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 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 March		
	2024	2023	Change
Key income statement items	***RMB'000***	*RMB'000*	*%*
Revenue	**23,586,327**	22,928,219	+2.9
Gross profit	**10,990,921**	10,071,028	+9.1
Operating profit	**5,609,825**	4,846,711	+15.7
Profit attributable to equity holders of the Company	**3,990,474**	3,371,584	+18.4
Key financial ratios	***%***	*%*	*% point*
Gross profit margin	**46.6**	43.9	+2.7
Operating profit margin	**23.8**	21.1	+2.7
Margin of profit attributable to equity holders of the Company	**16.9**	14.7	+2.2

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 2024 ("2023FY") together with the comparative figures for the year ended 31 March 2023 ("2022FY") as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2024

		Year ended 31 March	
	Notes	**2024**	2023
		RMB'000	*RMB'000*
Revenue	3	**23,586,327**	22,928,219
Cost of sales		**(12,595,406)**	(12,857,191)
Gross profit		**10,990,921**	10,071,028
Other gains – net	4	**359,516**	262,185
Other income		**323,748**	380,821
Distribution costs		**(3,021,220)**	(3,018,130)
Administrative expenses		**(3,043,140)**	(2,849,193)
Operating profit		**5,609,825**	4,846,711
Finance income		**77,014**	163,480
Finance costs		**(281,794)**	(221,933)
Finance costs – net		**(204,780)**	(58,453)
Share of profits/(losses) of associates		**422**	(8,308)
Profit before income tax		**5,405,467**	4,779,950
Income tax expense	5	**(1,422,288)**	(1,417,239)
Profit for the year		**3,983,179**	3,362,711
Profit attributable to:			
– Equity holders of the Company		**3,990,474**	3,371,584
– Non-controlling interests		**(7,295)**	(8,873)
		3,983,179	3,362,711
Earnings per share for profit attributable to equity holders of the Company			
Basic earnings per share	6	**RMB33.65 Cents**	RMB28.35 Cents
Diluted earnings per share	6	**RMB33.65 Cents**	RMB28.35 Cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Year ended 31 March	
	2024	2023
	RMB'000	*RMB'000*
Profit for the year	**3,983,179**	3,362,711
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**(218,233)**	(200,841)
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of post-employment benefit obligations	**(818)**	862
Change in value of financial assets at fair value through other comprehensive income	**18,974**	(7,979)
Other comprehensive loss for the year	**(200,077)**	(207,958)
Total comprehensive income for the year	**3,783,102**	3,154,753
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	**3,797,380**	3,175,808
– Non-controlling interests	**(14,278)**	(21,055)
Total	**3,783,102**	3,154,753

CONSOLIDATED BALANCE SHEET

As at 31 March 2024

	Note	**31 March 2024**	31 March 2023
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**5,294,370**	5,664,517
Investment properties		**32,622**	33,718
Intangible assets		**9,444**	7,906
Investments in associates		**–**	107,766
Deferred income tax assets		**425,859**	379,884
Financial assets at fair value through other comprehensive income		**249,720**	146,133
Right-of-use assets		**974,172**	1,076,309
Long-term bank deposits		**7,585,000**	5,752,000
Total non-current assets		**14,571,187**	13,168,233
Current assets			
Inventories		**2,415,050**	3,142,103
Trade receivables	8	**832,245**	853,937
Prepayments, other receivables and other assets		**1,215,649**	902,205
Financial assets at fair value through profit or loss		**1,591**	–
Cash and bank balances		**8,421,346**	7,907,599
Total current assets		**12,885,881**	12,805,844
Total assets		**27,457,068**	25,974,077

	Notes	**31 March 2024**	31 March 2023
		RMB'000	*RMB'000*
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**1,785,740**	1,795,722
Reserves		**14,579,687**	12,856,051
Subtotal		**16,365,427**	14,651,773
Non-controlling interests		**40,311**	52,297
Total equity		**16,405,738**	14,704,070
LIABILITIES			
Non-current liabilities			
Borrowings	10	**2,461,796**	2,060,307
Lease liabilities		**48,049**	132,276
Deferred income tax liabilities		**182,905**	196,035
Other non-current liabilities		**115,424**	106,410
Total non-current liabilities		**2,808,174**	2,495,028
Current liabilities			
Trade payables	9	**997,945**	970,395
Accruals and other payables		**2,520,909**	2,468,580
Contract liabilities	3(b)	**1,316,727**	1,591,926
Current income tax liabilities		**380,729**	328,502
Borrowings	10	**2,889,328**	3,282,014
Lease liabilities		**137,518**	133,562
Total current liabilities		**8,243,156**	8,774,979
Total liabilities		**11,051,330**	11,270,007
Total equity and liabilities		**27,457,068**	25,974,077

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. General information

Want Want China Holdings Limited ("the Company") and its subsidiaries (together "the Group") are principally engaged in the manufacture 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 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. Material accounting policies

The material 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 Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") 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 ("FVOCI") and financial assets at fair value through profit or loss ("FVPL") 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 new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 17	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform – Pillar Two Model Rules*

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

Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior to the initial application of these amendments, the Group did not apply the initial recognition exception to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the initial application of these amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts the disclosures of components of deferred tax assets in the financial statements, but does not impact the deferred tax balances presented in the consolidated balance sheet as the related deferred tax balances qualify for offsetting under HKAS 12.

Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments and the mandatory temporary exception retrospectively.

2.3 Issued but not yet effective Hong Kong financial reporting standards

The Group has not applied the following revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised HKFRSs, if applicable, when they become effective.

Amendments to HKFRS 10 and HKAS 28	*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* [1]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments") [1, 4]
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments") [1, 4]
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements* [1]
Amendments to HKAS 21	*Lack of Exchangeability* [2]

[1] Effective for annual periods beginning on or after 1 January 2024

[2] Effective for annual periods beginning on or after 1 January 2025

[3] No mandatory effective date yet determined but available for adoption

[4] 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

The Group is in the process of making an assessment of the impact of these revised HKFRSs upon initial application. So far, the Group considers that these 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, finance costs – net and share of profits/(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 the manufacture and sale of:

- Rice crackers, including sugar coated crackers, savoury crackers and fried crackers, and 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 2024 and 2023.

(a) Segment information

The revenue of the Group for the years ended 31 March 2024 and 2023 is set out as follows:

	Year ended 31 March	
	2024	2023
	RMB'000	*RMB'000*
Rice crackers	**5,976,867**	5,843,348
Dairy products and beverages	**11,955,633**	11,130,495
Snack foods	**5,501,808**	5,820,262
Other products	**152,019**	134,114
Total revenue	**23,586,327**	22,928,219

The segment information for the year ended 31 March 2024 is as follows:

	Year ended 31 March 2024				
	Rice crackers *RMB'000*	**Dairy products and beverages** *RMB'000*	**Snack foods** *RMB'000*	**Other products** *RMB'000*	**Group** *RMB'000*
Segment results					
Revenue	**5,976,867**	**11,955,633**	**5,501,808**	**152,019**	**23,586,327**
Timing of revenue recognition					
At a point in time	**5,976,867**	**11,955,633**	**5,501,808**	**152,019**	**23,586,327**
Segment profit/(loss)	**1,528,240**	**3,878,837**	**1,104,997**	**(51,825)**	**6,460,249**
Unallocated costs					**(850,424)**
Finance costs – net					**(204,780)**
Share of profits of associates					**422**
Profit before income tax					**5,405,467**
Income tax expense					**(1,422,288)**
Profit for the year					**3,983,179**
Other segment items included in the income statement					
Depreciation of property, plant and equipment	**220,235**	**321,999**	**217,407**	**639**	**760,280**
Depreciation of right-of-use assets	**41,741**	**94,078**	**43,445**	**9,946**	**189,210**
Depreciation of investment properties	**–**	**–**	**–**	**1,181**	**1,181**
Unallocated depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets					**22,833**
Capital expenditure					
Capital expenditure by segment	**139,164**	**93,293**	**86,794**	**26,753**	**346,004**
Unallocated capital expenditure					**59,693**
Total capital expenditure					**405,697**

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 2024 are as follows:

	31 March 2024				
	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	**2,299,429**	**6,119,449**	**2,813,621**	**115,538**	**11,348,037**
Unallocated assets					**102,685**
Cash and bank balances					**8,421,346**
Long-term bank deposits					**7,585,000**
Total assets					**27,457,068**
Segment liabilities	**1,381,983**	**2,803,674**	**1,293,118**	**36,856**	**5,515,631**
Unallocated liabilities					**184,575**
Borrowings					**5,351,124**
Total liabilities					**11,051,330**

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

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

(b) *Liabilities related to contracts with customers*

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

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
Contract liabilities – rice crackers	**333,750**	402,635
Contract liabilities – dairy products and beverages	**672,218**	775,203
Contract liabilities – snack foods	**309,687**	404,499
Contract liabilities – others	**1,072**	9,589
	1,316,727	1,591,926

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

	Year ended 31 March	
	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liability balance at the beginning of the year:		
Rice crackers	**402,635**	295,195
Dairy products and beverages	**775,203**	678,570
Snack foods	**404,499**	275,501
Others	**9,589**	6,326
	1,591,926	1,255,592

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	
	2024	2023
	RMB'000	*RMB'000*
Net foreign exchange gains	**30,531**	17,600
Donation expenses	**(31,755)**	(38,543)
(Losses)/gains on disposal of property, plant and equipment and land use rights	**(8,214)**	9,349
Gains on early termination of leases	**–**	60
Income from long-term bank deposits	**338,040**	241,394
Income from compensations	**16,620**	14,196
Others	**14,294**	18,129
Total	**359,516**	262,185

5. Income tax expense

	Year ended 31 March	
	2024	2023
	RMB'000	*RMB'000*
Current income tax		
Current income tax on profit for the year	**1,260,181**	1,056,751
Deferred income tax		
Withholding tax on dividends from Chinese Mainland subsidiaries	**208,061**	347,500
Origination and reversal of tax losses and temporary differences	**(45,954)**	12,988
Total	**1,422,288**	1,417,239

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 the payment of Cayman Islands income tax.

Enterprises incorporated in the Chinese Mainland were subject to Corporate Income Tax ("CIT") mainly at a rate of 25% during the year ended 31 March 2024 (during the year ended 31 March 2023: 25%).

Enterprises incorporated in other places were subject to income tax at the prevailing rates of 0% to 30% during the year ended 31 March 2024 (during the year ended 31 March 2023: 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 dividends out of the 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% interests in the Chinese Mainland subsidiaries and recognised as the beneficial owners 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	
	2024	2023
Profit attributable to equity holders of the Company (RMB'000)	**3,990,474**	3,371,584
Weighted average number of ordinary shares in issue (thousands)	**11,859,671**	11,891,247
	RMB	RMB
Basic earnings per share	**33.65 Cents**	28.35 cents

(b) Diluted

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

7. Dividends

	Year ended 31 March	
	2024	2023
	RMB'000	*RMB'000*
Interim dividend paid of US1.14 cents per ordinary share for the year ended 31 March 2023	**–**	934,688
Proposed final dividend of US3.30 cents per ordinary share (for the year ended 31 March 2023: US2.10 cents) (Note (a))	**2,787,496**	1,717,709
	2,787,496	2,652,397

Note:

(a) On 25 June 2024, the Board recommended the payment of a final dividend of US3.30 cents (for the year ended 31 March 2023: US2.10 cents) per ordinary share, totalling RMB2,787,496,000 for the year ended 31 March 2024 (for the year ended 31 March 2023: RMB1,717,709,000). The proposed final dividend in respect of the year ended 31 March 2024 is calculated based on the total number of shares in issue as at the date of this report. 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.

The dividend paid during the year ended 31 March 2024 was the final dividend of RMB1,791,127,000 for the year ended 31 March 2023, which was paid in September 2023.

8. Trade receivables

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
Trade receivables		
– from third parties	**880,911**	884,834
– from related parties	**16,384**	15,562
	897,295	900,396
Less: provision for impairment	**(65,050)**	(46,459)
Trade receivables, net	**832,245**	853,937

Most of the Group's sales are on a 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 2023: 60 to 90 days).

As at 31 March 2024 and 31 March 2023, the ageing analysis of trade receivables based on the invoice date is as follows:

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
Within 60 days	**422,880**	451,688
61 to 90 days	**155,801**	142,285
91 to 180 days	**243,655**	246,501
181 to 365 days	**49,813**	43,248
Over 365 days	**25,146**	16,674
Total	**897,295**	900,396

The carrying amounts of the Group's trade receivables approximated to 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 2024	31 March 2023
	RMB'000	*RMB'000*
Trade payables to third parties	**997,945**	970,395

As at 31 March 2024 and 31 March 2023, the ageing analysis of the trade payables, based on the invoice date, is as follows:

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
Within 60 days	**870,087**	833,319
61 to 180 days	**100,130**	117,463
181 to 365 days	**8,968**	3,798
Over 365 days	**18,760**	15,815
Total	**997,945**	970,395

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

10. Borrowings

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
Non-current		
Long-term borrowing – unsecured	**2,461,796**	2,060,307
Current		
Short-term borrowings – unsecured	**2,889,328**	3,282,014
Total borrowings	**5,351,124**	5,342,321

The effective weighted average interest rates per annum of the borrowings at the balance sheet dates are as follows:

	31 March 2024	31 March 2023
RMB	**3.16%**	2.32%
US$	**5.77%**	5.51%
Other currencies	**0.66%**	0.64%

As at 31 March 2024 and 31 March 2023, the Group's borrowings were repayable as follows:

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
Within 1 year	**2,889,328**	3,282,014
Between 1 and 2 years	**2,461,796**	2,060,307
	5,351,124	5,342,321

The carrying amounts of the Group's borrowings were denominated in the following currencies:

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
RMB	**5,091,869**	528,653
US$	**123,456**	4,704,337
Other currencies	**135,799**	109,331
	5,351,124	5,342,321

CHAIRMAN'S STATEMENT

Dear shareholders,

Want Want has accompanied generations of people in their growth and the fans of Want Want have spanned from the post-60s and post-70s to the current post-00s and post-10s. The brand value of Want Want has been inherited from generation to generation. It is not only an honour for the Want Want brand to be recognised and loved by consumers! It is also a responsibility shouldered on us! Therefore, I urge all the Want Want people to uphold this invaluable asset of the Want Want brand with all their devotion and might, to promote and pass it on in the hands of generations of the Want Want people, and to innovate!

In 2023, kudos to everyone's efforts, notable achievements were made. In addition to winning the "Top 10 Consumer Preferred Brands in 2023" and the "Award for TPM Excellence", our five production bases have obtained national certification for green factories, and we also received the "China Grand Awards for Industry" award which is regarded as the Oscars of Industries in China, and all these are the achievements that the Want Want people are proud of.

Want Want is also steadily expanding its presence in the overseas market with overseas subsidiaries established in Vietnam, the United States, Germany, Indonesia, and Thailand. We will treat the overseas market as the market of China in future and accelerate the pace of realising Want Want's "Dream of China and Dream of the World". At the same time, we will gradually expand our operational organisation in China by establishing new business divisions according to the production lines, and promote OEM and vending machine businesses and the use of digital marketing, etc. The Want Want people must continue their efforts and hard work with meticulous attention and precision in carrying out their work.

No matter how difficult the situation is, there are always opportunities in the market. We must uphold our corporate culture especially when others are lacking faith. We shall start with ourselves, seize the opportunities and excel ourselves. The road to progress is always the toughest and climbing upward ahead may even be more tiring and painful, but we have partners and the Want Want family who would work together and strive forward.

In the new year of 2024, I urge the Want Want people to make breakthroughs in management, technology, and performance, and to have the responsibility and determination to accomplish these tasks. Every Want Want product shall be made the best it can be, and with Want Want's "Dream of China and Dream of the World" as the goal, we will give full play to the courage and supremacy of the Chinese dragon, and soar to new heights in the world.

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

25 June 2024

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

The Group's total revenue for 2023FY grew by 2.9% year-on-year to RMB23,586.3 million. The revenue of the dairy products and beverage segment grew by 7.4% year-on-year, while revenue from the candies sub-category reached another record high. Vending machines, OEM channels and overseas markets all maintained double-digit revenue growth. Thanks to the Group's continuous investment in product research and development ("R&D") and innovation, new products launched over the past five years contributed a double-digit percentage of the Group's total revenue in 2023FY.

Gross profit margin for 2023FY increased by 2.7 percentage points year-on-year to 46.6%, mainly due to the decrease in the cost of certain key raw materials and packaging materials and the optimisation of production labor strategies. Benefiting from the improvement in gross profit margin and expense control, and due to the lower income tax rate in 2023FY as compared with that of the same period in the previous year, profit attributable to equity holders of the Company increased by 18.4% year-on-year to RMB3,990.5 million in 2023FY, and the margin of profit attributable to equity holders increased by 2.2 percentage points year-on-year to 16.9%.

During 2023FY, the Group continued to optimise its supply chain management and enhanced its working capital efficiency: inventory turnover days decreased by 9 days compared to the previous year, leading to a shorter cash conversion cycle by 11 days (average 65 days in 2023FY and 76 days in 2022FY); improvements in working capital efficiency and profit before tax drove the Group's cash generated from operations to increase by RMB1,167.7 million year-on-year to RMB6,752.9 million in 2023FY.

In the future, the Group will continue to explore business development models of emerging channels and actively explore overseas markets through capitalising on the Group's advantages in terms of diversified product range and production capacity. The Group will also expand the consumption scenarios and enhance the coverage of points of sale to better satisfy the consumer needs.

OPERATIONAL REVIEW

During 2023FY, the Group continued to pursue its operational strategy of diversification and consolidated its growth momentum on a medium-to-long term basis. The details of the strategies implemented are as follows:

(I) Intensive development and diversification of channels

1. Traditional channels: creating vibrant marketing scenarios to drive consumer demand

The traditional channels resumed growth in revenue in 2023FY as compared with that of the same period in the previous year, with high single-digit growth in the milk sub-category, and double-digit growth in the beverages sub-category. The Group cultivates the end-market to cover the unexplored points of sale. By leveraging on the brand image of "Hot-Kid", the Group has strengthened the consumption scenarios and launched distinctive marketing campaigns to enhance interaction with consumers, such as the launch of thematic sets such as "Cake Gift Boxes" and "Top Ranking in Exams" respectively on "Children's Day" and during "Exams" season, which were well received by consumers. The differentiated product strategy maintains the exposure of Want Want's products and promotes the balanced development of products. The Group will also enter into in-depth cooperation with offline systems of snacks specialty retailers, which have emerged in the past two years.

2. Modern channels: continuous launch of new products and increase channel penetration rate

The modern channels grew by a low-to-mid single-digit in revenue in 2023FY as compared to the same period of the previous year, with significant growth in the dairy products and beverages segment. The Group has implemented differentiated product selection and shelving strategies to satisfy the shopping preferences of consumers in different consumption scenarios. For example, the PET-bottled "Daily Milk" (每日喝牛奶) series of products that are easy for consumers to carry are sold in convenience stores to facilitate consumers to quickly obtain and purchase the products, whereas large packs of "Xue Bing" (雪餅) and "Xian Bei" (仙貝) are available for sale at large supermarkets to satisfy the demand for household consumption. Meanwhile, the Group has enhanced its capability to serve consumers by expanding its point-of-sale coverage and increasing the variety of products on sale.

3. Continuous innovation of emerging channels

The emerging channels maintained high single-digit growth in revenue in 2023FY, which have become an important revenue growth driver and the medium-to-long term development strategy of the Group. The vending machine channel achieved double-digit growth in revenue over the same period of the previous year, driven by the new smart models of vending machines which increased the sales opportunities for products in the rice crackers and snack foods segments. In the future, the Group will increase its investment in its own machines and strengthen co-operation with distributors in emerging channels to further enhance the coverage of points of sale.

Benefiting from the Group's production capability and capacity advantage in a wide range of product categories such as dairy products, beverages, maternal products, rice crackers and candies, OEM channels achieved rapid year-on-year revenue growth in 2023FY. In the future, the Group will continue to explore OEM co-operation models, speed up supply chain response and expand OEM product categories and areas of cooperation.

The profitability of the Group's emerging channel operation was also significantly enhanced in 2023FY through the optimisation of marketing strategies and improvement in the efficiency of resource allocation.

4. *Continuous growth in overseas markets*

The Group's overseas revenue achieved a mid-to-high teen growth rate in 2023FY. Revenue growth was prominent in the Asian, American and Oceania regions. Benefiting from the Group's brand strength and production and R&D capabilities, all three product segments recorded growth, and significant progress has been made in developing overseas markets for candy products.

As of the end of 2023FY, the Group had established overseas subsidiaries in five countries (Vietnam, Thailand, Indonesia, Germany and North America). The Group has been exploring business models and approaches that are suitable for the local market according to the characteristics of different economies and countries. Through launching diversified marketing and promotional activities, such as short videos on TikTok, seasonal pop-up stores and food tasting events at points of sale, the Group has increased the recognition of the Want Want brand and its product exposure in overseas markets.

Our factory in Vietnam has officially commenced production, which will facilitate the cultivation of the Southeast Asian market and the product categories and regions in which we sell our products in the overseas markets are expected to be further expanded.

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

In order to meet different consumer needs, the Group has adopted a brand differentiation strategy, utilised its production resources to develop personalised new products, such as "Fix XBody", a snack brand that focuses on healthiness, and "Mr. Hot", a spicy snack brand, and distributed its products through diversified channels. In the 6th iSEE Award lists, the Group's "Hot-Kid Nut Milk for Kids" (旺仔兒童堅果牛奶) was included in the "iSEE Top 100 Innovative Brands", "Daily Milk" was included in the "iSEE Top Innovative Technologies", and "Want Want Pea Crisps" (旺旺豌豆酥) won three stars in the "iSEE Global Taste Award". The new products launched over the past five years accounted for a double-digit proportion of the Group's revenue in 2023FY. In the future, the Group will continue to uphold its product philosophy of "Healthy, Delicious and High Quality" to provide consumers with more healthy choices.

DYNAMIC AND DIVERSIFIED DIGITAL MARKETING

The Group has adopted a diversified and creative scenario-based marketing approach to create consumption scenarios which seamlessly integrated with its products, strengthen interaction with consumers and highlight the brand image of "Healthy, Happy and Vibrant".

During the examination season, the Group launched the "Academic Edition Packaging" of Hot-Kid Nut Milk (旺仔堅果牛奶) and enhanced consumers' awareness of the product through online interaction and offline pop-up blessing events to conduct exam-scenario marketing. In addition, during festivals or special occasions including the Labour Day, Children's Day, the back-to-school season, the Mid-Autumn Festival and the National Day, the Group has created a connection between our products and the festivals through a combination of online marketing and offline scenario marketing. For example, on Children's Day, the Group introduced the "6.1 Hot-Kid Happy Gift Box" (6.1旺仔歡樂禮盒), a transparent cake box filled with Want Want products, in collaboration with distributors. Coupled with the special displays at points of sale, the gift box was well received by consumers. With the arrival of the Year of the Dragon, the Group used "Auspicious Dragon Accumulating Want (Prosperity)" as the theme to integrate its brand image into the festive atmosphere and interact directly with consumers through creative online mini-games, red packet covers and short video promotions, as well as offline Chinese New Year markets.

In the future, the Group will continue to create interesting content and maintain close interaction with consumers to jointly create a pleasant snacking experience.

REVENUE

The total revenue of the Group for 2023FY grew by 2.9% year-on-year to RMB23,586.3 million, of which the revenue from the dairy products and beverages segment grew by 7.4% year-on-year to RMB11,955.6 million. Benefited from continuous growth in overseas markets and emerging channels, revenue from the rice crackers segment grew by 2.3% year-on-year to RMB5,976.9 million. Revenue of the snack foods segment decreased by 5.5% year-on-year to RMB5,501.8 million due to the impact of the operational pace of popsicles, while the candies sub-category achieved a record high in revenue for the year.

The Group's products maintained a balanced development trend, with the rice crackers and snack foods segments together accounting for 49% of total revenue in 2023FY, and the dairy products and beverages segment accounting for 51%.

Rice crackers

Revenue from the rice crackers segment grew by 2.3% year-on-year to RMB5,976.9 million in 2023FY, with revenue derived from overseas markets and emerging channels (respectively accounting for about 20% and 10% of the rice crackers segment revenue) maintained double-digit growth as compared with those of the same period in the previous year. The R&D and production capabilities of the rice crackers of the Group have contributed to the development of the rice crackers business in the overseas markets. The channel diversification strategy has provided the Group with more selling avenues and scenarios and wider coverage of points of sale for rice crackers. The intelligent upgrades of vending machines has increased sales opportunities for rice crackers. The vending machine channel and the new retail operation modes such as content e-commerce both have recorded a double-digit revenue growth rate.

The new product "Little Rice Crunch" (小小米脆), which is made from glutinous rice, has become the snack of choice with drinks for its unique taste and healthy concept, and has gained massive popularity among the emerging white-collar professionals and Generation Z consumers. Customised gift packs to satisfy the differentiated needs of customers achieved revenue exceeding RMB40 million in 2023FY. Innovative consumption scenarios: leveraging the image of "Xue Bing", "Xian Bei" and "Mini Crisps" (小小酥), the Company created virtual idols for games and combined the games with the marketing activities in the offline theme stores, to satisfy the personalised needs of young consumers in different consumption scenarios.

Dairy products and beverages

Revenue of the dairy products and beverages segment grew by 7.4% year-on-year to RMB11,955.6 million in 2023FY. Revenue of the Hot-Kid Milk and beverages sub-categories achieved high single-digit and mid-to-high single-digit growth, respectively. Of which, "O-Bubble Fruit Milk" (O 泡果奶) realised a double digit revenue growth.

The return of the widely popular "56 Ethnic Group Can" (56民族罐) series of Hot-Kid Milk (旺仔牛奶) to the market in red packaging with the classic cute Hot-Kid character printed thereon has once again aroused consumers' enthusiasm for collecting the product and their willingness to make repeated purchases, driving sales volume growth. Meanwhile, the Group continued to strengthen product management, consolidate business operations and enhance the coverage of retail stores. At the same time, the Group launched distinctive point-of-sale displays in conjunction with the enriched social scenarios including school opening and graduation seasons. Meanwhile, the expansion of points of sale in the restaurant and catering channels, breakfast stores and gas stations in the special channels in each year has led to a double-digit year-on-year growth in term of sales volume of canned milk in 2023FY.

In preparation for the 2024 Summer Olympics in Paris, a limited sports edition of Hot-Kid Milk will be launched to send the blessing of "Want Want Sports, Want Want China" (wishing the athletes success in the Olympics Games) to all athletes. In addition, products such as "Daily Milk", a healthy dairy series made from raw milk, and "O-Bubble Fruit Milk", a low-sugar series, will be launched one after another to satisfy different consumers' needs.

Snack foods

Revenue of the snack foods segment declined by 5.5% year-on-year to RMB5,501.8 million in 2023FY, mainly attributable to the year-on-year decline in revenue of popsicles sub-category, which accounted for double-digit proportion of the segment revenue, due to factors such as operational pace. In 2023 calendar year (January to December), revenue from popsicles sub-category increased by a mid single digit year-on-year. Revenue from the candies sub-category reached a record high in 2023FY.

Revenue from the candies sub-category increased by a mid-to-high single digit year-on-year. Double-digit revenue growth of "Milk Chewies" (牛奶糖) was driven by the linkage with the consumption scenario of "Family Celebrations!" (家有喜事) and marketing interactions; double-digit growth in overseas markets and emerging channels was driven by the channel diversification strategy and distinctive new products; rapid growth in overseas markets was attributable to the R&D and innovation capabilities and the production quality assurance of candies of the Group. Diversified and distinctive new products, such as "aerated gummies" (充氣咬咬糖) with unique texture and fun, provided consumers with fresh experiences, which were in line with the consumption scenarios of the emerging channels.

COST OF SALES

The cost of sales of the Group for 2023FY amounted to RMB12,595.4 million, representing a decrease of 2.0% as compared with that of the same period in the previous year. This was mainly attributable to the year-on-year decrease in the unit cost of certain key raw materials and packaging materials, with a double-digit year-on-year decline in the unit cost of palm oil, paper and tinplate each and a high single-digit unit cost decrease in imported whole milk powder, offsetting the impact of the double-digit increase in unit cost of sugar and gelatin. In addition, optimisation of labour strategy helped enhance the efficiency of manpower and lowered the cost of sales.

The Group will continue to build a flexible production ecosystem layout by improving the level of automation through technological innovations, optimising the supply chain layout, and enhancing cost efficiency and effectiveness by various means such as management optimisation and lean production.

GROSS PROFIT

The gross profit margin of the Group for 2023FY increased by 2.7 percentage points to 46.6% as compared with that of the same period in the previous year. This was mainly attributable to the decline in the unit cost of certain key raw materials and packaging materials, and the improvement in unit selling price as a result of the optimisation of product pricing management and sales mix, as well as the diversification of channels and the upgrades of product specifications, which collectively enhanced the profitability of our products. Due to the decrease in the milk powder cost, gross profit margin increased by 2.6 percentage points to 47.8% in the second half of 2023FY compared to the first half of the financial year. Gross profit increased by 9.1% year-on-year to RMB10,990.9 million as a result of the increase in revenue and gross profit margin.

Rice crackers

The gross profit margin of the rice crackers segment for 2023FY was 46.0%, representing a year-on-year increase of 3.4 percentage points. This was mainly attributable to the double-digit decrease in the unit cost of palm oil as compared with that of the same period in the previous year, as well as the improvement in labour efficiency and the optimisation of production layout. The Group will continue to introduce products with new flavours and enhance product specifications in order to consolidate product profitability.

Dairy products and beverages

The gross profit margin of the dairy products and beverages segment was 48.5% for 2023FY, representing a year-on-year increase of 3.7 percentage points over that of the same period in the previous year. This was mainly due to the decrease in unit cost of paper and tinplate packaging materials by a double digit each, and the decrease in unit cost of milk powder in the second half of the financial year expanding to a mid-teen percentage, resulting in a high single-digit year-on-year decrease for the full year.

Entering 2024FY, in view of the lower average purchase cost of the milk powder inventory on hand and benefiting from the adjustment of tariff policy on imported milk powder, gross profit margin is expected to improve further. The Group will also continuously improve its diversified procurement strategy and refine its inventory management, as well as incessantly expand its sales and distribution network and upgrade its product specifications to maintain a good level of profitability for this segment.

Snack foods

The gross profit margin of the snack foods segment was 44.0% for 2023FY, representing an increase of 0.6 percentage points over the same period of the previous year. This was mainly attributable to the increase in sales proportion of candies and diversified new products which have higher gross profit margins, as well as the decrease in unit cost of papers, plastic films and plastic pellets as compared with those of the same period in the previous year, which offset the increase in the cost of sugar and gelatin.

The Group will continue to pursue lean production, improve the automation level, optimise production and the supply chain layout, launch new products which are competitive and differentiated and expand the product price range to enhance the profitability of the segment.

DISTRIBUTION COSTS

The distribution costs for 2023FY amounted to RMB3,021.2 million, representing a slight increase of 0.1% or RMB3.09 million as compared to that of 2022FY. Distribution costs as a percentage of revenue decreased by 0.4 percentage points year-on-year to 12.8% as compared with the same period of 2022FY, which was mainly attributable to the decrease in transportation expense to revenue ratio by 0.3 percentage points to 3.7% as compared to the same period of the previous year following the optimisation of some of the transportation routes. Advertising and promotion expenses as a percentage of revenue was 2.5%, which remained at a similar level as that of 2022FY.

ADMINISTRATIVE EXPENSES

Administrative expenses for 2023FY amounted to RMB3,043.1 million, representing a 6.8% or RMB193.9 million increase as compared to the same period of 2022FY. The administrative expenses to revenue ratio was 12.9%, representing an increase of 0.5 percentage points as compared to that of 2022FY.

OPERATING PROFIT

Thanks to the increase in revenue and improvement in gross profit margin, the Group's operating profit for 2023FY increased by RMB763.1 million or 15.7% year-on-year to RMB5,609.8 million. The operating profit margin was 23.8%, representing an increase of 2.7 percentage points as compared with that of 2022FY.

FINANCE COSTS

Finance costs of the Group for 2023FY amounted to RMB281.8 million, representing an increase of RMB59.86 million as compared to that of 2022FY. The increase in finance costs was mainly attributable to the rising interest rates for USD denominated borrowings of the Group in the first half of the 2023FY as a result of the continuous interest rate hikes of USD. In the second half of the 2023FY, the management replaced the USD denominated borrowings (with higher interest rates) with RMB denominated borrowings (with lower interest rates), thus the finance costs of the Group decreased significantly in the second half of the 2023FY. The management will continue to pay close attention to the movements in interest rates in the future so as to keep the Group's finance costs at a favourable level.

INCOME TAX EXPENSE

The Group's income tax expense for 2023FY amounted to RMB1,422.3 million, and the income tax rate was 26.3%, representing a decrease of 3.3 percentage points as compared to that for 2022FY, mainly due to the relatively higher income tax rate in 2022FY as a result of the increase in withholding tax in that year, while the income tax rate for 2023FY has returned to the normal level.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

In summary, profit attributable to equity holders of the Company of 2023FY amounted to RMB3,990.5 million, representing an increase of 18.4% as compared to that of 2022FY, and the margin of profit attributable to equity holders increased by 2.2 percentage points to 16.9%.

LIQUIDITY AND CAPITAL RESOURCES

Cash and borrowings

As at 31 March 2024, the net cash of the Group (cash and bank deposits (including long-term bank deposits) net of borrowings) amounted to RMB10,655.2 million, representing an increase of RMB2,337.9 million as compared to that as at 31 March 2023 (RMB8,317.3 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 2024, the Group's bank deposits balances (including long-term bank deposits of RMB7,585.0 million) amounted to RMB16,006.3 million (in which RMB accounted for approximately 90%, being approximately RMB14,361.4 million), representing an increase of RMB2,346.7 million as compared to RMB13,659.6 million as at 31 March 2023.

As at 31 March 2024, the Group's total borrowings amounted to RMB5,351.1 million, representing an increase of RMB8.80 million as compared with the balance as at 31 March 2023 (RMB5,342.3 million), which were mainly RMB denominated borrowings. Among which, short-term borrowings amounted to RMB2,889.3 million, representing a decrease of RMB392.7 million as compared with those as at 31 March 2023 (RMB3,282.0 million); and long-term borrowings amounted to RMB2,461.8 million, representing an increase of RMB401.5 million as compared with those as at 31 March 2023 (RMB2,060.3 million).

The Group's net gearing ratio (total borrowings net of cash and bank deposits (including long-term bank time deposits) as a ratio of total equity (excluding non-controlling interests) at the end of the period) as at 31 March 2024 was -0.65 time (31 March 2023: -0.57 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 flows

For 2023FY, a net cash inflow of RMB5,151.4 million was generated from the Group's operating activities, consisting mainly of profit before income tax of RMB5,405.5 million; net cash outflow for financing activities was RMB2,436.1 million, consisting mainly of cash outflows for dividend payment of RMB1,791.1 million; net cash outflow for investing activities was RMB2,643.8 million, mainly due to an increase by RMB2,344.7 million in bank deposits with original maturity of more than three months as compared to that of 31 March 2023. Finally, the cash and bank balances as of 31 March 2024 were RMB8,421.3 million, plus long-term bank deposits of RMB7,585.0 million, adding up to a total of RMB16,006.3 million.

Capital expenditure

For 2023FY, the Group's capital expenditure amounted to RMB405.7 million (for the year ended 31 March 2023: RMB531.3 million). The Group invested approximately RMB139.2 million, RMB93.29 million and RMB86.79 million respectively on the expansion of production plants and equipment for the three key product segments (rice crackers, dairy products and beverages, and snack foods segments), which was mainly for the construction of new plant and equipment in Vietnam and upgrade of some of the domestic old plants and production facilities 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 our internally generated cash flows and banking facilities.

Inventory analysis

The Group's 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 the Group's inventory turnover days for the year ended 31 March 2024 and for the year ended 31 March 2023:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory turnover days	**81**	90

The inventory turnover days decreased by 9 days as compared with that of 2022FY to 81 days, benefitting from the improvement in supply chain and working capital efficiencies as well as the decrease in the cost of certain key raw materials.

As at 31 March 2024, inventory amounted to RMB2,415.1 million, representing a decrease of RMB727.0 million as compared with RMB3,142.1 million as at 31 March 2023.

Trade receivables

The Group's trade receivables represent the receivables from its credit sales to customers. The terms of credit granted to our customers are usually 60 to 90 days. Our sales to most of the customers in China are conducted on a cash-on-delivery basis. 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 the Group's trade receivables turnover days for the year ended 31 March 2024 and for the year ended 31 March 2023:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Trade receivables turnover days	**13**	15

Trade payables

The Group's trade payables mainly relate to the purchase of raw materials on credit from its 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 the Group's trade payables turnover days for the year ended 31 March 2024 and for the year ended 31 March 2023:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Trade payables turnover days	**29**	29

Pledge of assets

As at 31 March 2024, none of the assets of the Group was pledged.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

For 2023FY, average number of employees of the Group was approximately 39,887, representing a decrease of 1,342 employees as compared with the average number of employees for the year ended 31 March 2023, mainly due to the improvement of human resources efficiency by the management. Total remuneration expenses for 2023FY amounted to RMB4,522.4 million, representing a decrease of RMB41.65 million or 0.9% as compared with the total remuneration expenses for 2022FY. The remuneration package for the Group's 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 employee.

The Group always cares 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 by the Group 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 Group's operating activities are conducted in the Chinese Mainland and the Chinese Mainland subsidiaries' functional currency is RMB. The Group's foreign exchange risks arise mainly from procurement of raw materials and equipment from overseas, overseas dividend payments, and certain recognised assets or liabilities, and borrowings denominated in RMB of the subsidiaries of which functional currency is USD.

DIVIDENDS

The Company has always been implementing its policy of paying cash dividends and conducting share repurchases with an aim of maximising shareholders' interests and in a prudent manner after taking into account all relevant factors (both externally and internally). The Board recommended the payment of a final dividend of US3.30 cents per share for the 2023FY, amounting to approximately US$390 million (equivalent to approximately RMB2,790 million). Total dividend for the 2023FY would be US3.30 cents per share (2022FY: US3.24 cents per share), or approximately US$390 million in total (2022FY: approximately US$385 million), representing approximately 70% of the Company's profit attributable to equity holders for 2023FY.

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 2024. The audit and risk management committee has also reviewed the financial results for the year ended 31 March 2024.

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 2024 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 2024. 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 2024, complied with the code provisions set out in Part 2 of Appendix C1, 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 47 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 C3 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 2024.

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

During the year ended 31 March 2024, the Company repurchased a total of 70,138,000 shares on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") for an aggregate amount (excluding expenses) of HK$320,720,120 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$*	*HK$*
April 2023	2,677,000	5.00	4.99	13,383,000
October 2023	14,513,000	5.06	4.63	70,867,170
November 2023	5,300,000	4.65	4.36	24,098,910
December 2023	23,518,000	4.70	4.42	107,499,110
January 2024	16,400,000	4.64	4.23	71,723,480
February 2024	7,730,000	4.34	4.19	33,148,450
	70,138,000			320,720,120

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 as disclosed in this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 March 2024 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 27 August 2024. 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 21 August 2024, for the purpose of effecting the share transfers. The register of members of the Company will be closed from 22 August 2024 to 27 August 2024 (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 US3.30 cents per share in respect of the year ended 31 March 2024. Subject to the approval of shareholders at the AGM, the proposed final dividend will be paid on or about 19 September 2024. 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 27 August 2024, 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 30 August 2024, for the purpose of effecting the share transfers. The register of members of the Company will be closed from 31 August 2024 to 4 September 2024 (both dates inclusive).

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

Hong Kong, 25 June 2024

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. 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.