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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 2019 INTERIM RESULTS**

A presentation in relation to the results of Want Want China Holdings Limited and its subsidiaries for the six months ended 30 September 2019 is appended to this announcement.

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

Hong Kong, 19 November 2019

*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.*

# 中國旺旺

控股有限公司

WANT WANT CHINA  
Holdings Limited



## Interim Results Ended September 30<sup>th</sup> 2019

November 19<sup>th</sup> 2019

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## Note

Unless otherwise stated, this presentation provides the financial information from April 1<sup>st</sup> 2019 to September 30<sup>th</sup> 2019 (abbr. 1H 2019FY), and the comparative financial information from April 1<sup>st</sup> 2018 to September 30<sup>th</sup> 2018 (abbr. 1H 2018FY).

Readers are reminded to read and construe this presentation in conjunction with the announcement of the Company dated November 19<sup>th</sup> 2019 in relation to its interim results for the six months ended September 30<sup>th</sup> 2019.



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## OVERVIEW of 1H 2019FY RESULTS

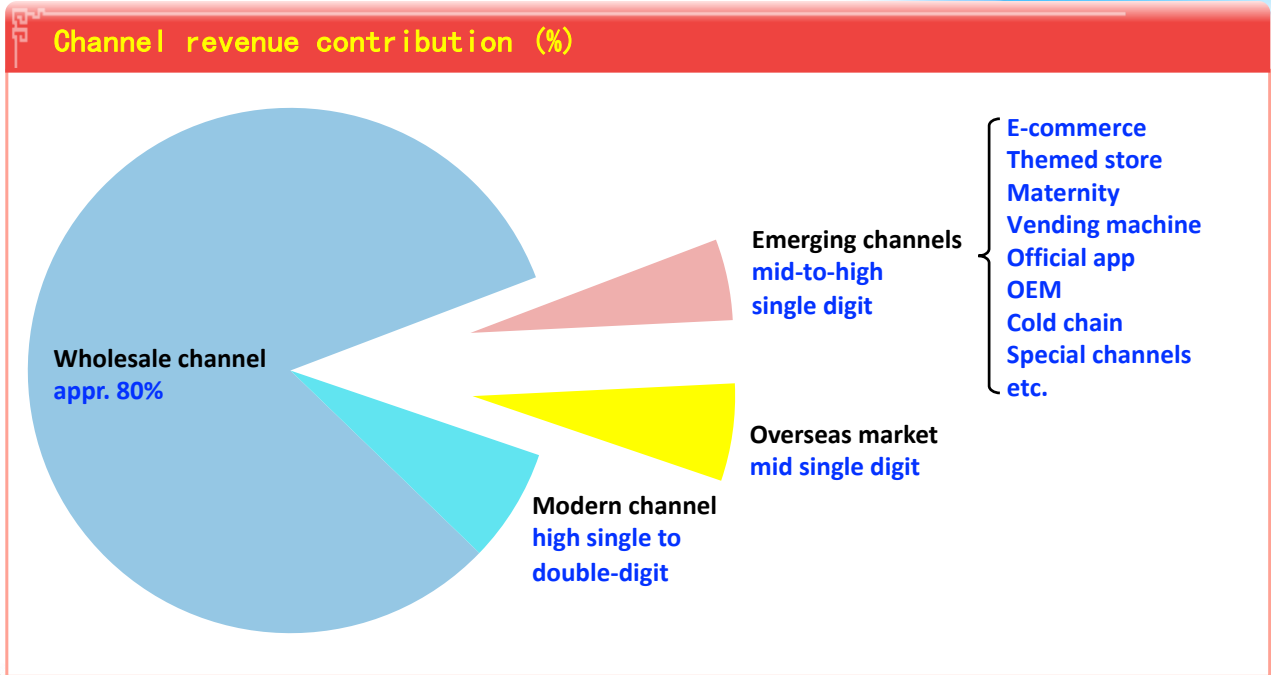


RMB'000	1H 2018FY		1H 2019FY		YoY
Revenue	9,248,125		9,304,071		↑ 0.6%
Gross profit	4,116,942	44.5%	4,550,046	48.9%	↑ 4.4ppt
Operating expenses	2,554,247	27.6%	2,655,589	28.5%	↑ 4.0%
Operating profit	1,772,352	19.2%	2,053,767	22.1%	↑ 2.9ppt
Income tax rate	27.9%		26.7%		
Profit attributable to equity holders	1,364,413	14.8%	1,614,913	17.4%	↑ 18.4%

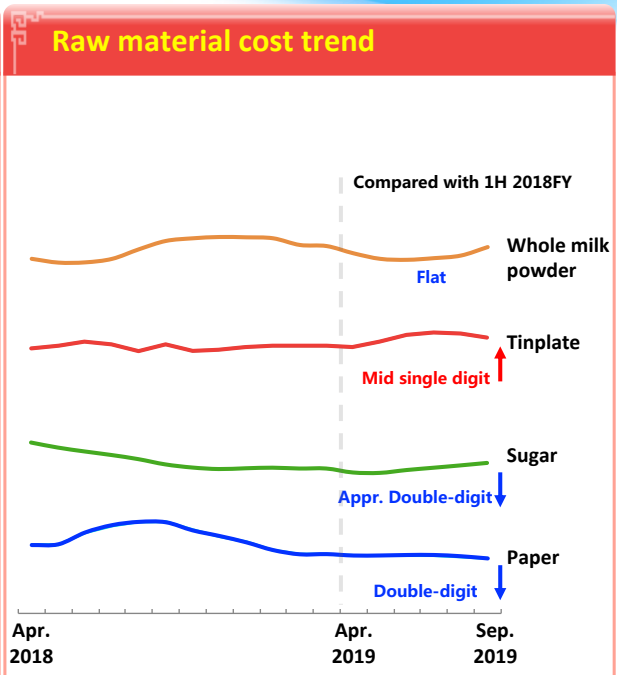
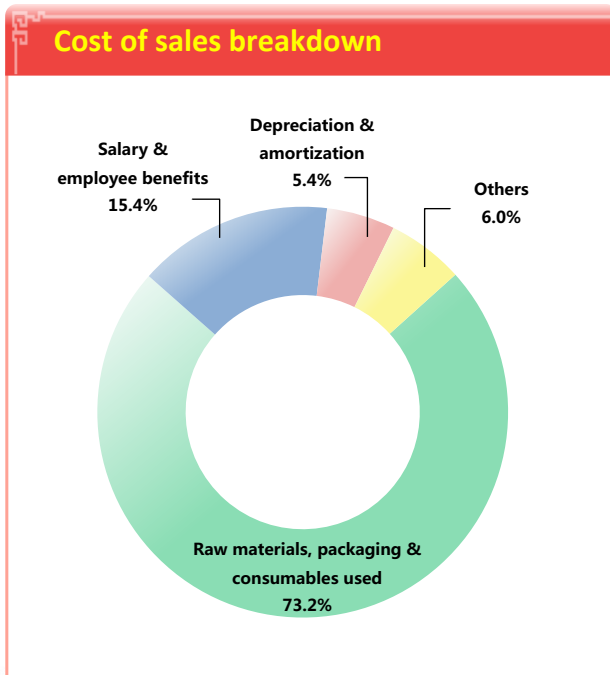


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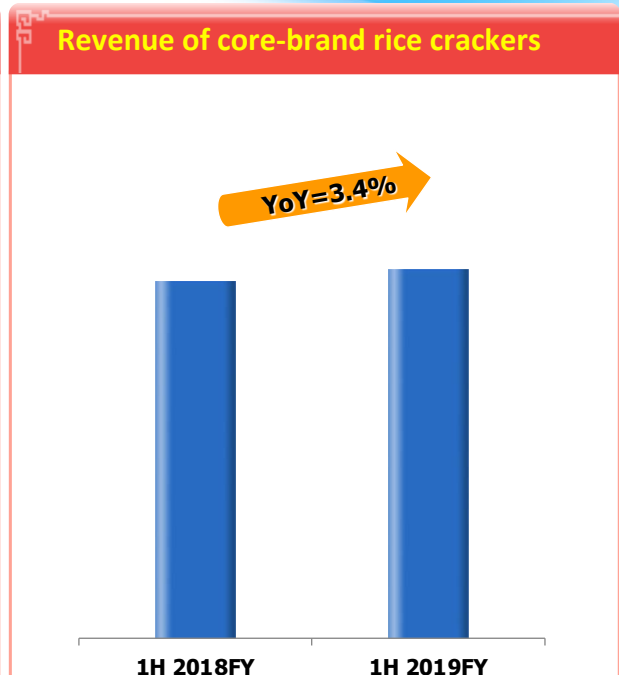
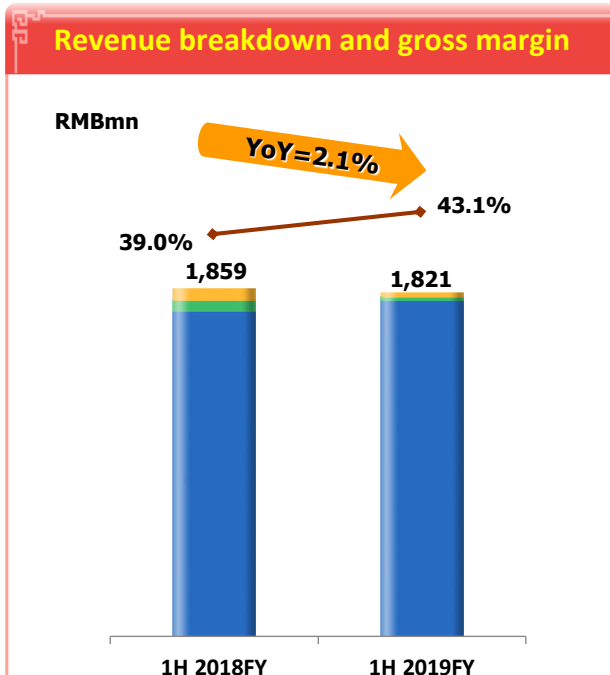
# CHANNELS



# COST STRUCTURE

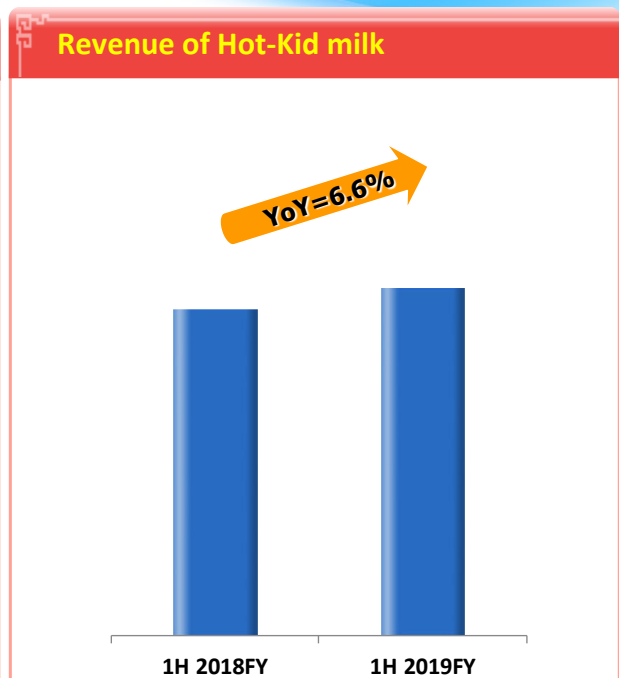
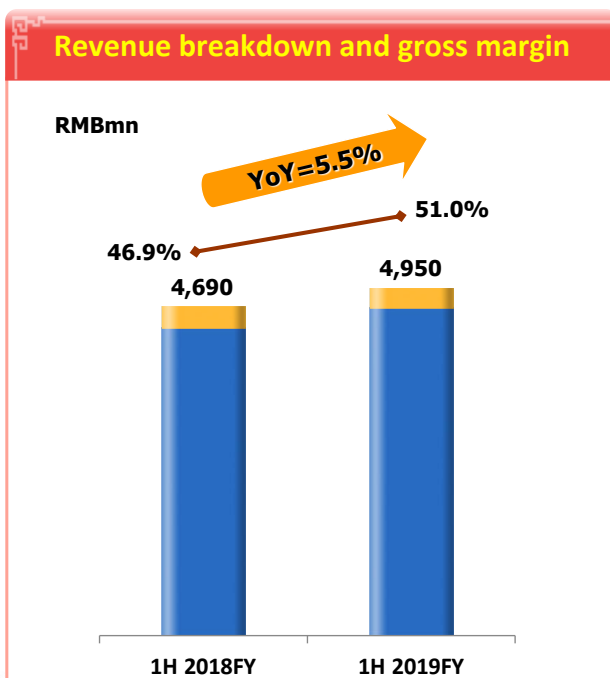


# RICE CRACKER SEGMENT



■ Gift packs   
 ■ Sub brands   
 ■ Core brands   
 ◆ Gross margin

# DAIRY and BEVERAGES SEGMENT

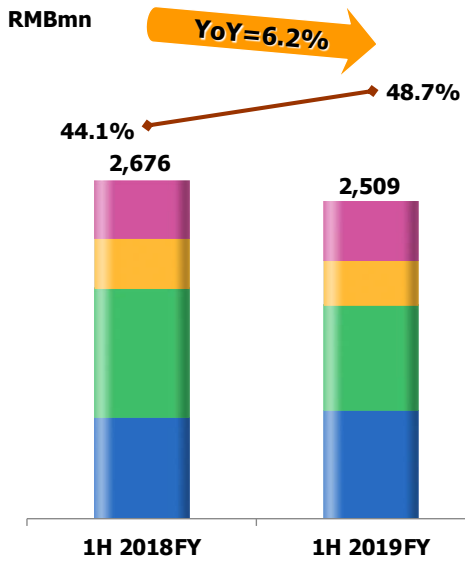


■ Beverages & others   
 ■ Hot-Kid milk   
 ◆ Gross margin

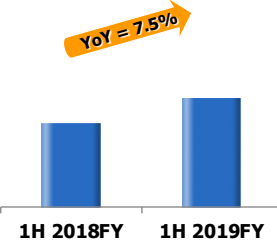
# SNACK FOODS SEGMENT



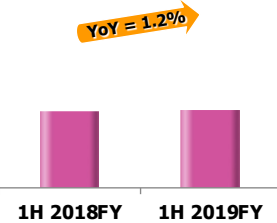
## Revenue breakdown and gross margin



## Revenue of candies



## Revenue of beans, nuts & others

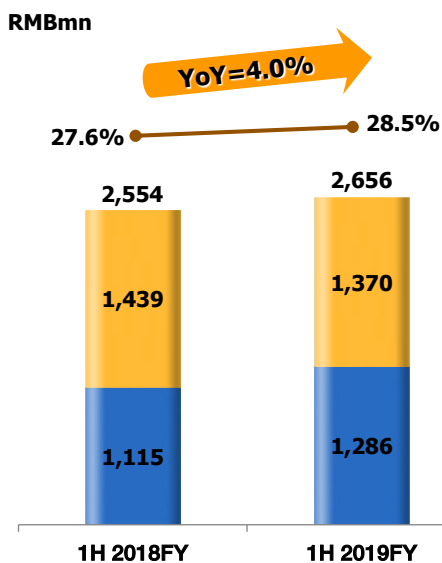


■ Beans, nuts & others    
 ■ Ball cakes    
 ■ Popsicles    
 ■ Candies    
 ◆ Gross margin

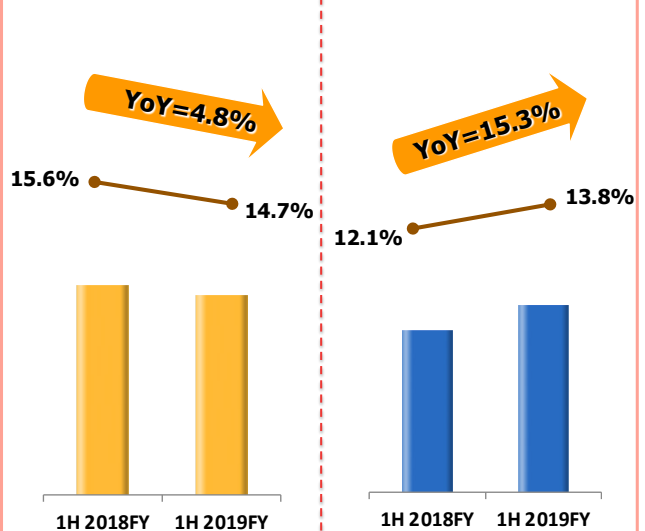
# OPERATING EXPENSES



## Operating expenses breakdown



## Distribution cost & administrative expense ratio



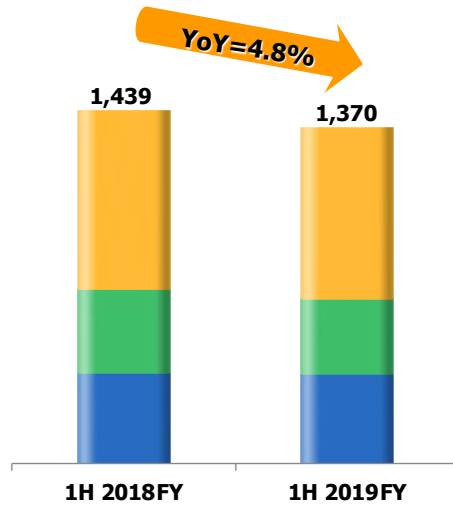
■ Distribution costs    
 ■ Administrative expenses    
 ◆ Expense ratio

# DISTRIBUTION COSTS

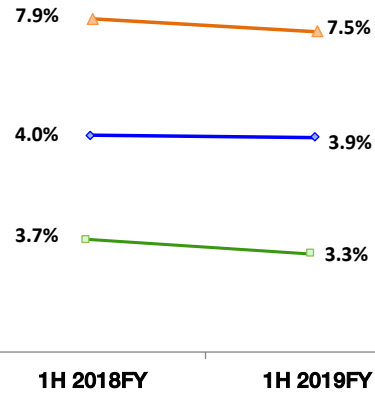


## Distribution costs breakdown

RMBmn



## Distribution costs as % of revenue



Others A&P expenses Transportation expenses Others Transportation expenses A&P expenses

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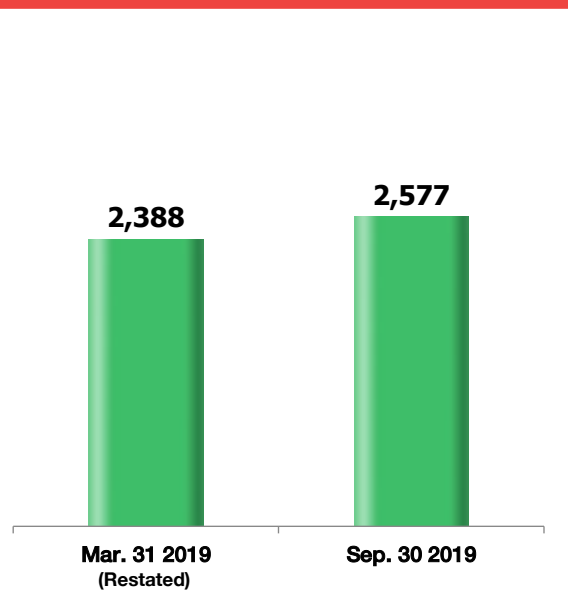
# WORKING CAPITAL



## Turnover days

Item	2018.04.01-2019.03.31 (Restated)	2019.04.01-2019.09.30
Inventory	80	94
Trade receivables	19	19
Trade payables	(37)	(43)
Cash conversion cycle	62	70

## Inventory (RMBmn)



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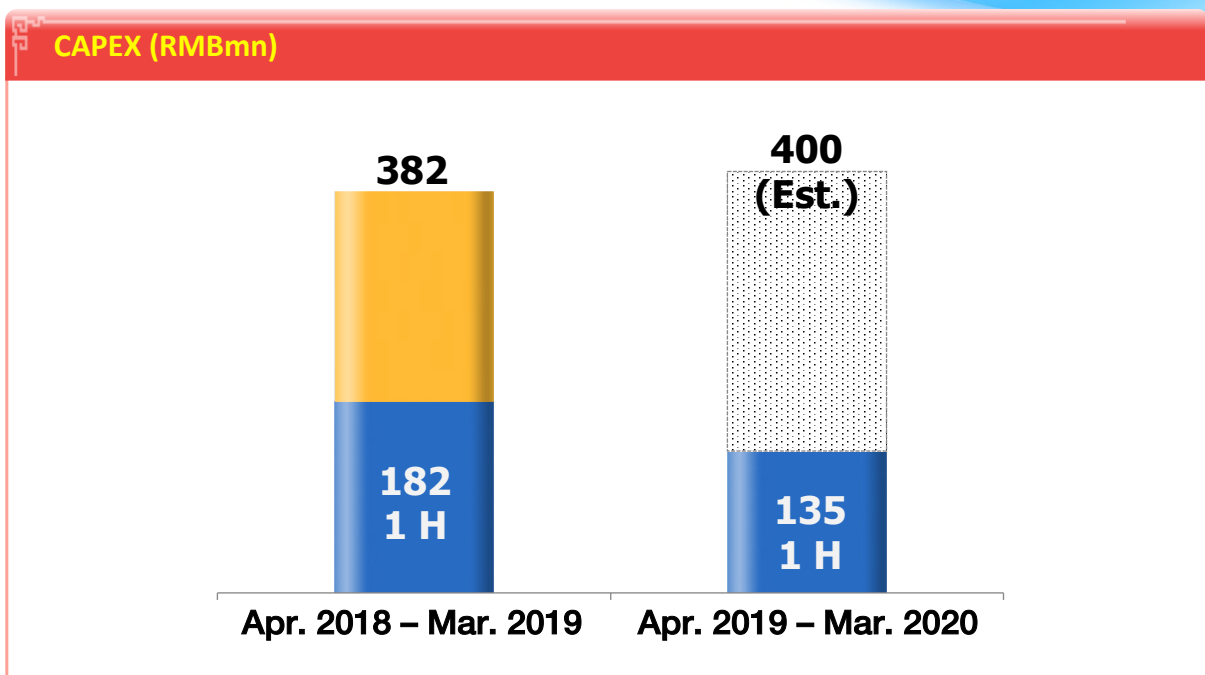
# CASH and BORROWINGS



Cash and Borrowings (RMBmn)	
Cash & cash equivalents (Sep. 30 <sup>th</sup> 2019 )	16,636
Borrowings (Sep. 30 <sup>th</sup> 2019)	10,336
Net cash (Sep. 30 <sup>th</sup> 2019)	6,301
Net cash (Mar. 31 <sup>st</sup> 2019 restated)	7,643
	↓ 1,342

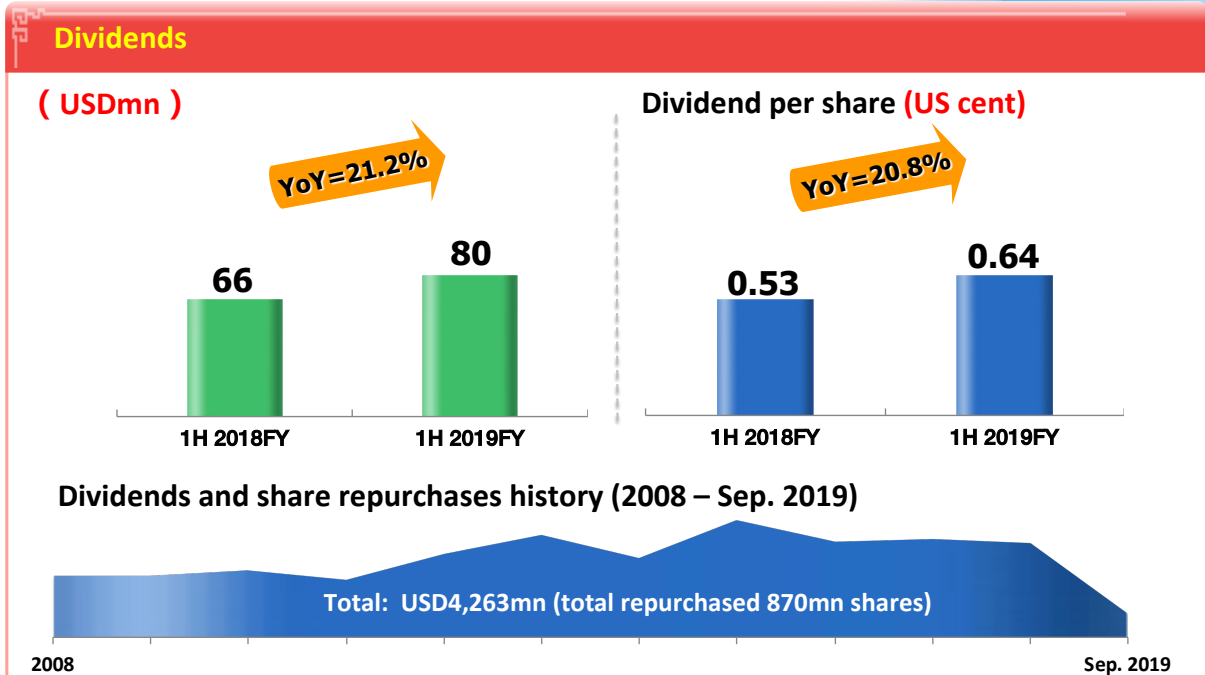


# CAPEX





# DIVIDENDS



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## Marketing Highlights

### 1H 2019FY

# DAIRY and BEVERAGES SEGMENT



Hot-Kid milk ↑ 6.6%



Wholesale channels  
mid single digit ↑



Emerging channels  
↑ substantially

Inventory control

Vending machine number ↑  
boosts revenue ↑

Product pricing and market  
order supervision

New additional special  
channel sales

Wide varieties of gift boxes

Customized pure milk  
product for e-commerce  
channel



# RICE CRACKER SEGMENT



Core brand ↑ 3.4%



Infants – Youngster – The elderly

Wholesale channels &  
overseas market  
mid-to-high single digit ↑



Emerging channels rapid  
growth

New products as growth  
catalyst



## RICE CRACKER SEGMENT



Wish you a wonderful and  
Want Want (prosperous) New Year!

Appr. 1,000 distributor fairs  
for Chinese New Year

Creative displays at end  
points-of-sales

On-line & off-line marketing  
fuels festive atmosphere



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## SNACK FOODS SEGMENT



Popsicle ↓ due to unfavorable weather



Jelly ↑ **double-digit**



QQ gummy candies ↑ **double-digit**



Beans ↑



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# PROSPECT



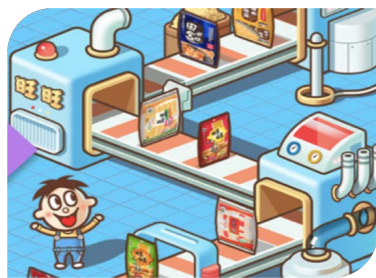
Eight key brands attacking the markets on "Double 11"

Want Want furniture

Unique peripheral products



# PROSPECT



**Want Want Rice Cracker Festival**



## PROSPECT



**Product optimization and upgrade**

**Diversified channel development**

**Multi-brand strategy to expand market coverage**

**Enhancing management capabilities through data management**



# Q & A