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 DECEMBER 2015

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2015	2014	Change
Key income statement items	***US$'000***	*US$'000*	%
Revenue	**3,427,721**	3,775,338	-9.2
Gross profit	**1,504,258**	1,519,239	-1.0
Operating profit	**728,844**	776,785	-6.2
EBITDA [1]	**866,016**	898,929	-3.7
Profit attributable to equity holders of the Company	**542,068**	620,505	-12.6
Key financial ratios	*%*	*%*	% point
Gross profit margin	**43.9**	40.2	+3.7
Operating profit margin	**21.3**	20.6	+0.7
EBITDA margin	**25.3**	23.8	+1.5
Margin of profit attributable to equity holders of the Company	**15.8**	16.4	-0.6

1 EBITDA refers to earnings before interest, income tax, depreciation and amortisation. It is calculated by adding back depreciation and amortisation expenses to the operating profit for the year.

The board (the "Board") of directors (the "Directors") of Want Want China Holdings Limited (the "Company" or "Want Want") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2015, together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

	Note	Year ended 31 December 2015 US$'000	2014 US$'000
Revenue	3	**3,427,721**	3,775,338
Cost of sales		**(1,923,463)**	(2,256,099)
Gross profit		**1,504,258**	1,519,239
Distribution costs		**(498,265)**	(486,673)
Administrative expenses		**(361,795)**	(329,078)
Other income	4	**83,537**	72,772
Other gains – net	5	**1,109**	525
Operating profit		**728,844**	776,785
Finance income		**61,970**	76,756
Finance costs		**(20,787)**	(23,475)
Finance income – net		**41,183**	53,281
Share of losses of associates		**(1,271)**	(527)
Profit before income tax		**768,756**	829,539
Income tax expense	6	**(227,197)**	(209,998)
Profit for the year		**541,559**	619,541
Profit attributable to:			
Equity holders of the Company		**542,068**	620,505
Non-controlling interests		**(509)**	(964)
		541,559	619,541
Earnings per share from profit attributable to equity holders of the Company during the year			
Basic earnings per share	7	**US4.14 cents**	US4.70 cents
Diluted earnings per share	7	**US4.14 cents**	US4.70 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2015

	Year ended 31 December	
	2015	2014
	US$'000	*US$'000*
Profit for the year	**541,559**	619,541
Other comprehensive income:		
Item that will not be reclassified subsequently to profit or loss		
Remeasurements of post-employment benefit obligations	**(1,730)**	228
Items that may be reclassified to profit or loss		
Change in value of available-for-sale financial assets	**(1,860)**	1,903
Currency translation differences	**(193,338)**	(17,630)
Other comprehensive income for the year	**(196,928)**	(15,499)
Total comprehensive income for the year	**344,631**	604,042
Attributable to:		
– Equity holders of the Company	**345,459**	605,041
– Non-controlling interests	**(828)**	(999)
Total comprehensive income for the year	**344,631**	604,042

CONSOLIDATED BALANCE SHEET
As at 31 December 2015

	Note	As at 31 December	
		2015	2014
		US$'000	*US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**1,414,977**	1,447,850
Leasehold land and land use rights		**190,010**	194,774
Investment properties		**6,331**	6,910
Intangible assets		**805**	872
Investments in associates		**7,062**	8,660
Deferred income tax assets		**44,803**	25,694
Available-for-sale financial assets		**7,621**	9,671
		1,671,609	1,694,431
Current assets			
Inventories		**441,787**	667,255
Trade receivables	*9*	**136,693**	132,192
Prepayments, deposits and other receivables		**111,881**	139,963
Cash and cash equivalents		**1,443,359**	1,649,915
		2,133,720	2,589,325
Total assets		**3,805,329**	4,283,756

	Note	As at 31 December 2015 US$'000	2014 US$'000
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**257,081**	263,921
Reserves		**1,607,503**	1,786,088
		1,864,584	2,050,009
Non-controlling interests		**7,611**	7,797
Total equity		**1,872,195**	2,057,806
LIABILITIES			
Non-current liabilities			
Borrowings		**998,521**	897,917
Deferred income tax liabilities		**23,248**	15,229
Other non-current liabilities		**18,434**	19,530
		1,040,203	932,676
Current liabilities			
Trade payables	*10*	**179,138**	196,730
Accruals and other payables		**399,593**	525,982
Current income tax liabilities		**56,596**	52,327
Borrowings		**257,604**	518,235
		892,931	1,293,274
Total liabilities		**1,933,134**	2,225,950
Total equity and liabilities		**3,805,329**	4,283,756

Notes:

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 M&C Corporate Services Limited, P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, 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 United States dollars ("US$"), unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements 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 ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which are carried at fair value.

Changes in accounting policy and disclosures

(a) Amendments adopted by the Group

The following amendments to existing standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2015.

- Amendment to HKAS 19 regarding defined benefit plans is effective for annual periods beginning on or after 1 July 2014. It applies to contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

- Annual improvements 2012 include changes from the 2010-2012 cycle of the annual improvements project, that affect 7 standards, only the below are effective for annual periods beginning on or after 1 July 2014:

  Amendment to HKFRS 8 'Operating Segments' requires disclosure of the judgements made by management in aggregating operating segments and a reconciliation of segment assets to the entity's assets when segment assets are reported.

  Amendments to HKAS 16 'Property, Plant and Equipment' and HKAS 38 'Intangible Assets' clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

  Amendment to HKAS 24 'Related Party Disclosures' does not require to disclose the compensation paid by the management entity (as a related party) to the management entity's employee or directors, but requires to disclose the amounts charged to the reporting entity by the management entity for services provided.

- Annual improvements 2013 include the following changes from the 2011-2013 cycle of the annual improvements project, are effective for annual periods beginning on or after 1 July 2014:

  Amendment to HKFRS 3 'Business Combinations' clarifies that HKFRS 3 does not apply to the accounting for the formation of any joint arrangement under HKFRS 11 in the financial statements of the joint arrangement.

  Amendment to HKFRS 13 'Fair Value Measurement' clarifies that the portfolio exception in HKFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of HKAS 39 or HKFRS 9.

  Amendment to HKAS 40 'Investment Property' clarifies the interrelationship between HKAS 40 and HKFRS 3 when classifying property as investment property or owner-occupied property.

The adoption of the above amendments did not give rise to any significant impact on the Group's results of operations and financial position for the year ended 31 December 2015.

(b) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(c) *New standards and amendments issued but are not effective for the financial year beginning after 1 January 2015 and have not been early adopted*

A number of new standards and amendments to existing standards have been issued but are not yet effective for the financial year beginning after 1 January 2015, and have not been early adopted by the Group in preparing these consolidated financial statements. The Group is yet to assess the full impact of these new standards and amendments and intents to adopt them no later than the respective effective dates of these new standards and amendments. These new standards and amendments are set out below:

- HKFRS 14 'Regulatory Deferral Accounts', effective for annual periods beginning on or after 1 January 2016.
- Amendment to HKFRS 11 'Accounting for Acquisitions of Interests in Joint Operations', effective for annual periods beginning on or after 1 January 2016.
- Amendments to HKAS 16 and HKAS 38 'Clarification of Acceptable Methods of Depreciation and Amortisation', effective for annual periods beginning on or after 1 January 2016.
- Amendments to HKAS 16 and HKAS 41 'Agriculture: Bearer Plants', effective for annual periods beginning on or after 1 January 2016.
- Amendments to HKFRS 10 and HKAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture', originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed.
- Amendment to HKAS 27 'Equity Method in Separate Financial Statements', effective for annual periods beginning on or after 1 January 2016.
- Annual improvements 2014 that affect the following standards: HKFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', HKFRS 7 'Financial Instruments: Disclosures', HKAS 19 'Employee Benefits' and HKAS 34 'Interim Financial Reporting', effective for annual periods beginning on or after 1 January 2016.
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 'Investment Entities: Applying the Consolidation Exception', effective for annual periods beginning on or after 1 January 2016.
- Amendments to HKAS 1 'Disclosure Initiative', effective for annual periods beginning on or after 1 January 2016.
- HKFRS 15 'Revenue from Contracts with Customers', effective for annual periods beginning on or after 1 January 2018.
- HKFRS 9 'Financial Instruments', effective for annual periods beginning on or after 1 January 2018.

3. SEGMENT INFORMATION

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

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

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

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

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

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

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

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

The executive Directors assess the performance of the business segments based on profit before income tax without allocation of finance income-net and share of losses of associates, which is consistent with that in the financial statements.

The revenue of the Group for the years ended 31 December 2015 and 2014 are set out as follows:

	2015	2014
	US$'000	*US$'000*
Rice crackers	**834,909**	811,936
Dairy products and beverages	**1,721,035**	1,992,953
Snack foods	**861,294**	962,847
Other products	**10,483**	7,602
Total revenue (turnover)	**3,427,721**	3,775,338

The segment information for the year ended 31 December 2015 is as follows:

	Year ended 31 December 2015					
	Rice crackers *US$'000*	**Dairy products and beverages** *US$'000*	**Snack foods** *US$'000*	**Other products** *US$'000*	**Unallocated** *US$'000*	**Group** *US$'000*
Segment results						
Revenue	**834,909**	**1,721,035**	**861,294**	**10,483**	**–**	**3,427,721**
Segment profit/(loss)	**173,869**	**465,163**	**184,421**	**(10,106)**	**(84,503)**	**728,844**
Finance income-net						**41,183**
Share of losses of associates						**(1,271)**
Profit before income tax						**768,756**
Income tax expense						**(227,197)**
Profit for the year						**541,559**
Other segment items included in the income statement						
Depreciation of property, plant and equipment	**36,893**	**48,235**	**37,934**	**425**	**8,923**	**132,410**
Amortisation of leasehold land and land use rights	**796**	**2,288**	**1,023**	**195**	**31**	**4,333**
Depreciation of investment properties	**–**	**–**	**–**	**245**	**–**	**245**
Amortisation of intangible assets	**–**	**–**	**–**	**–**	**184**	**184**
Capital expenditure	**23,876**	**140,002**	**38,761**	**3,795**	**18,908**	**225,342**

Segment assets exclude equity investments and other unallocated head office and corporate assets as these assets are managed on a group basis. Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The segment assets and liabilities as at 31 December 2015 are as follows:

	31 December 2015					
	Rice crackers *US$'000*	**Dairy products and beverages** *US$'000*	**Snack foods** *US$'000*	**Other products** *US$'000*	**Unallocated** *US$'000*	**Group** *US$'000*
Segment assets and liabilities						
Segment assets	**743,822**	**2,109,765**	**781,861**	**105,215**	**57,604**	**3,798,267**
Investments in associates						**7,062**
Total assets						**3,805,329**
Total liabilities	**199,143**	**289,625**	**161,291**	**14,235**	**1,268,840**	**1,933,134**

The segment information for the year ended 31 December 2014 is as follows:

	Year ended 31 December 2014					
	Rice crackers *US$'000*	Dairy products and beverages *US$'000*	Snack foods *US$'000*	Other products *US$'000*	Unallocated *US$'000*	Group *US$'000*
Segment results						
Revenue	811,936	1,992,953	962,847	7,602	–	3,775,338
Segment profit/(loss)	152,624	487,798	215,271	(4,792)	(74,116)	776,785
Finance income-net						53,281
Share of losses of associates						(527)
Profit before income tax						829,539
Income tax expense						(209,998)
Profit for the year						619,541
Other segment items included in the income statement						
Depreciation of property, plant and equipment	33,915	44,646	35,155	591	3,734	118,041
Amortisation of leasehold land and land use rights	656	1,807	971	194	31	3,659
Depreciation of investment properties	–	–	–	248	–	248
Amortisation of intangible assets	–	–	–	–	196	196
Capital expenditure	37,047	254,087	38,095	3,449	21,218	353,896

The segment assets and liabilities as at 31 December 2014 are as follows:

	31 December 2014					
	Rice crackers *US$'000*	Dairy products and beverages *US$'000*	Snack foods *US$'000*	Other products *US$'000*	Unallocated *US$'000*	Group *US$'000*
Segment assets and liabilities						
Segment assets	769,737	2,285,181	1,053,471	117,860	48,847	4,275,096
Investments in associates						8,660
Total assets						4,283,756
Total liabilities	237,782	314,057	221,662	23,813	1,428,636	2,225,950

4. OTHER INCOME

	2015 *US$'000*	2014 *US$'000*
Government grants	**72,425**	59,884
Sale of scraps	**10,111**	11,677
Rental income from investment properties, net	**340**	305
Others	**661**	906
Total	**83,537**	72,772

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

5. OTHER GAINS – NET

	2015 *US$'000*	2014 *US$'000*
Net foreign exchange gains/(losses)	**620**	(423)
Losses on sales of property, plant and equipment and investment properties	**(2,803)**	(910)
Donation expenses	**(1,580)**	(4,143)
Others	**4,872**	6,001
Total	**1,109**	525

6. INCOME TAX EXPENSE

	2015	2014
	US$'000	*US$'000*
Current income tax:		
Current income tax on profits for the year	**199,080**	201,118
Deferred income tax:		
Withholding tax on dividends from Chinese mainland subsidiaries	**47,254**	22,500
Origination and reversal of temporary differences	**(19,137)**	(13,620)
Income tax expense	**227,197**	209,998

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.

Effective from 1 January 2008, the Company's subsidiaries incorporated in the Chinese mainland are required to determine and pay the Corporate Income Tax ("CIT") in accordance with the Corporate Income Tax Law of the PRC (the "New CIT Law") as approved by the National People's Congress on 16 March 2007 and Detailed Implementations Regulations of the New CIT Law (the "DIR") as approved by the State Council on 6 December 2007. According to the New CIT Law and DIR, the income tax rates for both domestic and foreign investment enterprises have been unified at 25% effective from 1 January 2008.

Enterprises incorporated in other places are subject to income tax at the prevailing rates of 0% to 30% (2014: 0% to 30%) .

7. 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.

	2015	2014
Profit attributable to equity holders of the Company (US$'000)	**542,068**	620,505
Weighted average number of ordinary shares in issue (thousands)	**13,100,625**	13,203,799
Basic earnings per share	**US4.14 cents**	US4.70 cents

(b) Diluted

Diluted earnings per share is the same as the basis earnings per share since the Company does not have diluted shares.

8. DIVIDENDS

	2015	2014
	US$'000	*US$'000*
Interim dividend paid of US0.61 (2014: US1.21) cents per ordinary share	**79,946**	159,672
Proposed final dividend of US1.25 (2014: US1.21) cents per ordinary share	**159,216**	159,628
	239,162	319,300

On 15 March 2016, the Board recommended the payment of a final dividend of US1.25 cents (2014: US1.21 cents) per ordinary share, totalling US$159,216,000 (2014: US$159,628,000) for the year ended 31 December 2015. The proposed final dividend in respect of the year ended 31 December 2015 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 forthcoming annual general meeting. The financial statements do not reflect this dividend payable.

The dividends paid in 2015 amounted to US$239,092,000, comprising the final dividend for the year ended 31 December 2014 of US$159,146,000 and the interim dividend for the six months ended 30 June 2015 of US$79,946,000, which were paid in May and October 2015 respectively.

9. TRADE RECEIVABLES

	2015	2014
	US$'000	*US$'000*
Trade receivables		
– from third parties	**141,010**	134,748
– from a related party	**1,404**	1,646
	142,414	136,394
Less: provision for impairment of trade receivables	**(5,721)**	(4,202)
Trade receivables, net	**136,693**	132,192

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 (2014: 60 to 90 days).

As at 31 December 2015 and 2014, the ageing analysis of trade receivables based on invoice date is as follows:

	2015	2014
	US$'000	*US$'000*
Within 60 days	**112,330**	113,032
61-90 days	**13,906**	9,112
91-180 days	**8,919**	10,343
181-365 days	**3,774**	1,738
Over 365 days	**3,485**	2,169
	142,414	136,394

As at 31 December 2015, trade receivables aged over 90 days amounted to US$16,178,000 (2014: US$14,250,000) were impaired and provided for. The amount of provision was US$5,721,000 (2014: US$4,202,000). The individually impaired receivables mainly related to the customers with different credit ratings. It is assessed that a portion of the receivables is expected to be recovered.

The carrying amounts of the Group's trade receivables approximated their fair values as at the balance sheet dates.

10. TRADE PAYABLES

	2015	2014
	US$'000	*US$'000*
Trade payables – to third parties	**179,138**	196,730

The ageing analysis of the trade payables as at 31 December 2015 and 2014 is as follows:

	2015	2014
	US$'000	*US$'000*
Within 60 days	**159,493**	155,757
61 to 180 days	**13,811**	32,937
181 to 365 days	**3,800**	5,250
Over 365 days	**2,034**	2,786
	179,138	196,730

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

CHAIRMAN'S STATEMENT

2015 was a challenging year for both Want Want and China. It was the first time that the results of Want Want had retreated for two consecutive years since it entered the China market in 1994. Many people were of the view that the subdued performance was attributable to either the macro environment or the general economic condition. However, I believe that China remains the biggest consumer market in the world and the key to success is to make timely adjustments according to the changing conditions of the market, find appropriate solutions and strategies and execute them with determination, thereby turning "adversity" into "opportunity".

In 2015, as affected by the adverse results of dairy products and beverages and popsicles, the Company recorded a revenue of US$3,427.7 million, representing a decrease of 9.2% from that of the year 2014. However, gross profit margin increased by 3.7 percentage points to 43.9% as compared with that of 2014, attributable mainly to the decrease in cost of some key raw materials. The amount of gross profit decreased by 1.0% to US$1,504.3 million as compared with that of 2014, due mainly to the weak top-line performance. Generally, the overall operating expenses were well controlled. The revenue contribution from modern channel increased in 2015 over the year 2014 and our advertising and promotion expenses to revenue ratio maintained at around 3.6%. Therefore, although our operating profit decreased by 6.2%, as our gross profit margin improved, our operating profit margin also increased by 0.7 percentage point to 21.3%, as compared with that of 2014.

In order to maintain the long-term competitive strength of Want Want products in distribution channels and end stores, we broadly classified the Group's products into "Ordinary Star Products" and "Products with Growth Potential" after collecting detailed market information across the nation and formulated different business solutions for each type of products. These solutions share one common feature which is to simplify most of the complicated sales policies, thereby enabling our distributors to be more confident and interested in distributing and selling Want Want products under the new normal economic environment in China.

Furthermore, after interviewing many of our customers, we are confident in the competitive advantages of Want Want products in the market. However, as the Group has a vast variety of products, it is difficult for our management to focus on both the existing and new products. Thus previously, many new products were not well managed and promoted. In 2016, we will integrate our marketing resources and strive for breakthroughs in some new differentiated products. Many investors are concerned about the insufficient advertising and promotion expenses incurred by the Group. In fact, incurring advertising expenses will only be wasting money if relevant products have not yet been put onto shelves. In view of this, we will continue to increase display areas in our selected points of sales, which should make it worthwhile to incur the additional advertising expenses.

Lastly, in 2015, we achieved better results in modern channel, e-commerce and maternity channels over the previous year. In 2016, we will focus on the preference of target customers in different channels and develop different packaging and product flavors, so as to expand our consumer base. We believe for a long time that only "innovation" and "differentiation" could enable the Group to build a solid foundation for long-term sustainable growth.

Dividends and share repurchases:

The Board recommended the payment of a final dividend of US1.25 cents per share for the year 2015, which is approximately US$160 million in total. Including the interim dividend of US$80 million, the total amount of dividends for the year 2015 would be approximately US$240 million.

In view of the fluctuation in the share price in 2015, the Group, by way of share repurchase, repurchased 342,000,000 shares of the Company in the open market at a total cost of US$291.8 million.

The Group's total return to our shareholders by ways of dividends and share repurchases for the year 2015 would be approximately US$530 million. This amount is approximately equivalent to the total operating free cash flow after deduction of capital expenditure for the year 2015.

The Group continues to implement a stable dividend policy by returning most of the free cash flow to our shareholders by ways of dividends and share repurchases after reserving funds to satisfy the capital expenditure requirement for future operation and development. Since the listing of the Company in 2008, the Group has returned a total of US$2,693.8 million (excluding the proposed final dividend for the year 2015) to our shareholders by these two means. I would like to express my sincere gratitude to all our shareholders for their continuous support.

At the Company's annual dinner held during the Chinese New Year, I mentioned to all members of the management that over the past 41 years, whenever I encountered setbacks and difficulties, I would review the "Company motto" that I wrote when I was young to look for solutions. I believe that the unique culture of Want Want surpasses all others before and since. As long as all Want Want staff adhere to the spirit of Want Want, we will be able to regain pride and recognition. We have to make every effort to realise our dream. To build a great long-lasting enterprise, to overcome difficulties and face challenges with courage is a journey that we must go through. As long as over 50,000 Want Want staff members are of one mind, there is no limit to what we can achieve.

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

According to the data released by the National Bureau of Statistics of China on 19 January 2016, the downward pressure on China's economy increased in 2015. China's gross domestic product ("GDP") growth slowed down to 6.8% in the fourth quarter of 2015. The GDP for the whole year of 2015 grew by 6.9%, which was the lowest growth rate over the past 25 years since 1990.

Despite the challenges in the macro-economy, the Group still believes that China will remain as the consumer market in the world with the most potential in view of its absolute value of economic growth and the huge population. We would gain long-term consumer and market recognition so long as we ratify our sales pace and strategies promptly to continue to provide our consumers with high quality products which are safe, fresh and differentiated.

In 2015, the Group focused on adjustments and reforms in various aspects, including maintaining a reasonable stock level of channel inventory, ensuring freshness of our products, simplifying the policies with our distributors to increase their confidence and profitability and enhancing our product presence and availability on shelves. Although we need time to prove the effectiveness of such adjustments, with healthy inventory age, stimulated desires for sales by distributors, effective control of operating costs, operation of multi-channels (traditional channel, modern channel, e-commerce and maternity channels), expansion of product lines and development of potential products (such as expansion of the dairy products and beverages business by a series of milk beverages products) as well as the continuous decrease in costs of some key raw materials, we are confident in achieving our performance in 2016.

The Group achieved a revenue of US$3,427.7 million in 2015, representing a decrease of 9.2% as compared with that of 2014. Excluding the effect of the exchange rate of Renminbi ("RMB") against the US dollar, it represents a decrease of 7.8% as compared with that of 2014. As for the revenue contribution by three key product segments, the rice crackers and snack foods segments, in aggregate, accounted for 49.5% of the Group's total revenue, whilst that from the dairy products and beverages segment accounted for 50.2%. Benefiting from the fall in the costs of key raw materials such as whole milk powder, the Group's gross profit margin for 2015 reached 43.9%, representing an increase of 3.7 percentage points over the year 2014. The Group's distribution costs and administrative expenses for 2015 increased by 5.4% over the year 2014, due mainly to an increase in labour costs as a result of the adjustment of organization structure. However, the distribution costs and administrative expenses have been brought under effective control in the fourth quarter of 2015. In addition, the Group's operating profit for 2015 was US$728.8 million, representing a decrease of 6.2% as compared with that of 2014. However, benefiting from the higher gross profit margin, operating profit margin increased by 0.7 percentage point to 21.3% over the year 2014.

Furthermore, the amount of dividends distributed by our subsidiaries in the PRC to the overseas parent company increased in the second half of 2015. Affected by the one-off payment of dividend withholding tax, the Group's income tax rate for 2015 reached 29.6%, representing an increase of 4.3 percentage points as compared with that of 2014. As a result, the profit attributable to equity holders of the Company for 2015 was US$542.1 million, representing a decrease of 12.6% over the year 2014. In the long term, income tax rate of the Group is expected to be maintained at a level between 27% and 28%.

REVENUE

Due to the large-scale giveaway promotions to reduce inventory level under the weak market environment for the entire dairy product industry and the impacts of abnormal weather causing a weak demand for popsicles, the Group's revenue for 2015, particularly that for the second half of 2015, was under severe pressure.

However, the management did not lower its prices for short-term promotional sales. Instead, the management not only monitored closely the market inventory level of our products but also increased resources for market displays as well as focusing on the freshness of our products, so as to maintain our product competitiveness for sustainable growth in the medium-to-long term.

Meanwhile, based on the "80/20 Rule" ("二八法則"), we redefined the product classification and divided our products into "Ordinary Star Products" and "Products with Growth Potential". We formulated different marketing strategies for each classification which made our distributors willingly display our products on the shelves amid their lack of confidence in the current weak market environment. Apart from maintaining the steady performance of products with 80% revenue contribution, it also stimulated the performance of products which contribute less than 20% of revenue in total but comprise numerous items, thus enhancing these products' presence on shelves.

Moreover, we gave more support to distributors for displays, enhanced the diversified special display methods and strengthened the interactive marketing activities with consumers. All these had enabled the dry products in modern channel to achieve a double digit revenue growth in 2015 and gained satisfactory results in rice crackers sales in traditional channel.

The revenue achieved by the Group in 2015 was US$3,427.7 million, representing a decrease of 9.2% as compared with that of 2014. The revenue of rice crackers in 2015 increased by 2.8% to US$834.9 million as compared with that of 2014, of which the revenue of gift packs in 2015 increased by 8.6% year-on-year; the revenue of dairy products and beverages decreased by 13.6% year-on-year due to intense competition and the limitation of homogenous product mix. However, its operating profit only decreased by 4.6%. The revenue of snack foods decreased by 10.5% as compared with that of 2014 due mainly to the impact of the weather on the sales of popsicles.

As regards the development of channels, we strive to continue the trend we achieved in 2015 of double-digit sales growth of the dry products in modern channel. Increase in the display of dairy products in modern channel would also bring higher revenue of dairy products and beverages. Meanwhile, we will base on the sales characteristics of different channels to develop exclusive products and packaging for each specific channel, which should enable the trend in 2015 to continue in e-commerce, maternity and modern channel for rapid growth.

Rice crackers

The revenue of rice crackers in 2015 increased by 2.8% to US$834.9 million as compared with that of 2014 (excluding the effect of the exchange rate of RMB against the US dollar, it would have recorded a mid single-digit growth) of which the revenue growth of rice crackers in modern channel exceeded 20%. The revenue of gift packs in 2015 increased by 8.6% from US$174.5 million in 2014 to US$189.5 million in 2015.

In 2015, the Group adopted a new display method, "Ge Ge Want" ("格格旺") for its rice crackers, which effectively boosted the growth in sales. The Group also developed our sub-distributors to effectively expand their points of sales.

In 2016, the Group plans to increase its investments in the above areas by several times, in order to expand comprehensively the display area and points of sales. At the same time, we will also introduce new differentiated products based on the characteristics of channels, optimize product mix and provide consumers with more diversified and refreshing products. All these should result in prolong revenue growth.

Dairy products and beverages

The revenue of dairy products and beverages reached US$1,721.0 million in 2015, representing a decrease of 13.6% as compared with that of 2014. The revenue of "Hot-Kid milk" which accounted for approximately 90% in the revenue of dairy products and beverages, was US$1,544.4 million, representing a decrease of 13.5% as compared with that of 2014, due to weak market environment and heavy discount offered by the industry to reduce the inventory level.

In 2015, we endeavored to maintain a healthy inventory level of our distributors and ensure our product freshness. In addition, we ensured an increase in the display areas of "Hot-Kid milk" in certain selected points of sales so as to maintain its market share.

In 2016, we will focus on the development of certain products in the healthy milk beverage sector with growth potential and focus our resources on promoting products such as bottled yogurt drink, "O Bubble" fruit milk drink and children's yogurt. We will also integrate all channel resources and efforts to strengthen the display in points of sales, brand image, sales outlets, product roadshow and development of sub-distributors, so as to actively nurture one or two star products in this segment, similar to "Hot-Kid milk" in the coming three to five years.

Snack foods

The revenue of snack foods decreased by 10.5% from US$962.8 million in 2014 to US$861.3 million in 2015, due mainly to a decrease of close to 20% in the revenue of popsicles and jellies subcategory as a result of the weak demand caused by the "Cool Summer" weather in 2015.

Despite the unprecedented challenges to popsicles sales caused by the external condition, the Group did not increase the burden on our distributors. Conversely, the Group carried out strict control on the market inventory level which should enable the sales of popsicles to rebound with ease. Coupled with the effect of low comparison base in sales in 2015, it should be possible for popsicles and jellies subcategory to resume its growth momentum in 2016, thereby actively restore the revenue growth in snack foods.

Meanwhile, the Group will also apply the new special display method, "Ge Ge Want", to snack foods. "Ge Ge Want" is more suitable for displaying snack foods which have vast varieties of items. In addition, our sub-distributors will help increase the market penetration and expand new market districts and points of sales which are currently beyond the reach of our Want Want products.

In 2016, the Group will introduce tailor-made products targeting at different channels, such as baumkuche ("年輪蛋糕") for modern channel, "snack packages with strong flavor" for youngsters in e-commerce channel and "Baby Mum-Mum" Gummy and probiotics products for maternity channel. The Group will strive for driving future growth of diversified products through developing multi-channels and expanding our current consumer base.

COST OF SALES

The cost of sales of the Group included mainly cost of key raw materials (such as milk powder, sugar, rice, palm oil and packaging materials), direct labour and manufacturing costs such as utilities. In 2015, the cost of some of the key raw materials such as whole milk powder decreased by approximately 19% as compared with that of 2014. In addition, due to a decrease in our revenue, cost of sales decreased from US$2,256.1 million in 2014 to US$1,923.5 million in 2015, representing a decrease of 14.7%.

In general, the procurement cycle for sourcing imported whole milk powder normally takes four to six months, therefore, the Company has secured majority of milk powder to be used in 2016. Thus, the price for most of the imported whole milk powder for 2016 has been locked in. We have also entered into long term purchasing contracts with suppliers of certain other key raw materials and packaging materials, and with a general downward trend in price, the management expects that the Group will continue to benefit from the decrease in prices of these materials in 2016. Meanwhile, the continuous implementation of automation and integration of production bases and lines will enable the production efficiency to be optimized gradually.

While refining the quality of our products and optimizing the cost structure, the Group will also strengthen the application of green energy in the coming years. In 2015, the Group commenced the pilot project of distributed photovoltaic power generation. If the project is successful, the Group will gradually replace the tradition energy with the sustainable and renewable clean energy in our suitable production bases, so as to fulfil its social responsibilities as a listed company.

GROSS PROFIT

Benefiting from the significant decrease of the prices of key raw materials, the Group's gross profit margin reached 43.9% in 2015, representing an increase of 3.7 percentage points as compared with that of 2014. However, due to the weak performance of dairy products and popsicles, gross profit decreased by 1.0% from 2014 to US$1,504.3 million.

Given that we have locked up the purchase costs of a certain portion of whole milk powder and packaging materials, and with introduction of products with high gross profit margin and optimized product sales mix, the Group should be able to maintain its strength in product profitability. Despite the fact that the management plans to increase supports to the special displays of distributors, enlarge the special display areas of products and increase the frequency of interaction with consumers, it is expected that the gross profit margin in 2016 will further increase due to the significant downward trend of raw material cost.

Rice Crackers

The gross profit margin of rice crackers increased by 2.5 percentage points from 39.9% in 2014 to 42.4% in 2015, due mainly to the significant increase in gross profit margin of gift packs as a result of the persistent optimization of the product mix. The Gross profit margin of the core-brand rice crackers also increased by 1.8 percentage points year-on-year, driven by new products with high gross profit margin, decrease in key raw material prices, and the results of the optimization of worker allocation in production lines and automation.

The rice cracker is the product category with highest labour cost in the Group. Automated production and labour cost optimization will still be our key direction in the future, so as to maintain a long-term competitive strength in the profitability of such product category.

Dairy products and beverages

The gross profit margin of dairy products and beverages was 44.1% in 2015, representing an increase of 5.7 percentage points as compared with that of 2014, due mainly to a decrease of approximately 19% in the cost of milk powder as compared with that of 2014 which led to a rapid increase in the gross profit margin.

Based on the cost of purchased raw materials, it is expected that the gross profit margin of such product category in 2016 will increase further as compared with that of 2015. The Group will also focus on promoting milk beverages. The higher gross profit margin of milk beverages provides flavourable support for an increase of marketing and promotion efforts and resources.

Snack foods

The gross profit margin of snack foods was 46.3% in 2015, representing an increase of 1.4 percentage points from 44.9% in 2014, mainly due to the decrease in key raw material prices and the optimization of the Groups' product structure.

Among the three key product segments, snack foods have the widest range of items, including many special products with high market share such as fruity ices ("碎冰冰"), ball cakes and QQ gummy. In 2016, the Group expects to introduce similar products with unique features and high gross profit margin such as fried fish ("魚酥"), baumkuche ("年輪蛋糕") and "MR. HOT" series to the market. These differentiated products will help maintain a higher profitability of such product category.

DISTRIBUTION COSTS

Faced with the weak economic environment and a slowdown in sales to end consumers, the Group proactively adjusted its marketing strategies and sales organisation structure to enhance our product presence and availability on shelves and expand effectively our points of sales. Although the cost of sales staff increased during the transitional period of adjustment, such cost was effectively controlled in the fourth quarter of 2015.

Affected by the above factors, the distribution costs increased by 2.4% from US$486.7 million in 2014 to US$498.3 million in 2015. Distribution costs as a percentage of revenue increased by 1.6 percentage points to 14.5% as compared with that of 2014. Apart from labour costs, the Group's transportation expenses as a percentage of revenue maintained at 3.9%, which was similar to that in 2014. Although the Group increased the scale and range of promotion, in particular for the modern channel, the Group managed its advertising and promotion expenses efficiently. As a result, the advertising and promotion expenses decreased by 11.7% and, as a percentage of revenue, decreased by 0.1 percentage point to 3.6% as compared with that of 2014.

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group increased by 9.9% from US$329.1 million in 2014 to US$361.8 million in 2015. Administrative expenses as a percentage of revenue increased by 1.9 percentage points to 10.6% in 2015. The increase was due primarily to the gradual increase in labour cost in China over the past years and accounting reclassification of part of the staff cost as a result of the adjustment in the production organisation.

OPERATING PROFIT

The Group's operating profit decreased from US$776.8 million in 2014 to US$728.8 million in 2015, representing a decrease of 6.2%. However, benefiting from the increase in gross profit margin, operating profit margin increased by 0.7 percentage point to 21.3% as compared with that of 2014.

INCOME TAX EXPENSE

The Group's income tax expense increased from US$210.0 million in 2014 to US$227.2 million in 2015 while the income tax rate increased by 4.3 percentage points from 25.3% in 2014 to 29.6% in 2015, primarily because in the second half of 2015, part of the earnings of our subsidiaries in the PRC was distributed to the overseas holding company, which led to an increase in the amount of dividend withholding tax. The taxes are accounted for as one-off cost. The distributed profit is used mainly for payment of dividends, share repurchases and repayment of foreign currency debt.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The operating profit declined by 6.2%. However, due to the increase in the amount of the one-off dividend withholding tax, profit attributable to equity holders of the Company decreased by 12.6% from US$620.5 million in 2014 to US$542.1 million in 2015. The margin of profit attributable to equity holders of the Company decreased from 16.4% in 2014 to 15.8% in 2015, representing a decrease of 0.6 percentage point.

LIQUIDITY AND CAPITAL RESOURCES

Cash and borrowings

We finance our operations and capital expenditure primarily by internally generated cash flows as well as banking facilities provided by our principal bankers. As at 31 December 2015, our bank balances and deposits amounted to US$1,443.4 million (31 December 2014: US$1,649.9 million), representing a decrease of US$206.6 million, due mainly to partial repayment of certain short-term borrowings and the repurchase of shares. Over 95% of our cash was denominated in RMB.

As at 31 December 2015, our total borrowings amounted to US$1,256.1 million (31 December 2014: US$1,416.2 million), representing a decrease of US$160.0 million. The long-term borrowings, including the senior notes ("Notes") issued amounted to US$998.5 million (31 December 2014: US$897.9 million), representing an increase of US$100.6 million. The short-term borrowings amounted to US$257.6 million (31 December 2014: US$518.3 million), representing a decrease of US$260.6 million, primarily due to the repayment of part of the short-term borrowings with our internal resources. The short-term borrowings comprised US dollar denominated borrowings for US$29.3 million and RMB denominated borrowings for US$224.1 million equivalent. RMB denominated borrowings accounted for 17.8% of the total borrowings.

Taking advantage of the low interest rate environment, to fix the medium and long term interest costs, the Group issued US$600.0 million 5-year term notes with a coupon rate of 1.875% per annum in May 2013. As at 31 December 2015, the Notes payable amounted to US$598.5 million (31 December 2014: US$597.9 million).

We were in a net cash position (cash and cash equivalents less total borrowings) of US$187.2 million as at 31 December 2015 (31 December 2014: US$233.8 million), representing a decrease of US$46.5 million as compared with that as at 31 December 2014, mainly because of the repayment of short-term bank borrowings.

Our net gearing ratio (total borrowings net of cash and cash equivalents as a percentage of total equity (excluding non-controlling interests)) as at 31 December 2015 was -0.10 time (31 December 2014: -0.11 time). At present, we maintain sufficient cash and available banking facilities for our working capital requirements and for capitalizing on any potential investment opportunities in the future. The management will from time to time make prudent financial arrangements and decisions to address changes in the domestic and international financial environment.

Cash flow

In 2015, our net cash decreased by US$206.6 million mainly because we increased the share repurchases and repaid part of the US dollar denominated borrowings in 2015. US$804.5 million was generated from our operating activities, representing an increase of US$508.2 million as compared with that in 2014, due to a decrease in closing inventories in 2015. Net cash outflow for financing activities was US$682.4 million, which was used mainly for repurchasing shares of US$291.8 million, paying dividends of US$239.2 million and the net borrowings outflow of US$152.1 million. The net cash outflow for investment activities was US$223.4 million, which was used mainly in the expansion of production facilities and the purchase of property, plant and equipment and for other capital expenditure.

Capital expenditure

In 2015, our total capital expenditure amounted to US$225.3 million (2014: US$353.9 million). We spent approximately US$23.9 million, US$140.0 million and US$38.8 million for expansion of factory buildings and facilities including plant and equipment and upgrade of some of the old plant and production facilities for rice crackers, dairy products and beverages and snack foods, respectively, so as to prepare for the further growth of our Group. The remaining capital expenditure was made mainly for the purpose of adding facilities for information technology and packaging, etc.

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

After capital investments and constructions over the past few years, the Group's existing plant, equipment and ancillary facilities are sufficient for the development in the next two to three years. For 2016, our capital expenditure is estimated to be approximately US$150 million, which will be used mainly for completing the outstanding construction work of the plant, purchasing machinery and equipment, improving information facilities, and increasing the investment in automated warehouse and storage equipment.

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 years ended 31 December 2015 and 31 December 2014:

	Year ended 31 December	
	2015	2014
Inventory turnover days	**105**	97

The inventory balance as at 31 December 2015 amounted to US$441.8 million (2014: US$667.3 million). Inventory turnover days went up by 8 days from that of 2014 mainly because of the slight decrease of the cost of sales.

Trade receivables

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

The following table sets forth the number of our trade receivables turnover days for the years ended 31 December 2015 and 31 December 2014:

	Year ended 31 December	
	2015	2014
Trade receivables turnover days	**14**	14

Trade payables

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

The following table sets forth the number of our trade payables turnover days for the years ended 31 December 2015 and 31 December 2014:

	Year ended 31 December	
	2015	2014
Trade payables turnover days	**36**	39

Pledge of assets

As at 31 December 2015, none of our assets was pledged.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

Our average number of employees was approximately 52,100 in 2015. Our total remuneration expenses in 2015 amounted to US$588.9 million, representing an increase of 9.0% over the year 2014. The remuneration package of our employees includes fixed salary, commissions and allowances (where applicable), and performance-based year-end bonuses having regard to the Group's and the individual's performance.

We invest significantly in the continuing education and training programs of our employees to constantly improve their knowledge and skills. Training programs, both external and internal, are also provided to relevant staff as and when required.

FOREIGN EXCHANGE RISK

Our Company's functional currency is US dollar. However, as more than 90% of activities are operated in the Chinese mainland, our Chinese mainland subsidiaries' functional currency is RMB. Foreign exchange risk arises from procurement of raw materials and equipment from overseas, dividend payment and accounting recognition of certain assets and liabilities.

As the US denominated raw materials and equipment procurement and US dollar denominated borrowings are mainly recognised in the financial statements of the subsidiaries of the Group which functional currency is US dollar, the assets and liabilities subject to foreign exchange risk are minimal and the relevant exposure after offsetting is not significant. As such, the depreciation of RMB does not have a significant negative impact on exchange gains and losses presented on the consolidated income statement within "other gains – net". During the year, the Group has not hedged against its foreign exchange risk.

The average exchange rate of the RMB against the US dollar depreciated by 1.5% during the year 2015 while the December closing rate of the RMB against the US dollar depreciated by 6.1% as compared with that of 2014. As the Company's presentation currency is US dollar, on translation, the presentation of the information in the income statement, cash flow statement and balance sheet may be negatively impacted. However, the above currency translation differences should not have a material impact on the Group's operation.

AUDIT COMMITTEE

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

The Audit Committee has reviewed with 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 December 2015. The Audit Committee has also reviewed the annual results for the year ended 31 December 2015.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures contained in the preliminary announcement of our Group's results for the year 2015 have been agreed by our Group's external auditor, PricewaterhouseCoopers, to the figures set out in our Group's consolidated financial statements for the year ended 31 December 2015. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, the Hong Kong Standards on Review Engagements, or the Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

CORPORATE GOVERNANCE PRACTICES

The Company had, throughout the year ended 31 December 2015, complied with the code provisions set out in the Corporate Governance Code (the "CG Code") in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the deviations from the code provisions A.2.1, A.4.1, A.6.7 and E.1.2. The reasons for these deviations are explained below.

Code provision A.2.1

Code provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same person. Our 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 about 40 years of experience in the food and beverages industry. Given the current stage of development of our Group, the Board believes that vesting the two roles in the same person provides our Company with strong and consistent leadership and facilitates the implementation and execution of our Group's business strategies. We shall nevertheless review the structure from time to time in light of the prevailing circumstances.

Code provision A.4.1

Code provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election. Our Company deviates from this provision because the non-executive Directors and independent non-executive Directors of our Company do not currently have specific terms of appointment. However, the articles of association of our Company provide that all the Directors are subject to retirement by rotation at least once every three years and at each annual general meeting, one-third of the Directors for the time being or, if the number is not a multiple of three, then, the number nearest to but not less than one-third, shall retire from office by rotation and offer themselves for re-election. As such, the Board considers that sufficient measures have been put in place to ensure our 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.

Code provisions A.6.7 and E.1.2

Pursuant to code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders while code provision E.1.2 provides that the chairman of the board should attend the annual general meeting. Mr. Tsai Shao-Chung, a non-executive Director of the Company, and Mr. Tsai Eng-Meng, an executive Director and the Chairman of the Board, were unable to attend the annual general meeting of the Company held on 8 May 2015 due to other important engagement at that time.

We will periodically review and improve our corporate governance practices with reference to the latest developments in corporate governance.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

Our 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. Having made specific enquiries with our Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2015.

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

During the year ended 31 December 2015, the Company repurchased a total of 342,000,000 shares on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") for an aggregate amount (excluding expenses) of HK$2,254,643,309 and such repurchased shares were cancelled during the year. Particulars of the shares repurchased on the HK Stock Exchange during the year are as follows:

Month of repurchases	**Total number of shares repurchased**	**Highest price paid per share** *(HK$)*	**Lowest price paid per share** *(HK$)*	**Aggregate amount paid (excluding expenses)** *(HK$)*
January 2015	1,680,000	9.10	9.02	15,201,760
February 2015	1,967,000	8.45	8.40	16,577,000
March 2015	33,545,000	7.99	7.74	263,824,340
April 2015	6,285,000	8.45	8.33	52,960,470
May 2015	11,900,000	8.40	8.17	98,694,590
June 2015	8,872,000	8.12	8.01	71,746,490
September 2015	60,357,000	6.74	6.11	389,471,206
October 2015	78,255,000	6.55	6.10	495,523,110
November 2015	99,288,000	6.45	6.03	622,658,770
December 2015	39,851,000	6.10	5.53	227,985,573
	342,000,000			2,254,643,309

Subsequent to the balance sheet date of 31 December 2015 and up to the date of this announcement, the Company repurchased a total of 116,727,000 shares on the HK Stock Exchange for an aggregate amount (excluding expenses) of HK$595,405,983. Such repurchased shares were subsequently cancelled in January/February 2016. The number of issued shares of the Company as at the date of this announcement is 12,737,299,135 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** *(HK$)*	**Lowest price paid per share** *(HK$)*	**Aggregate amount paid (excluding expenses)** *(HK$)*
January 2016	93,233,000	5.60	4.81	469,033,057
February 2016	23,494,000	5.45	5.16	126,372,926
	116,727,000			595,405,983

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 as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including the Notes) of the Company during the year ended 31 December 2015 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 6 May 2016. 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 forthcoming 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 4:30pm on 3 May 2016, for the purpose of effecting the share transfers. The register of members of the Company will be closed from 4 May 2016 to 6 May 2016 (both dates inclusive).

PROPOSED FINAL DIVIDEND AND BOOK CLOSURE FOR ENTITLEMENT OF THE PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of US1.25 cents per ordinary share of the Company in respect of the year ended 31 December 2015. Subject to the approval of shareholders at the forthcoming AGM to be held on 6 May 2016, the final dividend will be paid on or about 27 May 2016. 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 dividend will be calculated with reference to the exchange rate of US dollars against Hong Kong dollars on 6 May 2016, being the date of the 2016 AGM on which the final 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 4:30pm on 11 May 2016, for the purpose of effecting the share transfers. The register of members of the Company will be closed from 12 May 2016 to 13 May 2016 (both dates inclusive).

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

Hong Kong, 15 March 2016

As at the date of this announcement, the executive Directors are Mr. TSAI Eng-Meng, Mr. LIAO Ching-Tsun, Mr. TSAI Wang-Chia, Mr. HUANG Yung-Sung, Mr. CHU Chi-Wen and Mr. CHAN Yu-Feng; the non-executive Directors are Mr. TSAI Shao-Chung, Mr. MAKI Haruo and Mr. CHENG Wen-Hsien; and the independent non-executive Directors are Mr. TOH David Ka Hock, Dr. PEI Kerwei, Mr. CHIEN Wen-Guey, Mr. LEE Kwang-Chou and Dr. KAO Ruey-Bin.