– from third parties	**884,834**	1,017,726
– from related parties	**15,562**	15,113
	900,396	1,032,839
Less: provision for impairment	**(46,459)**	(28,301)
Trade receivables – net	**853,937**	1,004,538

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 2022: 60 to 90 days).

As at 31 March 2023 and 31 March 2022, the ageing analysis of trade receivables based on invoice date is as follows:

	31 March 2023	31 March 2022
	RMB'000	*RMB'000*
Within 60 days	**451,688**	427,418
61 to 90 days	**142,285**	240,569
91 to 180 days	**246,501**	336,799
181 to 365 days	**43,248**	18,461
Over 365 days	**16,674**	9,592
Total	**900,396**	1,032,839

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 2023	31 March 2022
	RMB'000	*RMB'000*
Trade payables – to third parties	**970,395**	1,106,946

As at 31 March 2023 and 31 March 2022, the ageing analysis of the trade payables, based on the invoice date, is as follows:

	31 March 2023	31 March 2022
	RMB'000	*RMB'000*
Within 60 days	**833,319**	964,391
61 to 180 days	**117,463**	115,625
181 to 365 days	**3,798**	6,077
Over 365 days	**15,815**	20,853
Total	**970,395**	1,106,946

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

CHAIRMAN'S STATEMENT

Dear shareholders,

During 2022, the third year since the outbreak of the COVID-19, the Group once again experienced the tough challenges of the pandemic. Through our joint efforts and hard work, we, the Want Want people, passed the year smoothly. I hereby express my sincere gratitude to all Want Want people and all our business partners who have been with Want Want throughout the year.

2022 is also the first year of Want Want's campaign on "inheriting 60, surpassing 30 and then setting sail". It is also the year for planning and pledging our resolution for starting Want Want's new era of "Dream of China and Dream of the World". I have asked all departments to set five-year goals and to plan and refine small targets for each year. Due to the severity of the pandemic last year, the results were less than satisfactory. Nonetheless, there is a piece of good news which is worth celebrating - the Group's factory in Vietnam, the Southeast Asia, has officially commenced production, representing the first step of Want Want towards the "Dream of the World".

Looking forward to 2023, with the effects of the pandemic outbreak gradually diminishing, I believe there will be more opportunities waiting for us to break through. Therefore, I ask Want Want people to take action, to fight, to fight and to fight again! Let's pursue our existing goals together, sprint with all our efforts and succeed in 2023!

As Want Want people, we must have the mindset of "willingness, dedication, conscience and meticulousness", the attitude of learning new things and seeking changes, and the spirit of "bravery with no fears and the strongest is invincible" so as to achieve our goal of the "Dream of China and Dream of the World" and to jointly begin Want Want's glory in the next three decades. With great unity, we will win!

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

27 June 2023

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

During the 2022FY, the Group's total revenue declined by 4.4% year-on-year to RMB22,928.2 million. The revenue of the dairy products and beverages segment recorded a mid-teen year-on-year decline in 2022FY due to the pandemic restrictions on gatherings and some consumption scenarios, bringing pressure to the overall performance of the Group's annual results. However, with the gradual normalization of day-to-day economic activities, sales activities gradually returned to normal in the fourth quarter of 2022FY (January to March of 2023). The revenue of rice crackers and the snack foods segments (together accounted for 51% of total revenue) maintained a mid-to-high single-digit growth year-on-year, with double-digit growth in each of the popsicles sub-category and beans, jellies and other snack foods sub-category, and revenue of QQ Gummies, jellies and "Lonely God" products reaching respective record high. The emerging content e-commerce channel experienced a rapid growth while overseas markets recorded a double-digit growth. As a result of continuous investment in product innovation and research and development (R&D), new products launched within the past five years contributed a near double-digit percentage of the Group's revenue in 2022FY.

Gross profit margin for 2022FY decreased by 0.9 percentage point to 43.9% as compared with that of the previous year. However, due to the effects of the Group's profitability improvement initiatives and the gradual decline in certain commodity prices, the Group's gross profit margin for the second half of the financial year rebounded to 44.9%, which increased by 1.9 percentage points when compared to the same period in the previous year and increased by 2.1 percentage points when compared to the first half of the financial year. Profit attributable to equity holders of the Company decreased by 19.8% year-on-year to RMB3,371.6 million in 2022FY due to the decline in revenue and gross profit margin.

The Group will continue to deepen its product and channel diversification strategies, cultivate traditional channels, actively expand emerging channels and overseas markets, increase the coverage of points-of-sale and enhance the diversity of product offerings in various channels to satisfy the diversified consumer needs.

OPERATIONAL REVIEW

During 2022FY, 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:

(I) Intensive development and diversification of channels

1. Intensive development of traditional distribution channels

During 2022FY, the Group's revenue performance in the traditional channels was affected by the decline in sales of dairy products, but low-to-mid single-digit growth was achieved from sales of products in the rice cracker and snack foods segments driven by active development of new products, enriched product displays and a diversified product mix. Looking ahead to 2023FY, the Group will further strengthen its business operations, enhance the coverage and management of small-scale retail stores and enrich its product mix by launching a series of small-pack products which are easier for consumers to purchase and carry.

2. Cultivation of modern channels

In order to satisfy consumers' demand for instant shopping, the Group will continue to enhance the penetration rate of convenience store channels and increase the varieties of product offerings. In addition, the Group planned to launch a new dairy product – small blue bottled "Daily Milk" (小藍瓶「每日喝牛奶」), which is made from raw cow milk to meet the diversified needs of consumers.

3. Diversification of emerging channels

In 2022FY, the travel and social restrictions brought by the pandemic reduced the consumer traffic at retail stores and consumer-facing points-of-sales covered by emerging channels. Nevertheless, revenue growth was achieved in respect of rice crackers and snack foods segments, thanks to the launch of new product combinations and the active development of emerging channels for gift packs and popsicles. In addition, the Group actively developed new e-commerce models such as content e-commerce and social e-commerce, which brought substantial growth.

In the future, the Group will further increase the number of vending machines and expand the number of theme stores, promote the rapid development of maternity, OEM and special channels, with the hope to serve more end-consumers and provide them with diversified shopping choices through more flexible, innovative and diversified sales models.

4. Continuous expansion of overseas markets

The Group's overseas business achieved double-digit growth in 2022FY, with balanced growth rates in all three key product segments, which is attributable to the Group's continuous implementation of overseas market development strategies to improve supply chain efficiency and expand into overseas Chinese markets. Moreover, candies attained rapid growth due to its high quality and price advantages. With the commencement of production in the Vietnam factory, the Group will exploit its cost and geographical advantages to the full to complement its existing production and supply chain networks. In addition, five new overseas subsidiaries throughout Southeast Asia, America and Europe have started operation one after another to help promote the strategy of expanding into overseas markets.

(II) Differentiated brand positioning and dynamic and diversified digital marketing

The Group will make full use of its diversified production resources, define brand user profiles and launch new functional and personalized products to meet the needs of consumers of different age groups. New brands launched by the Group in recent years include:

"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 will continue to take into account both nutrition and diversification strategies and roll out a variety of delicious and healthy products. For example, "Nut Milk" (堅果牛奶) is rich in six kinds of real nuts and has a rich taste, smooth texture and high nutritional value; "Black Rice Sugar Coated Crackers" (黑米雪餅) contain selected high-quality black rice, rich dietary fibre and a variety of nutrients; "Want Want Thick Snow Cakes" (旺旺厚雪燒) has a pleasant crispy texture and Thai sweet and spicy taste, which fills the gap in the Want Want rice crackers category in the sweet and spicy flavor market. The Group will continue to launch new high-quality products to meet the evolving needs of consumers.

Through creative digital marketing, the Group has created a healthy, happy and vibrant brand, enhanced consumers' awareness of Want Want products and added fun to their shopping experience through diversified ways of marketing. Through continuous improvement in private domain traffic management, the Group has strengthened consumers' stickiness to the brand.

(III) Lean production and green manufacturing

In 2022FY, the Group continued to increase its investment in R&D on low-carbon, energy conservation and technology innovation, and continued to promote production management optimization. A total of 94 patents were granted, and the project of "Low-carbon, Energy Conservation and Automation Technology Research and Application" won the "7th China Industry Award", the top award in China's industrial sector. The Group has also received various domestic and overseas ESG-related awards, including CDP's Excellent Environmental Leadership Award, the Green Sustainability Contribution Award and the Bloomberg Green Gold ESG Pioneer Award. In addition, a number of factories have obtained the national high-tech enterprise certification and green factory certification, demonstrating the Group's outstanding performance in technological innovation and sustainable development.

In the future, the Group will continue to optimize its production management, actively carry out R&D on green technologies, explore more environmental-friendly and sustainable production methods, and achieve the goal of sustainable development of the Group.

REVENUE

In 2022FY, the Group's total revenue declined by 4.4% from that of 2021FY to RMB22,928.2 million. Rice crackers and snack foods segments, which accounted for 51% of the Group's revenue in total, achieved a year-on-year revenue growth rate of 4.5% and 7.8%, respectively, with QQ Gummies, jellies, and "Lonely God" products reaching respective record high in revenue. Revenue from dairy products and beverages segment decreased by 13.5% year-on-year due to travel and dining restrictions brought by the pandemic.

Rice crackers

Revenue from the rice crackers segment in 2022FY amounted to RMB5,843.3 million, representing 4.5% year-on-year growth, with low-single-digit growth in the core brand rice crackers and nearly double-digit growth in gift packs. This is mainly due to the effect of the channel diversification strategy and double-digit year-on-year revenue growth in overseas markets.

A series of creative marketing campaigns named “Got Rice, I Love to Eat Snacks Made of Rice” (Got Rice 大米做的我愛吃) and “Product Series, People Series and Occasion Series” (產品篇、人群篇、場景篇) enhanced interaction with consumers and helped promote products through online media and offline activities. In order to enrich the product offerings in the rice crackers segment and meet consumers’ health and diverse needs, the Group developed new products such as “Little Crunch” (小小脆), which is made from glutinous rice. Revenue contribution from new products of the rice crackers segment that were launched within the past five years reached a mid-to-high single-digit of the segment revenue in 2022FY. The Group continued to diversify its channels and achieved double-digit growth in emerging channels. New retail operation models such as content e-commerce and smart vending machine channels meet the needs of differentiated consumption scenarios and enhance the points-of-sale coverage of the channels. In addition, based on studies of consumers’ shopping habits, “large 1KG pack” was rolled out to modern channels to meet the cyclical purchase habits of families.

Dairy products and beverages

Revenue from the dairy products and beverages segment for the 2022FY amounted to RMB11,130.5 million, representing a year-on-year decrease of 13.5%, of which "Hot-Kid Milk" (旺仔牛奶) recorded a double-digit year-on-year decrease but resumed revenue growth in the fourth quarter of 2022FY and its growth further accelerated since 2023FY. The beverages sub-category recorded high single-digit year-on-year revenue growth in 2022FY, mainly due to the good performance of “Want Want O-Bubbles” (旺旺 O 泡). New products of the segment that were launched within the past five years generated a revenue exceeding RMB700 million in 2022FY.

In order to enrich the product mix of dairy products and beverages segment and to address the current consumption habit and consumers’ demand for products that are convenient to carry around for drinking anytime and at any place, the Group launched a PET-bottled “Hot-Kid Milk in Little Red Bottle” (旺仔牛奶小紅瓶), which have generated revenue of over RMB80 million in 2022FY. The Group also expanded its product range with new flavoured milk products such as nutritious “Nut Milk” and silky smooth “Chocolate Milk”, which aggregated revenue continued to set new records and exceeded RMB200 million in 2022FY.

The Group will continue promoting multi-channel development in the dairy products and beverages segment while strengthening the expansion into emerging channels, and will continue to launch new products in a variety of packaging, flavors and concepts to respond to the fast-growing demand in the market segments. For example, “Little Sports Drink” (小小運動飲料) contains vitamin B6 and niacin with low sodium formula and a refreshing taste, which is suitable for replenishing electrolytes after sweating during exercise, and the bottled “Daily Milk” uses raw cow milk as ingredient.

Snack foods

Revenues from the snack foods segment reached RMB5,820.3 million in 2022FY, representing year-on-year growth of 7.8%. Both popsicles sub-category and the beans, jellies and others sub-category grew by a double-digit year-on-year while the candies sub-category grew by a mid-single digit.

Revenue growth in the popsicles sub-category was mainly driven by the high temperature this summer and increased penetration of freezers. The launch of "Dongchi" (凍痴) products with innovative packaging and an upgraded version of popsicles, which are served cold but can be transported at room temperature, further increased the market share of popsicles with revenue of Dongchi hitting nearly RMB300 million again in 2022FY. In the forthcoming fiscal year, the Group will continue the interactive "13 flavours of Dongchi, which one do you pick" campaign in 2022FY to enhance the awareness of Dongchi of consumers.

Revenue from the candies sub-category increased by mid-single digit year-on-year, reaching a new all-time record high. Growth was achieved across multiple channels, with double-digit growth in modern channels. The Group launched products with festive elements such as the Halloween version of QQ Gummies, which were well received by consumers upon its launch with heated online discussions. "Want Want QQ Juice 100" (旺旺 QQ 果汁100) is an innovative product with "chewable juice" to satisfy people with different consumption habits.

Beans, jellies and others sub-category continued to maintain double-digit revenue growth, with jellies and "Lonely God" products both hitting record highs in revenue. This was mainly due to the market cultivation in traditional channels and category breakthroughs in emerging channels. The launch of new products such as "Lonely God Garlic Cheese Flavour" (蒜香芝士味浪味仙) and "90G Soft Pudding" (90G 嫩布丁) catered to the differentiated needs of modern consumers and received wide acclaim from consumers.

COST OF SALES

The Group's cost of sales in 2022FY amounted to RMB12,857.2 million, representing a year-on-year decrease of 2.9%. The cost of certain raw materials, such as whole milk powder and sugar, increased by a double-digit year-on-year while that of palm oil increased by close to a double-digit. In addition, certain energy costs also increased by a certain extent year-on-year. Coupled with the impact of the fluctuation of the exchange rate of Renminbi against the U.S. dollar, the unit cost was affected particularly in the first half of 2022FY.

However, in the second half of the financial year, the procurement costs of whole milk powder, palm oil and certain packaging materials have decreased substantially compared to the first half of the financial year, which has alleviated the cost pressure to a certain extent. The Group will continue to refine its procurement and supply chain management strategies, optimise the layout of its production lines and continue to enhance its automation level to further optimise its unit cost structure.

GROSS PROFIT

Suffered from the increase in cost of certain raw materials, the gross profit margin of the Group decreased by 0.9 percentage point to 43.9% in 2022FY as compared with that of the previous year. The Group continued to take various initiatives such as by optimising its product mix to improve its gross profit, the combined effects of which, together with the decrease in the cost of certain raw materials and packaging materials, the gross profit margin of the Group increased by 2.1 percentage points to 44.9% in the second half of the financial year as compared to that of the first half of the financial year, representing an increase of 1.9 percentage points year-on-year. In the future, the Group will continue to boost the healthy development of its product segments through the implementation of the channel and product differentiation strategies. Gross profit decreased by 6.3% year-on-year to RMB10,071.0 million due to the decline in revenue and gross profit margin.

Rice crackers

The gross profit margin of the rice crackers segment was 42.6% for the 2022FY, representing a year-on-year increase of 1.2 percentage points. In the second half of the financial year, with the increase in sales contribution from the high-margin gift pack products and the decrease in the costs of palm oil, gross profit margin increased to 45.3%, representing an increase of 8.1 percentage points as compared with that of the first half of the financial year and 3.7 percentage points year-on-year. The Group will continue to launch new products with special features to enrich the product mix and consolidate the profitability level of this segment.

Dairy products and beverages

The gross profit margin of the dairy products and beverages segment was 44.8% for the 2022FY, representing a decrease of 1.9 percentage points year-on-year. Due to the increase in the price of whole milk powder and the impact of exchange rate movements, the unit cost of imported whole milk powder increased by 18% year-on-year. At present, the uprising trend of the price of imported whole milk powder has substantially eased, and the gross profit margin is expected to improve gradually. The Group will continue to diversify its milk sources for procurement, review the profitability of its products and launch new products with high margin to optimize profitability.

Snack foods

The gross profit margin of the snack foods segment was 43.4% for the 2022FY, representing a decrease of 0.8 percentage point as compared with that of the same period in the previous year. This was due mainly to the double-digit increase in the costs of white sugar, skim milk powder and eggs as compared with those of the same period last year. The gross profit margin for the second half of the financial year improved significantly and reached 44.7%, representing an increase of 2.5 percentage points as compared with the first half of the financial year and 1.1 percentage points year-on-year. The Group will continue to optimise the sales mix and improve automation level in order to enhance the profitability of this segment. The Group will also launch differentiated new products, expand product price range and broaden consumption scenarios so as to facilitate consumption upgrade of the segment.

DISTRIBUTION COSTS

The distribution costs for the 2022FY decreased by RMB115.1 million as compared with those of the 2021FY to RMB3,018.1 million. Distribution costs as a percentage of revenue increased by 0.1 percentage point as compared with that of 2021FY to 13.2%. Of these, staff costs as a percentage of revenue was 4.8%, representing an increase of 0.3 percentage point as compared with that of 2021FY. Transportation expense to revenue ratio was 4.0%, and promotion and advertising expenses as a percentage of revenue was 2.6%, representing a decrease of 0.1 percentage point and 0.3 percentage point, respectively, as compared with those of 2021FY.

ADMINISTRATIVE EXPENSES

Administrative expenses for the 2022FY increased by RMB114.5 million to RMB2,849.2 million, representing an increase of 4.2% as compared with that of 2021FY. Administrative expenses as a percentage of revenue was 12.4%, representing an increase of 1.0 percentage point as compared with those of 2021FY, mainly due to the increase in staff costs.

OPERATING PROFIT

The Group's operating profit for 2022FY amounted to RMB4,846.7 million, representing a decrease of RMB610.1 million or 11.2% as compared with that of 2021FY. The operating profit margin was 21.1%, representing a decrease of 1.7 percentage points as compared to that for 2021FY.

INCOME TAX EXPENSE

The Group's income tax expense for 2022FY amounted to RMB1,417.2 million, and the income tax rate was 29.6% which increased by 2.7 percentage points as compared with that for 2021FY.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Profit attributable to equity holders of the Company for 2022FY decreased by 19.8% as compared with that of 2021FY and reached RMB3,371.6 million. The margin of profit attributable to equity holders decreased by 2.8 percentage points to 14.7% as compared with that of the previous year.

LIQUIDITY AND CAPITAL RESOURCES

Cash and borrowings

As at 31 March 2023, the net cash of the Group (cash and bank deposits (including long-term bank deposits) net of borrowings) amounted to RMB8,317.3 million, representing a decrease of RMB1,783.3 million as compared with that as at 31 March 2022 (RMB10,100.6 million). This was due mainly to the net cash inflow generated from operating activities during 2022FY of RMB4,218.7 million, payment of final and special dividends for 2021FY of RMB4,144.2 million as well as interim dividend for 2022FY of RMB934.7 million.

The Group finances its operations and capital expenditure primarily by cash flows generated from internal operations as well as banking facilities provided by its principal banks. As at 31 March 2023, cash and bank deposits balances (including long-term bank deposits of RMB5,752.0 million) amounted to RMB13,659.6 million (in which RMB accounted for approximately 96%, being approximately RMB13,141.0 million), representing a decrease of RMB3,343.2 million as compared with RMB17,002.8 million as at 31 March 2022. It was mainly due to the payment of dividends of RMB5,078.9 million.

As at 31 March 2023, total borrowings amounted to RMB5,342.3 million, representing a decrease of RMB1,559.9 million as compared with the balance as at 31 March 2022 (RMB6,902.2 million), mainly due to the repayment of borrowings by the Group with its own funds. Among which, short-term borrowings amounted to RMB3,282.0 million, representing a decrease of RMB73.84 million as compared with those as at 31 March 2022 (RMB3,355.9 million (including the Bonds (as defined below)); and long-term borrowings amounted to RMB2,060.3 million, representing a decrease of RMB1,486.1 million as compared with those as at 31 March 2022 (RMB3,546.4 million).

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"). The Bonds were repaid in full upon maturity in April 2022 using our own funds. As at 31 March 2023, the USD denominated Bonds payable was nil (31 March 2022: US$499.9 million).

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 2023 was -0.57 time (31 March 2022: -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

During 2022FY, a net cash inflow of RMB4,218.7 million was generated from operating activities of the Group, consisting mainly of profit before income tax of RMB4,780.0 million. Net cash outflow for financing activities was RMB7,428.7 million, among which net outflow of borrowings amounted to RMB2,129.7 million and cash outflow for dividend payment of RMB5,078.9 million. Net cash outflow for investing activities was RMB3,153.5 million, mainly due to the placement of RMB2,664.7 million to bank deposits with original maturity of more than three months when acquired. Lastly, the cash and cash equivalents as of 31 March 2023 amounted to RMB5,047.9 million, which, together with bank deposits with original maturity of more than three months when acquired of RMB8,611.7 million, amounted to RMB13,659.6 million.

Capital expenditure

For 2022FY, capital expenditure amounted to RMB531.3 million (for the year ended 31 March 2022: RMB460.5 million). The Group invested approximately RMB173.5 million, RMB139.9 million and RMB113.2 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), respectively, mainly for the construction of new plant and equipment in Vietnam and upgrade of some of the old plants and production facilities domestically to prepare for the Group's future growth. In addition, the Group also made investment in information facilities and packaging facilities.

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

Inventory analysis

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 inventory turnover days for the year ended 31 March 2023 and for the year ended 31 March 2022:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory turnover days	**90**	79

As at 31 March 2023, inventory amounted to RMB3,142.1 million (31 March 2022: RMB3,226.2 million). Inventory turnover days increased by 11 days as compared to 2021FY, mainly because the Group appropriately increased the inventory level of raw materials in response to uncertainties caused by the pandemic in 2022FY, resulting in an increase of 10 days in raw material and packaging materials turnover days as compared to 2021FY.

Trade receivables

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

The following table sets forth the number of trade receivables turnover days for the year ended 31 March 2023 and for the year ended 31 March 2022:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Trade receivable turnover days	**15**	15

Trade payables

Trade payables mainly relate to the purchase of raw materials on credit from 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 trade payables turnover days for the year ended 31 March 2023 and for the year ended 31 March 2022:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Trade payables turnover days	**29**	28

Pledge of assets

As at 31 March 2023, none of the assets of the Group was pledged.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

For 2022FY, average number of employees of the Group was approximately 41,229, representing a decrease of 36 employees as compared with the average number of employees for the year ended 31 March 2022. Total remuneration expenses for 2022FY amounted to RMB4,564.0 million. The remuneration package of 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.

The Group is always concerned about and has invested a significant amount of resources in continuing education and training programs for its 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 the operating activities of the Group are conducted in the Chinese mainland. The functional currency of the Chinese mainland subsidiaries 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.

Procurement of certain 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. During 2022FY, the Group used a certain amount of hedging products to address possible foreign exchange risk. 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.

DIVIDENDS

The Board recommended the payment of a final dividend of US2.10 cents per share for 2022FY, amounting to approximately US$249.5 million (equivalent to approximately RMB1,717.7 million). In January 2023, the Company paid an interim dividend of US1.14 cents per share for 2022FY, amounted to approximately US$135.5 million (equivalent to approximately RMB934.7 million). Total dividends for 2022FY would be US3.24 cents per share, amounting to approximately US$385.0 million, representing approximately 79% of the profit attributable to equity holders of the Company for 2022FY.

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 2023. The audit and risk management committee has also reviewed the financial results for the year ended 31 March 2023.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income and consolidated balance sheet and the related notes thereto contained in the preliminary announcement of our Group's results for the year ended 31 March 2023 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 2023. 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 2023, complied with the code provisions set out in Part 2 of Appendix 14, the Corporate Governance Code (the "CG Code"), to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the deviation from the code provision C.2.1.

Code provision C.2.1

Code provision C.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 46 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.

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 2023.

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

During the year ended 31 March 2023, the Company repurchased a total of 17,445,000 shares on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") for an aggregate amount (excluding expenses) of HK$89,273,930 and such repurchased shares were subsequently 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$)*
October 2022	15,800,000	5.28	5.00	81,166,070
March 2023	1,645,000	4.99	4.84	8,107,860
	17,445,000			89,273,930

Subsequent to the balance sheet date of 31 March 2023 and up to the date of this announcement, the Company repurchased a total of 2,677,000 shares on the HK Stock Exchange for an aggregate amount (excluding expenses) of HK$13,383,000. Such repurchased shares were subsequently cancelled. The number of issued shares of the Company as at the date of this announcement is 11,879,406,135 shares. Particulars of the shares repurchased on the HK Stock Exchange after the balance sheet date 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 2023	2,677,000	5.00	4.99	13,383,000

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 2023 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 22 August 2023. 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 16 August 2023, for the purpose of effecting the share transfers. The register of members of the Company will be closed from 17 August 2023 to 22 August 2023 (both dates inclusive).

PROPOSED DIVIDEND AND BOOK CLOSURE FOR ENTITLEMENT OF THE PROPOSED DIVIDEND

The Board has recommended the payment of a final dividend of US2.10 cents per share in respect of the year ended 31 March 2023. Subject to the approval of shareholders at the AGM, the proposed final dividend will be paid on or about 14 September 2023. Shareholders registered under the principal register of members in the Cayman Islands will automatically receive their dividend in US dollars while shareholders registered under the Hong Kong branch register of members will automatically receive their dividend in Hong Kong dollars. The Hong Kong dollars final dividend will be calculated with reference to the exchange rate of US dollars against Hong Kong dollars on 22 August 2023, being the date of the AGM on which such dividend will be proposed to the shareholders of the Company for approval.

In order to qualify for the entitlement to the above mentioned final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on 25 August 2023, for the purpose of effecting the share transfers. The register of members of the Company will be closed from 26 August 2023 to 30 August 2023 (both dates inclusive).

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

Hong Kong, 27 June 2023

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.