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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)

**PRESENTATION ON ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2020**

A presentation in relation to the results of Want Want China Holdings Limited and its subsidiaries for the year ended 31 March 2020 is appended to this announcement.

By order of the Board
Want Want China Holdings Limited
LAI Hong Yee
Director

Hong Kong, 16 June 2020

As at the date of this announcement, the executive directors of the Company 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 Mr. TOH David Ka Hock, Dr. PEI Kerwei, Mr. HSIEH Tien-Jen, Mr. LEE Kwok Ming and Mr. PAN Chih-Chiang.



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2019FY Results
Year ended March 31 2020

June 16 2020

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NOTE

Unless otherwise stated, this presentation provides the financial information from April 1st 2019 to March 31st 2020 (abbr. 2019FY), and the comparative financial information from April 1st 2018 to March 31st 2019 (abbr. 2018FY).

Readers are reminded to read and construe this presentation in conjunction with the announcement of the Company dated June 16th 2020 in relation to its annual results for the year ended March 31st 2020.





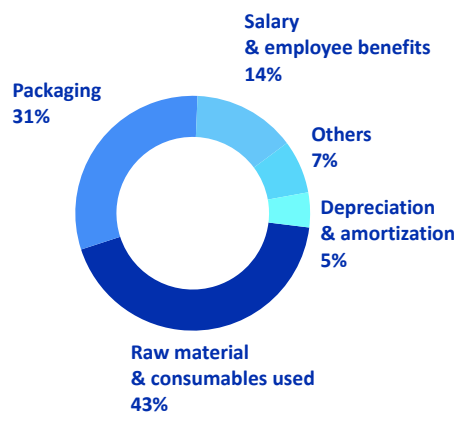
Financial Highlights

Revenue	RMB 20,095m ↓ 3.0%	<ul style="list-style-type: none"> ✓ Hot-Kid milk ↑ 1.9% ✓ Emerging channels + overseas market increased continuously ↑
Gross Margin	48.0% ↑ 260bps	✓ Optimized product mix
Operating Profit	RMB 4,806m ↑ 4.8% 23.9% ↑ 180bps	✓ Better gross profit margin
<i>Core Operating Profit (ex other income and other gains-net)</i>	RMB 4,379m ↑ 7.4%	
Profit attributable to equity holders	RMB 3,649m ↑ 5.0% 18.2% ↑ 140bps	✓ Income Tax Rate: 28.0%

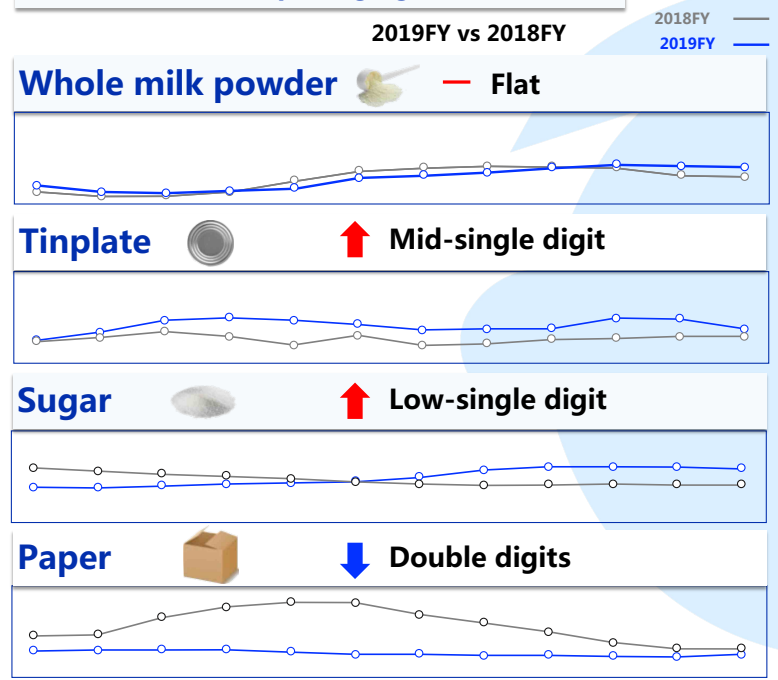
COST STRUCTURE



✓ Cost of sales breakdown

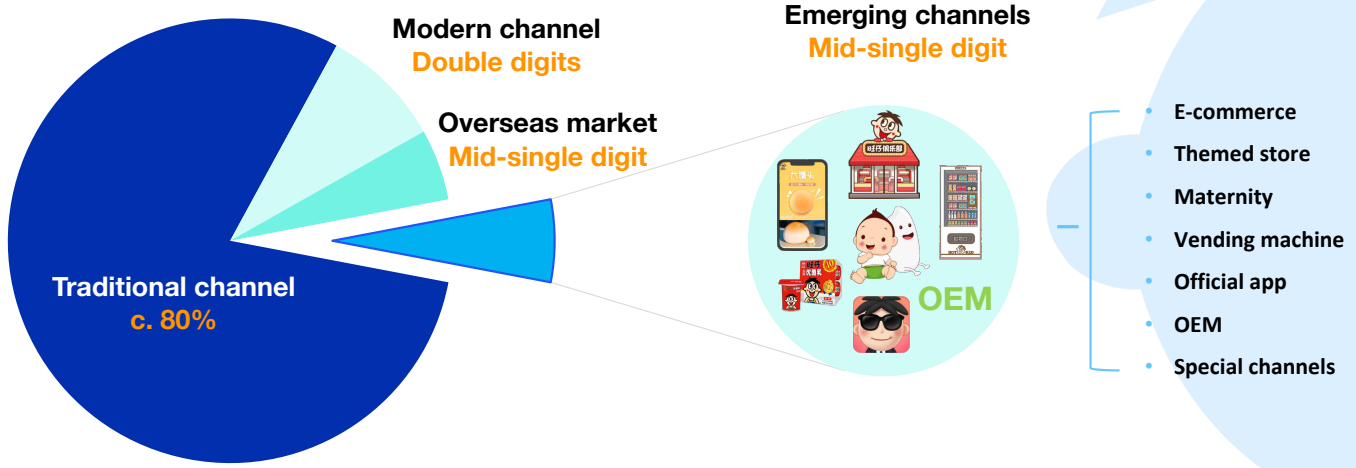


✓ Raw material & packaging unit cost trend





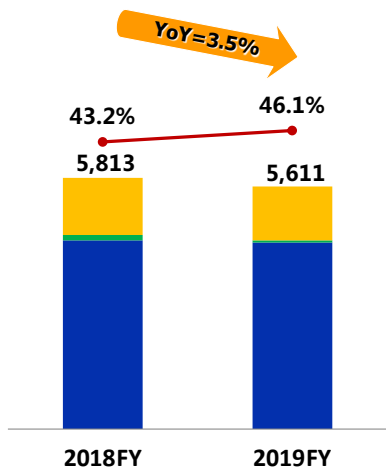
WELL DIVERSIFIED CHANNELS (Revenue contribution by channel)



RICE CRACKER SEGMENT

✓ Revenue breakdown and gross margin

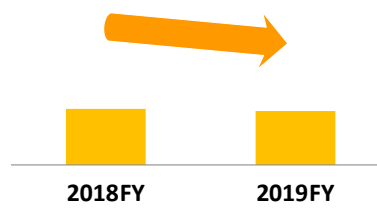
RMBmn



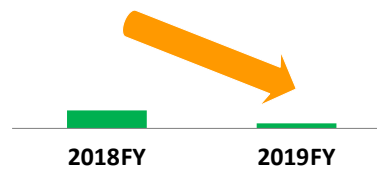
■ Core brands

■ Sub brands

✓ Revenue of gift packs



✓ Revenue of sub-brand rice crackers



■ Gift packs

● Gross profit margin

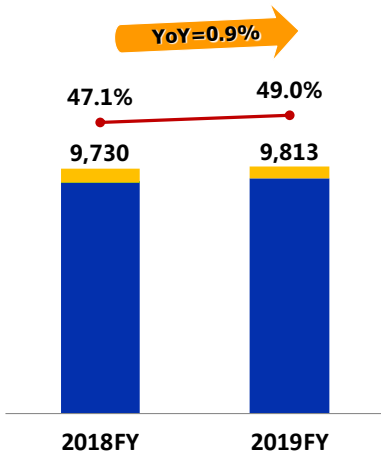




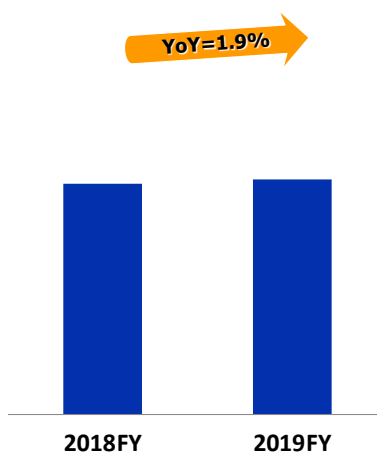
DAIRY and BEVERAGE SEGMENT

✓ Revenue breakdown and gross margin

RMBmn



✓ Revenue of Hot-Kid milk



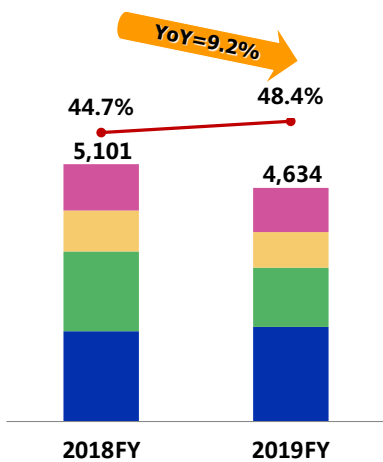
■ Hot-Kid milk ■ Beverages & others ● Gross profit margin



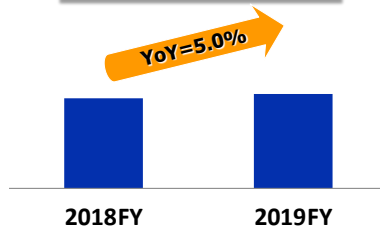
SNACK FOODS SEGMENT

✓ Revenue breakdown and gross margin

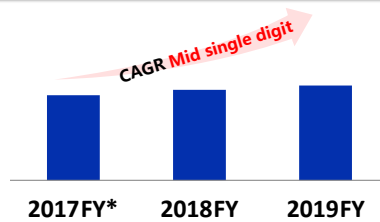
RMBmn



✓ Revenue of candies



✓ Revenue of candies in the past three years



■ Candies ■ Popsicles ■ Ball cakes ■ Beans nuts & others ● Gross profit margin

*2017FY: April 1st 2017 – March 31st 2018

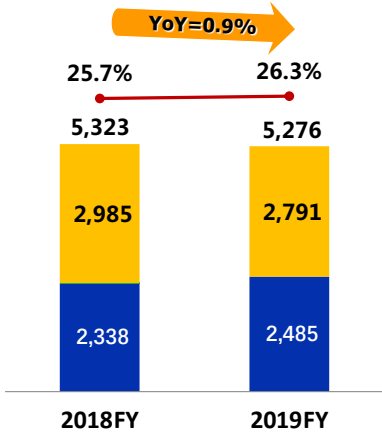




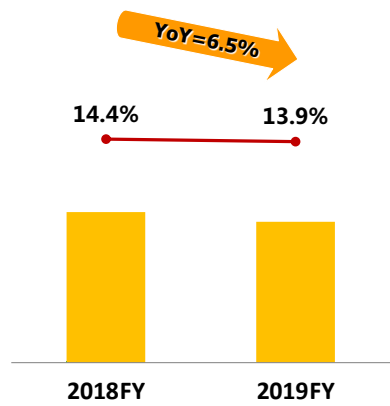
OPERATING EXPENSES

✓ Operating expenses breakdown

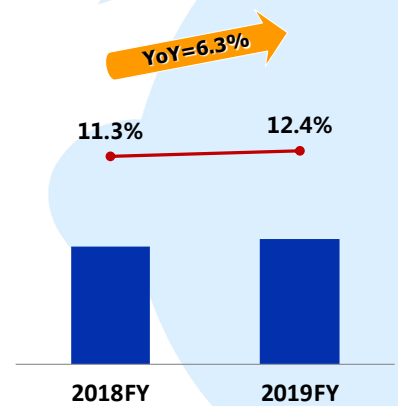
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✓ Distribution costs



✓ Administrative expenses

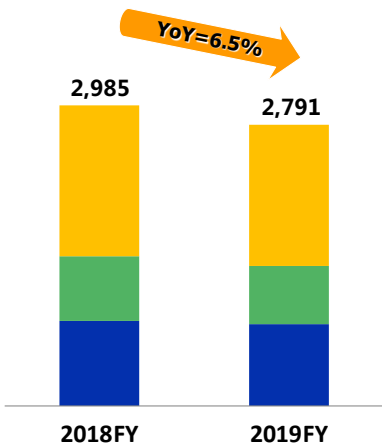


■ Administrative expenses ■ Distribution costs ● Expense ratio

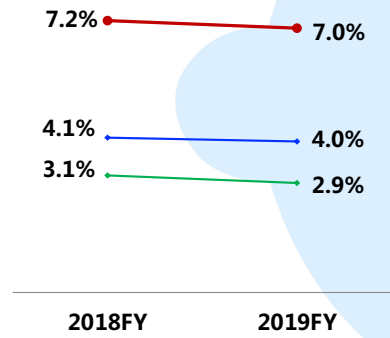
DISTRIBUTION COSTS

✓ Distribution costs breakdown

RMBmn



✓ Distribution costs as % of revenue



■ Transportation expenses ■ A&P expenses ■ Others ● Others ● Transportation expenses ● A&P expenses

WORKING CAPITAL



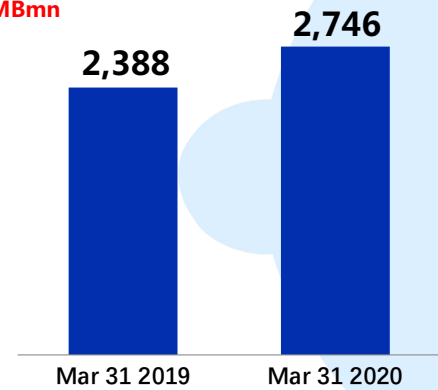
✓ Turnover days

Days

Item	Apr 01 2018- Mar 31 2019 (Restated)	Apr 01 2019- Mar 31 2020
Inventory	80	90
Trade receivables	19	17
Trade payables	(37)	(37)
Cash conversion cycle	62	70

✓ Inventory

RMBmn



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CASH and BORROWINGS



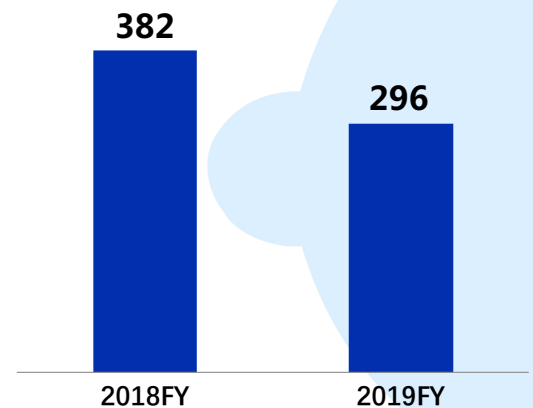
RMBmn

Cash & cash equivalents (Mar 31 2019 Restated)	17,160
Cash & cash equivalents (Mar 31 2020)	17,257
Borrowings (Mar 31 2019 Restated)	9,517
Borrowings (Mar 31 2020)	8,881
Net cash (Mar 31 2019 Restated)	7,643
Net cash (Mar 31 2020)	8,376

↑ 733

CAPEX

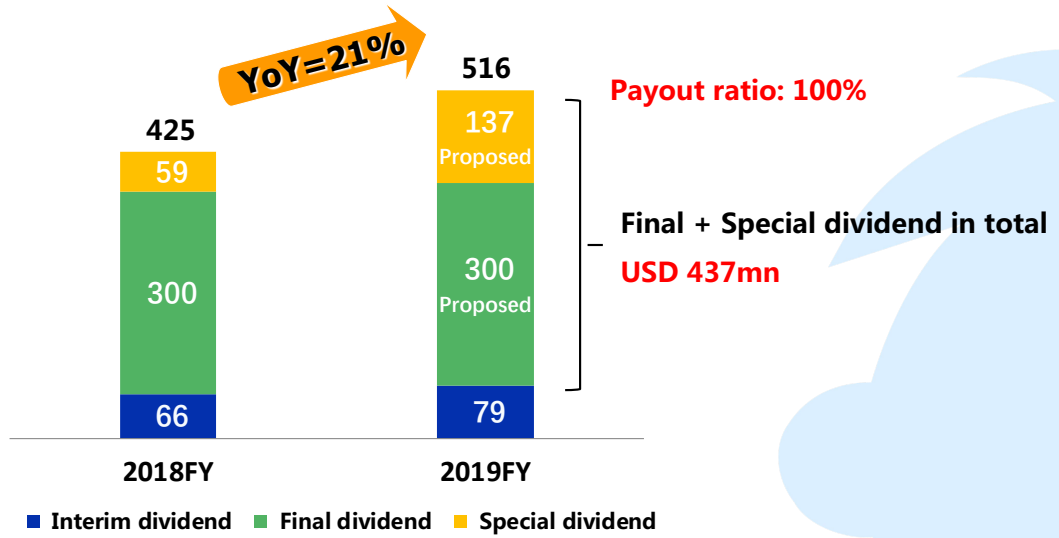
RMBmn



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DIVIDENDS

USDmn



✓ Dividends and share repurchases history (2008 - Mar 2020)



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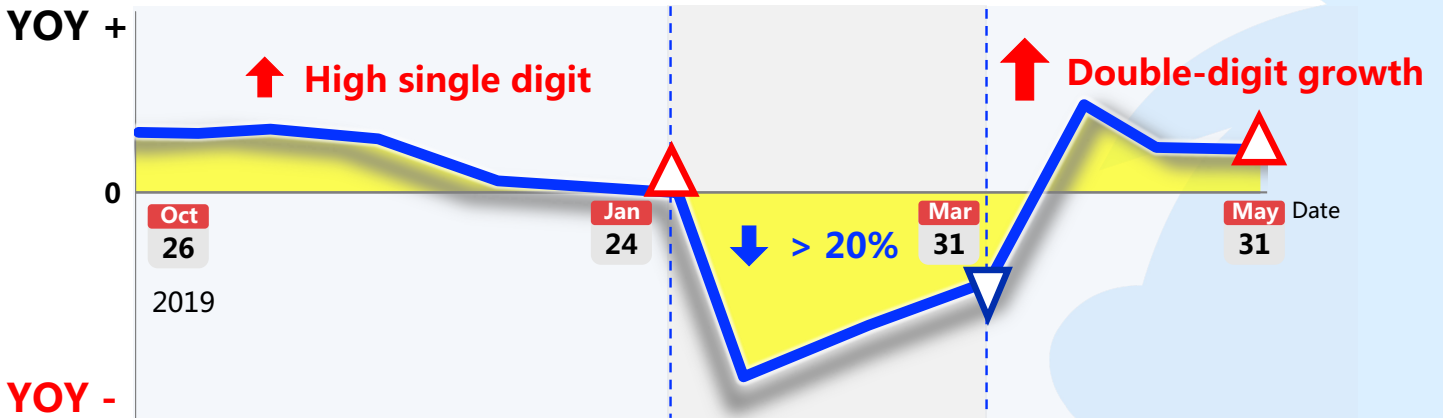
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Marketing Highlights

2019FY



OVERALL SALES TREND



- ✓ Products delivered to end point of sales
- ✓ Onsite distributor trade fairs and activities put on hold from Jan 21
- ✓ Government strengthened pandemic controls, delayed operation resumption
- ✓ Business activities were almost totally shut down
- ✓ Established pandemic emergency center on Jan 26
- ✓ Introduced incentive policies for distributors
- ✓ Distributor inventory ↓
- ✓ Product replenished to end point of sales ↑
- ✓ Customers' confidence ↑

RICE CRACKER SEGMENT



 Revenue of core-brand rice crackers
 ↑ high single digit
 in the first 3 quarters of 2019FY

Bulk sales in traditional channel
 ↑ double digits

Emerging channels, overseas market ↑

 Tailored gift packs for different channels

Diversified products, differentiated prices and channels





DAIRY and BEVERAGE SEGMENT



Hot-Kid milk **↑ 1.9%**

Traditional channel
↑ in the past 3 consecutive years

Management of product SKUs

Market order supervision

Emerging channels **↑**

Number of vending machines **↑**

Innovative marketing for
official online stores



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SNACK FOODS SEGMENT



Popsicles **↓** due to unfavorable
weather and COVID-19

Jan to Mar shipment adversely
affected by pandemic

New flavors of
“dongchi” and “popsicles”
will be launched



Candies **↑ mid single digit**



Jellies **↑ mid single digit**

CAGR for QQ gummies and jellies
in the past 3 consecutive years
c. double digits



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PROSPECT

✓ Organization —

- Guide distributors to transform their sales models into a combination of both online and offline

✓ Channel —

- Diversified channel development
- Exploring overseas market is our medium to long term business goal

✓ Product —

- Dedicated to become leader in niche market
- Focus of new products will be placed on health and nutrition

Q & A

Contact us:
investor@want-want.com