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 FINANCIAL RESULTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2018

FINANCIAL HIGHLIGHTS

	Audited			Unaudited		
	Fifteen months ended 31 March 2018[1]	Year ended 31 December 2016[1]	Change	**Twelve months ended 31 March[2] 2018**	2017	Change
Key income statement items	***RMB'000***	*RMB'000*	*%*	***RMB'000***	*RMB'000*	*%*
Revenue	**24,854,462**	19,710,128	+26.1	**20,274,708**	19,016,845	+6.6
Gross profit	**10,789,572**	9,424,173	+14.5	**8,735,329**	8,973,267	-2.7
Operating profit	**5,192,820**	4,811,229	+7.9	**4,192,076**	4,526,322	-7.4
EBITDA[3]	**6,345,734**	5,727,490	+10.8	**5,109,049**	5,450,671	-6.3
Profit attributable to equity holders of the Company	**3,862,603**	3,519,168	+9.8	**3,115,834**	3,336,858	-6.6
Key financial ratios	**%**	%	% point	**%**	%	% point
Gross profit margin	**43.4**	47.8	-4.4	**43.1**	47.2	-4.1
Operating profit margin	**20.9**	24.4	-3.5	**20.7**	23.8	-3.1
EBITDA margin	**25.5**	29.1	-3.6	**25.2**	28.7	-3.5
Margin of profit attributable to equity holders of the Company	**15.5**	17.9	-2.4	**15.4**	17.5	-2.1

1 As announced by the Company on 22 August 2017, the Company's financial year end date has been changed from 31 December to 31 March. The financial statements presented for current financial reporting period covers a period of fifteen months from 1 January 2017 to 31 March 2018 with the comparative figures cover for the year ended 31 December 2016.

2 Going forward, the Group's financial years would cover a period of twelve months from 1 April of a relevant year to 31 March of the following year. To facilitate a better understanding of the Group's operating results in a twelve-month period ended on the new financial year end date of 31 March, the Group also presents the unaudited financial results for the twelve months ended 31 March 2018 and 2017 on a voluntary basis.

3 EBITDA refers to earnings before interest, income tax, depreciation and amortization. It is calculated by adding back depreciation and amortization expenses to the operating profit for the period.

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") for the fifteen months ended 31 March 2018 together with the comparative figures for the year ended 31 December 2016 as follows:

CONSOLIDATED INCOME STATEMENT

For the fifteen months ended 31 March 2018

		Audited		Unaudited	
		Fifteen months ended 31 March	Year ended 31 December	**Twelve months ended 31 March***	
	Note	**2018**	2016	**2018**	2017
		RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Revenue	4	**24,854,462**	19,710,128	**20,274,708**	19,016,845
Cost of sales		**(14,064,890)**	(10,285,955)	**(11,539,379)**	(10,043,578)
Gross profit		**10,789,572**	9,424,173	**8,735,329**	8,973,267
Distribution costs		**(3,692,154)**	(2,739,715)	**(3,003,774)**	(2,669,203)
Administrative expenses		**(2,783,910)**	(2,388,990)	**(2,241,074)**	(2,346,488)
Other income	5	**711,839**	429,536	**553,211**	487,650
Other gains – net	6	**167,473**	86,225	**148,384**	81,096
Operating profit		**5,192,820**	4,811,229	**4,192,076**	4,526,322
Finance income		**435,450**	276,339	**349,680**	288,979
Finance costs		**(297,598)**	(185,626)	**(240,963)**	(203,012)
Finance income – net		**137,852**	90,713	**108,717**	85,967
Share of losses of associates		**(7,939)**	(6,094)	**(7,326)**	(4,615)
Profit before income tax		**5,322,733**	4,895,848	**4,293,467**	4,607,674
Income tax expense	7	**(1,468,445)**	(1,378,473)	**(1,183,019)**	(1,273,757)
Profit for the period/year		**3,854,288**	3,517,375	**3,110,448**	3,333,917
Profit attributable to:					
– Equity holders of the Company		**3,862,603**	3,519,168	**3,115,834**	3,336,858
– Non-controlling interests		**(8,315)**	(1,793)	**(5,386)**	(2,941)
		3,854,288	3,517,375	**3,110,448**	3,333,917
Earnings per share for profit attributable to equity holders of the Company					
Basic earnings per share	8	**RMB30.90 cents**	RMB27.70 cents	**RMB24.93 cents**	RMB26.39 cents
Diluted earnings per share	8	**RMB30.90 cents**	RMB27.70 cents	**RMB24.93 cents**	RMB26.39 cents

* *Voluntarily presented*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the fifteen months ended 31 March 2018

	Audited		Unaudited	
	Fifteen months ended 31 March 2018	Year ended 31 December 2016	**Twelve months ended 31 March* 2018**	Twelve months ended 31 March* 2017
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Profit for the period/year	**3,854,288**	3,517,375	**3,110,448**	3,333,917
Other comprehensive income:				
Item that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations	**(1,946)**	(2,074)	**(1,946)**	(2,074)
Items that may be reclassified to profit or loss				
Change in value of available-for-sale financial assets	**11,975**	(13,793)	**7,031**	(1,646)
Currency translation differences	**503,409**	(375,986)	**471,144**	(363,936)
Other comprehensive income for the period/year	**513,438**	(391,853)	**476,229**	(367,656)
Total comprehensive income for the period/year	**4,367,726**	3,125,522	**3,586,677**	2,966,261
Attributable to:				
– Equity holders of the Company	**4,374,552**	3,126,794	**3,592,118**	2,967,077
– Non-controlling interests	**(6,826)**	(1,272)	**(5,441)**	(816)
Total comprehensive income for the period/year	**4,367,726**	3,125,522	**3,586,677**	2,966,261

* *Voluntarily presented*

CONSOLIDATED BALANCE SHEET

As at 31 March 2018

	Note	**Audited 31 March 2018**	Audited 31 December 2016
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**7,800,800**	8,693,113
Leasehold land and land use rights		**1,149,627**	1,205,512
Investment properties		**39,293**	41,112
Intangible assets		**15,968**	7,635
Investments in associates		**28,859**	42,867
Deferred income tax assets		**248,560**	281,329
Available-for-sale financial assets		**46,962**	36,567
Total non-current assets		**9,330,069**	10,308,135
Current assets			
Inventories		**2,569,489**	2,452,558
Trade receivables	10	**1,146,340**	1,270,838
Prepayments, deposits and other receivables		**671,723**	678,749
Financial assets at fair value through profit or loss		**465,790**	941,556
Cash and cash equivalents		**12,499,692**	11,557,371
Total current assets		**17,353,034**	16,901,072
Total assets		**26,683,103**	27,209,207

	Note	Audited 31 March 2018	Audited 31 December 2016
		RMB'000	*RMB'000*
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**1,871,067**	1,880,898
Reserves		**12,617,130**	10,390,307
		14,488,197	12,271,205
Non-controlling interests		**122,703**	49,718
Total equity		**14,610,900**	12,320,923
LIABILITIES			
Non-current liabilities			
Borrowings		**3,101,257**	5,890,452
Deferred income tax liabilities		**144,200**	125,101
Other non-current liabilities		**97,794**	100,734
Total non-current liabilities		**3,343,251**	6,116,287
Current liabilities			
Trade payables	11	**1,286,830**	1,345,427
Accruals and other payables		**3,223,446**	3,017,393
Current income tax liabilities		**415,820**	396,083
Borrowings		**3,802,856**	4,013,094
Total current liabilities		**8,728,952**	8,771,997
Total liabilities		**12,072,203**	14,888,284
Total equity and liabilities		**26,683,103**	27,209,207

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 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.

This financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2. 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 and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS 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.

3. Changes in accounting policy and disclosures

(a) *Change of financial year end date and voluntary financial information*

As different timing of the Chinese New Year in each year may give rise to a substantial year-on-year fluctuation of the operating results of the Group when having a financial year end date of 31 December, the Board of Directors has resolved to change the financial year end date of the Company from 31 December to 31 March. Accordingly, the current financial year will cover a fifteen-month period from 1 January 2017 to 31 March 2018. These consolidated financial statements now presented covers a fifteen-month period from 1 January 2017 to 31 March 2018, and the comparative figures in these consolidated financial statements cover a twelve-month period from 1 January 2016 to 31 December 2016.

In order to improve the comparability of financial information, the Company has voluntarily presented the consolidated income statement, consolidated statement of comprehensive income and relative notes for a twelve-month period from 1 April 2017 to 31 March 2018, and the comparative figures in the consolidated income statement, consolidated statement of comprehensive income and relative notes for a twelve-month period from 1 April 2016 to 31 March 2017.

(b) *Amendments of HKFRS adopted by the Group during the fifteen months ended 31 March 2018*

The following amendments to existing standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2017.

- Amendments to HKAS 7 'Statement of Cash Flows' introduced an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

- Amendments to HKAS 12 'Income Taxes' on the recognition of deferred tax assets for unrealised losses clarify how to account for deferred tax assets related to debt instruments measured at fair value.

- Amendment to HKFRS 12 'Disclosure of Interest in Other Entities' is part of the annual improvements to HKFRSs 2014-2016 cycle. It clarifies that the disclosure requirement of HKFRS 12 is applicable to interest in entities classified as held for sale except for summarised financial information (para B17 of HKFRS 12). Previously it was unclear whether all other HKFRS 12 requirements were applicable for these interests.

  The adoption of the above new amendments starting from 1 January 2017 did not give rise to any significant impact on the Group's results of operations and financial position for the fifteen months ended 31 March 2018.

  The amendments to HKAS 7 require disclosure of changes in liabilities arising from financing activities.

  Other than the amendments above, the remaining new standard and amendments are not relevant to the Group.

(c) *New standards and amendments and interpretations of HKFRS issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group*

A number of new standards amendments and interpretations to existing standards have been issued but are not yet effective for the financial year beginning on 1 January 2017, and have not been early adopted by the Group in preparing these consolidated financial statements. These new standards and amendments are set out below:

- HKFRS 9 Financial instruments

  Nature of change

  HKFRS 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

  Impact

  The Group has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 April 2018: The Group's equity instruments that are currently classified as available-for-sale (AFS) will satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the classification for these assets.

  The other financial assets held by the Group currently measured at fair value through profit or loss (FVPL), which will continue to be measured on the same basis under HKFRS 9.

Accordingly, the Group does not expect the new guidance to affect the classification and measurement of these financial assets. However, gains or losses realised on the sale of financial assets at FVOCI will no longer be transferred to profit or loss on sale, but instead reclassified below the line from the FVOCI reserve to retained earnings. During the fifteen months ended 31 March 2018, no such gains were recognised on the sale of available-for-sale financial assets of the Group.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group does not expect material change to the loss allowance for trade debtors.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

Date of adoption by the Group

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. The Group will apply the new rules retrospectively from 1 April 2018, with the practical expedients permitted under the standard. Comparatives for the fifteen months ended 31 March 2018 will not be restated.

- HKFRS 15 Revenue from Contracts with Customers

Nature of change

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers revenue arising from the sale of goods and the rendering of services and HKAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Impact

Management has assessed the effects of applying the new standard on the Group's financial statements and has identified the following areas that will be affected.

When applying HKFRS 15, revenue shall be recognized by applying following steps:

- identify the contract(s) with customer;
- identify separate performance obligations in a contract;
- determine the transaction price;
- allocate transaction price to performance obligations;
- recognise revenue when performance obligation is satisfied.

Management has identified the following areas that are likely to be affected:

- payment to customer – the application of HKFRS 15 may result in the consideration payable to a customer to be recorded as a reduction of the arrangement's transaction price, thereby reducing the amount of revenue recognized, unless the payment is for a distinct good or service received from the customer;

- rights of return – HKFRS 15 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation. Due to the large size and low value of the Group's products, the historical goods return rate is very low. And the financial impact of apply new HKFRS 15 is not expected to be material.

Date of adoption by the Group

Mandatory for financial years commencing on or after 1 January 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018.

Based on the preliminary assessment result, the Group does not expect a material impact on the adoption of new HKFRS 15.

- HKFRS 16 Leases

Nature of change

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

Impact

The standard will affect primarily the accounting for the Group's operating leases. As at 31 March 2018, the Group has non-cancellable operating lease commitments of RMB134,583,000. However, the Group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.

Date of adoption by the Group

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

- Amendments to HKFRS 2 'Classification and Measurement of Share-based Payment Transactions', effective for annual periods beginning on or after 1 January 2018

- Amendments to HKFRS 4 'Insurance Contracts', effective for annual periods beginning on or after 1 January 2018 or when the entity first applies HKFRS 9.

- Amendment to HKFRS 1 'First time adoption of HKFRS', effective for annual periods beginning on or after 1 January 2018.

- Amendment to HKAS 28, 'Investments in associates and joint ventures', effective for annual periods beginning on or after 1 January 2018.

- Amendments to HKAS 40 'Transfers of investment property', effective for annual periods beginning on or after 1 January 2018.

- HK (IFRIC) 22 'Foreign Currency Transactions and Advance Consideration', effective for annual periods beginning on or after 1 January 2018.

- HK (IFRIC) 23 'Uncertainty over Income Tax Treatments', effective for annual periods beginning on or after 1 January 2019.

- Amendments to HKFRS 10 and HKAS 28 "Sale or contribution of assets between an investor and its associate or joint venture", effective date to be determined.

4. 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, 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.

The executive Directors assess the performance of the business segments based on profit before income tax excluded other unallocated head office operating expenses, 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 fifteen months ended 31 March 2018, for the year ended 31 December 2016 and for the twelve months ended 31 March 2018 and 2017 are set out as follows:

	Audited		**Unaudited**	
	Fifteen months ended 31 March 2018	Year ended 31 December 2016	**Twelve months ended 31 March 2018**	Twelve months ended 31 March 2017
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Rice crackers	**6,717,798**	5,449,392	**5,653,516**	5,216,969
Dairy products and beverages	**11,833,918**	9,298,022	**9,614,565**	8,976,453
Snack foods	**6,244,645**	4,914,142	**4,961,726**	4,770,656
Other products	**58,101**	48,572	**44,901**	52,767
Total revenue	**24,854,462**	19,710,128	**20,274,708**	19,016,845

The segment information for the fifteen months ended 31 March 2018 is as follows:

	Audited Fifteen months ended 31 March 2018					
	Rice crackers *RMB'000*	Dairy products and beverages *RMB'000*	Snack foods *RMB'000*	Other products *RMB'000*	Unallocated *RMB'000*	Group *RMB'000*
Segment results						
Revenue	**6,717,798**	**11,833,918**	**6,244,645**	**58,101**	**–**	**24,854,462**
Segment profit/(loss)	**1,084,361**	**3,465,146**	**1,238,951**	**888**	**(596,526)**	**5,192,820**
Finance income – net						**137,852**
Share of losses of associates						**(7,939)**
Profit before income tax						**5,322,733**
Income tax expense						**(1,468,445)**
Profit for the period						**3,854,288**
Other segment items included in the income statement						
Depreciation of property, plant and equipment	**318,382**	**453,984**	**311,512**	**2,181**	**24,934**	**1,110,993**
Amortisation of leasehold land and land use rights	**10,180**	**17,675**	**7,679**	**1,524**	**255**	**37,313**
Depreciation of investment properties	**–**	**–**	**–**	**1,872**	**–**	**1,872**
Amortisation of intangible assets	**–**	**–**	**–**	**–**	**2,736**	**2,736**
Capital expenditure	**55,690**	**205,014**	**88,071**	**17,545**	**53,569**	**419,889**

Segment assets exclude cash and cash equivalents, financial assets at fair value through profit or loss, equity investments 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 2018 are as follows:

	Audited 31 March 2018					
	Rice crackers *RMB'000*	Dairy products and beverages *RMB'000*	Snack foods *RMB'000*	Other products *RMB'000*	Unallocated *RMB'000*	Group *RMB'000*
Segment assets and liabilities						
Segment assets	**2,709,716**	**7,413,141**	**3,301,756**	**121,739**	**142,410**	**13,688,762**
Cash and cash equivalents						**12,499,692**
Financial assets at fair value through profit or loss						**465,790**
Investments in associates						**28,859**
Total assets						**26,683,103**
Segment liabilities	**1,335,411**	**2,352,429**	**1,241,354**	**11,550**	**227,346**	**5,168,090**
Borrowing						**6,904,113**
Total liabilities						**12,072,203**

The segment information for the year ended 31 December 2016 is as follows:

	Audited Year ended 31 December 2016					
	Rice crackers *RMB'000*	Dairy products and beverages *RMB'000*	Snack foods *RMB'000*	Other products *RMB'000*	Unallocated *RMB'000*	Group *RMB'000*
Segment results						
Revenue	5,449,392	9,298,022	4,914,142	48,572	–	19,710,128
Segment profit/(loss)	1,113,473	3,106,960	1,152,644	479	(562,327)	4,811,229
Finance income – net						90,713
Share of losses of associates						(6,094)
Profit before income tax						4,895,848
Income tax expense						(1,378,473)
Profit for the year						3,517,375
Other segment items included in the income statement						
Depreciation of property, plant and equipment	260,126	306,402	265,606	1,869	51,868	885,871
Amortisation of leasehold land and land use rights	5,848	14,272	6,362	1,300	203	27,985
Depreciation of investment properties	–	–	–	1,538	–	1,538
Amortisation of intangible assets	–	–	–	–	867	867
Capital expenditure	51,226	234,810	74,016	18,796	68,687	447,535

Segment assets exclude cash and cash equivalents, financial assets at fair value through profit or loss, equity investments 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 December 2016 are as follows:

	Audited 31 December 2016					
	Rice crackers *RMB'000*	Dairy products and beverages *RMB'000*	Snack foods *RMB'000*	Other products *RMB'000*	Unallocated *RMB'000*	Group *RMB'000*
Segment assets and liabilities						
Segment assets	2,980,362	7,779,528	3,646,860	109,011	151,652	14,667,413
Cash and cash equivalents						11,557,371
Financial assets at fair value through profit or loss						941,556
Investments in associates						42,867
Total assets						27,209,207
Segment liabilities	1,391,258	2,035,739	1,202,014	237,259	118,468	4,984,738
Borrowing						9,903,546
Total liabilities						14,888,284

The segment information for the twelve months ended 31 March 2018 is as follows:

	Unaudited					
	Twelve months ended 31 March 2018					
	Rice crackers	**Dairy products and beverages**	**Snack foods**	**Other products**	**Unallocated**	**Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment results						
Revenue	**5,653,516**	**9,614,565**	**4,961,726**	**44,901**	–	**20,274,708**
Segment profit/(loss)	**939,145**	**2,785,028**	**936,194**	**(2,596)**	**(465,695)**	**4,192,076**
Finance income – net						**108,717**
Share of losses of associates						**(7,326)**
Profit before income tax						**4,293,467**
Income tax expense						**(1,183,019)**
Profit for the period						**3,110,448**
Other segment items included in the income statement						
Depreciation of property, plant and equipment	**254,524**	**369,104**	**238,306**	**1,743**	**18,939**	**882,616**
Amortisation of leasehold land and land use rights	**8,719**	**14,107**	**6,087**	**1,220**	**201**	**30,334**
Depreciation of investment properties	–	–	–	**1,492**	–	**1,492**
Amortisation of intangible assets	–	–	–	–	**2,531**	**2,531**
Capital expenditure	**48,018**	**163,482**	**51,008**	**16,686**	**43,862**	**323,056**

The segment information for the twelve months ended 31 March 2017 is as follows:

	Unaudited					
	Twelve months ended 31 March 2017					
	Rice crackers *RMB'000*	Dairy products and beverages *RMB'000*	Snack foods *RMB'000*	Other products *RMB'000*	Unallocated *RMB'000*	Group *RMB'000*
Segment results						
Revenue	5,216,969	8,976,453	4,770,656	52,767	–	19,016,845
Segment profit/(loss)	1,018,871	2,985,729	1,079,328	8,320	(565,926)	4,526,322
Finance income – net						85,967
Share of losses of associates						(4,615)
Profit before income tax						4,607,674
Income tax expense						(1,273,757)
Profit for the period						3,333,917
Other segment items included in the income statement						
Depreciation of property, plant and equipment	260,067	316,173	273,513	1,820	42,396	893,969
Amortisation of leasehold land and land use rights	5,847	14,272	6,364	1,295	207	27,985
Depreciation of investment properties	–	–	–	1,534	–	1,534
Amortisation of intangible assets	–	–	–	–	861	861
Capital expenditure	37,846	166,698	73,957	14,699	56,897	350,097

5. Other income

	Audited		Unaudited	
	Fifteen months ended 31 March 2018	Year ended 31 December 2016	**Twelve months ended 31 March**	
			2018	2017
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Government grants	**624,066**	368,789	**477,223**	429,226
Sale of scraps	**72,834**	52,928	**62,653**	50,761
Rental income from investment properties, net	**2,985**	2,274	**2,413**	2,288
Others	**11,954**	5,545	**10,922**	5,375
Total	**711,839**	429,536	**553,211**	487,650

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

6. Other gains – net

	Audited		Unaudited	
	Fifteen months ended 31 March 2018	Year ended 31 December 2016	**Twelve months ended 31 March**	
			2018	2017
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Net foreign exchange gains	**95,485**	27,230	**104,930**	13,524
Gains on disposal of financial assets at fair value through profit or loss	**22,866**	10,050	**22,866**	10,050
Gains on fair value re-measurement of financial assets at fair value through profit or loss	**25,030**	61,556	**16,411**	52,200
Losses on disposal of property, plant and equipment, net	**(12,972)**	(10,249)	**(16,501)**	(3,820)
Donation expenses	**(9,048)**	(18,019)	**(6,490)**	(18,225)
Gains on disposal of leasehold land and land use rights	**2,636**	–	**2,636**	–
Others	**43,476**	15,657	**24,532**	27,367
Total	**167,473**	86,225	**148,384**	81,096

7. Income tax expense

	Audited		Unaudited	
	Fifteen months ended 31 March 2018	Year ended 31 December 2016	**Twelve months ended 31 March 2018**	Twelve months ended 31 March 2017
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Current income tax				
Current income tax on profits for the period/year	**1,319,873**	1,171,133	**1,061,530**	1,116,519
Deferred income tax				
Withholding tax on dividends from Chinese mainland	**115,834**	210,295	**96,714**	163,754
subsidiaries Origination and reversal of temporary differences	**32,738**	(2,955)	**24,775**	(6,516)
Total	**1,468,445**	1,378,473	**1,183,019**	1,273,757

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% for the fifteen months ended 31 March 2018 (for the year ended 31 December 2016: 0% to 30%).

8. 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 period.

	Audited		Unaudited	
	Fifteen months ended 31 March 2018	Year ended 31 December 2016	**Twelve months ended 31 March 2018**	Twelve months ended 31 March 2017
Profit attributable to equity holders of the Company (RMB'000)	**3,862,603**	3,519,168	**3,115,834**	3,336,858
Weighted average number of ordinary shares in issue (thousands)	**12,500,112**	12,706,185	**12,496,366**	12,644,283
Basic earnings per share	**RMB30.90 cents**	RMB27.70 cents	**RMB24.93 cents**	RMB26.39 cents

(b) Diluted

Diluted earnings per share are the same as the basic earnings per share since the Company does not have diluted shares.

9. Dividends

	Fifteen months ended 31 March 2018	Year ended 31 December 2016
	RMB'000	*RMB'000*
Interim dividend paid of US0.96 (2016: US0.58) cent per ordinary share	**790,162**	494,314
Proposed final dividend of US0.90 (2016: US1.19) cent per ordinary share (note (a))	**704,541**	1,030,000
Proposed special dividend of US1.25 (2016: nil) cents per ordinary share (note (b))	**978,530**	–
	2,473,233	1,524,314

(a) On 5 June 2018, the Board recommended the payment of a final dividend of US0.90 cent (for the year ended 31 December 2016: US1.19 cents) per ordinary share, totalling RMB704,541,000 (for the year ended 31 December 2016: RMB1,030,000,000) for the fifteen months ended 31 March 2018. The proposed final dividend in respect of the fifteen months ended 31 March 2018 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 forthcoming Annual General Meeting. The financial statements do not reflect this dividend payable.

(b) On 5 June 2018, the Board recommended the payment of a special dividend of US1.25 cents (for the year ended 31 December 2016: nil) per ordinary share, totalling RMB978,530,000 (for the year ended 31 December 2016: nil) for the fifteen months ended 31 March 2018. The proposed special dividend in respect of the fifteen months ended 31 March 2018 is calculated based on the total number of shares in issue as at the date of this report. The payment of the proposed special 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 during the fifteen months ended 31 March 2018 amounted to RMB1,803,847,000, comprising the final dividend for the year ended 31 December 2016 of RMB1,013,685,000, the interim dividend for the six months ended 30 June 2017 of RMB395,642,000 and the second interim dividend for the three months ended 30 September 2017 of RMB394,520,000, which were paid in June, October and December 2017 respectively.

10. Trade receivables

	31 March 2018 RMB'000	31 December 2016 RMB'000
Trade receivables		
– from third parties	**1,198,025**	1,311,675
– from a related party	**12,255**	11,470
	1,210,280	1,323,145
Less: provision for impairment of trade receivables	**(63,940)**	(52,307)
Trade receivables, net	**1,146,340**	1,270,838

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 (2016: 60 to 90 days).

As at 31 March 2018 and 31 December 2016, the ageing analysis of trade receivables based on invoice date is as follows:

	31 March 2018 RMB'000	31 December 2016 RMB'000
Within 60 days	**438,711**	1,044,858
61-90 days	**477,733**	103,535
91-180 days	**202,214**	103,470
181-365 days	**21,366**	36,078
Over 365 days	**70,256**	35,204
Total	**1,210,280**	1,323,145

11. Trade payables

	31 March 2018	31 December 2016
	RMB'000	*RMB'000*
Trade payables-to third parties	**1,286,830**	1,345,427

As at 31 March 2018 and 31 December 2016, the ageing analysis of the trade payables is as follows:

	31 March 2018	31 December 2016
	RMB'000	*RMB'000*
Within 60 days	**1,206,949**	1,271,829
61 to 180 days	**65,446**	53,899
181 to 365 days	**2,630**	6,465
Over 365 days	**11,805**	13,234
Total	**1,286,830**	1,345,427

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

CHAIRMAN'S STATEMENT

Business Review

As I have always said, "Want Want is like my first child". Most of my thoughts every day are related to it. Even when it is after work, most of my discussions with my family still revolves around it. It is truly said that most of the time when I feel upset or fulfilled, it is about "Want Want". I see this as the so-called "fate".

At our management meeting at the beginning of this year, I encouraged our management team to translate the bond with Want Want that ties each of us together into motivation and commitments to their daily responsibilities. I urged the production department to continuously improve our product quality; the sales teams to introduce our products to customers as "artworks"; and the back office sales staff to provide the best support so that our frontline staff can progress forward at full speed.

During 2017, the Group optimized the organization and function of its sales operation, revenue for the new financial year (from 1 April 2017 to 31 March 2018) grew by 6.6% to RMB20,274.7 million as compared with that of the same period in the previous year. In particular, each of our core products including Hot-Kid milk, core-brand rice crackers, popsicles and ball cakes, achieved a double-digit growth rate or slightly below such growth rate. Gross profit margin dropped to 43.1% as compared with that of the same period in the previous year due to the rising costs of certain raw materials and packaging materials. Accordingly, net profit attributable to equity holders of the Company decreased by 6.6% to RMB3,115.8 million as compared with that of the same period in the previous year.

Over the past few years, we have made various attempts and changes to our branding, our distribution and sales channels and our ways of communication with consumers. These new initiatives were introduced with the aim of enabling Want Want products to exploit the consumption upgrade trend and enhancing communication and interaction with consumers. For example, in recent years, we have emphasized digital marketing strategies and launched several classic online marketing campaigns each year which have received large numbers of consumers' "likes" (). In addition, notable changes were made to the packaging designs and materials of many of our products to pursue product perfection from packaging to content. Last year, we also started to explore the vending machine channel to supplement points of sales in both online and offline channels. This year, I also asked our frontline sales teams to enhance market information collection and timely feedback so that we can capture the latest market trend and respond promptly to the rapidly changing market conditions. All the efforts we have made and will make are to preserve the excellent reputation of "Want Want" brand among consumers, generation after generation. This is why, more than four decades ago, I designed "Hot-Kid" as a forward-looking boy, symbolizing Want Want's aiming high, farsighted vision and great vitality.

Dividends and share repurchases

The Board recommended the payment of a final dividend of US0.90 cent per share and a special dividend of US1.25 cents per share for the fifteen months from 1 January 2017 to 31 March 2018, totalling US2.15 cents per share, representing approximately US$267.7 million (equivalent to approximately RMB1,683.1 million) in total. Together with the two interim dividends distributed, the total amount of dividends for the fifteen months ended 31 March 2018 will amount to approximately US$387.7 million (equivalent to approximately RMB2,473.2 million). In addition, 74.69 million shares were repurchased by the Company during the same period for an aggregate amount of approximately RMB371.7 million.

For the fifteen months from 1 January 2017 to 31 March 2018, the Company would have returned a total of approximately RMB2,844.9 million to shareholders by way of dividend payments and share repurchases.

Outlook

2018 is the Year of the Dog. On the Chinese New Year television programs and in other major media, I heard the crowds shouting "Want Want" which was not seen 12 years ago in the previous Year of the Dog. Therefore, I believe that Want Want could become one of the greatest brands in Chinese history. Together with our management, I shall do my best every day to provide safe, delicious Want Want products to our consumers. My dream is to hear shouts of "Want Want" from around the world during the next Year of the Dog!

Appreciation

On behalf of the Board, I would like to extend my sincere thanks to our shareholders, customers, suppliers, business partners and financial institutions for their continuous support to the Group. I would also like to express my gratitude to all our staff members for their efforts and hard work.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Special note: Change of financial year end date

As the sales of our certain products are closely associated with the Chinese New Year, different timing of the Chinese New Year in each year may give rise to a substantial year-on-year fluctuation of the operating results of the Group with a financial year end date of 31 December, thus affecting the perception of the Group's actual underlying business performance. In this regard, on 22 August 2017, the Board resolved to change the financial year end date of the Company from 31 December to 31 March. This is the first financial year after the change, and the financial statements presented for current financial reporting period covers the fifteen-month period from 1 January 2017 to 31 March 2018 (the "2017 15-month Period") and the comparative figures cover the twelve-month period from 1 January 2016 to 31 December 2016.

The new financial years subsequent to the change would cover the full year from 1 April of a relevant year to 31 March of the following year. To provide a clear picture of the Group's operating results during the new financial year, the financial information presented herein also includes the financial information for the twelve-month period from 1 April 2017 to 31 March 2018 (the "New 2017FY"), and the comparative financial information covers the twelve-month period from 1 April 2016 to 31 March 2017.

SUMMARY

Against the background of a healthy and steady development of China's economy, the Group has formulated a diversified marketing strategy featuring channels and products to satisfy the differentiated needs of consumers, expand the coverage of points of sales and enhance our overall product presence on shelves through further penetration of our distribution channels and development of the emerging channels. In addition, taking into account of the prevailing consumer preferences, the Group strengthened its brand image and interaction with consumers through diversified digital marketing.

The implementation of the above strategies is showing positive results. During the New 2017FY, the Group's revenue grew at 6.6% year-on-year and the revenue in both the first and second half of the New 2017FY achieved a middle to high single-digit growth rate.

Upgrade of products

Revenue of the three key product segments showed a balanced and healthy growth trend in the New 2017FY. In particular, each of our star products including Hot-Kid milk, core-brand rice crackers, popsicles and ball cakes, achieved a double-digit or close to double-digit growth rate. The Group has clearly defined the target customers of each product category, introduced new product designs, adopted new packaging and marketing methods so as to make our products and brands increasingly popular among consumers.

Channel diversification

Each sales and distribution channel also performed well to different extents during the New 2017FY. Through rationalisation of sales organisation, actively developing unexplored points of sales and downward channel penetration, sales through traditional channels had resumed on a positive growth track from the beginning of the New 2017FY, and maintained the growth trend throughout the year, which laid the foundation for the overall growth of the Group and contributed greatly to the recovery of the revenue growth of the three key product segments.

Sales through modern channels have maintained a double-digit growth momentum since 2016, due mainly to the fact that the Group has gradually differentiated the products sold through different channels, which could not only meet the differentiated consumer demands, but also support the parallel development of both traditional and modern channels, unleashing the positive development momentum of modern channels.

For the e-commerce channel, through its fashionable, personalised product design and lively marketing methods, the Group has continuously been expanding its young consumer groups. In addition, the new retail model which integrates online and offline channels helps the Group to expand its market coverage. As a result, sales through e-commerce channel were doubled each year in recent two years and have become an important revenue growth driver of the Group. In particular, one-third of the revenue growth of the dairy products and beverages segment has come from e-commerce channel.

Our trusted brand image as widely recognised among consumers and our extensive product offering provide the Group with an unique competitive advantage in the maternity channel and enable our maternity channel operation to maintain its strong growth momentum. Under the trend of having a second-child and consumption upgrade in China, there will be more market opportunities in the maternity channel in the future. The Group will continue to explore and invest in emerging channels. For example, the Group has started exploring the vending machine operation with the aim to supplement more points of sales in both online and offline channels.

With our long-history of the operations in overseas markets, Want Want brand has gradually gained recognition and popularity. Revenue from overseas markets achieved a double-digit growth in the New 2017FY, becoming one of the main drivers of our rice cracker’s sales growth. Looking forward, the Group plans to further explore overseas market opportunities.

Digital marketing

Digital marketing makes our marketing and promotion activities become more diversified. The customised marketing plans tailored for target consumer group have made the image of our brands/ products more vivid, and played an active role in expanding the customer base and enhancing the user loyalty.

The operation of Hot-Kid Club platform:

Through making use of public social media platforms, such as Weibo and WeChat, and the use of self-developed APPs, the Group has created its fan club membership system. Leveraging on these platforms, we are able to better understand consumers' behaviour and preferences, to accurately push creative content, and to guide and create new consumer demands. At present, Hot-Kid Club has built a large fan base. In the future, the Group will further explore the application of big data to meet the personalised needs of various different users.

Cross-industry and integrated marketing to strengthen brand image:

During the Spring Festival of the Year of the Dog in 2018, the Group collaborated with a well-known e-commerce company and launched a co-branded gift box packaged with "Want-style language" to create "the Festival Gift Culture of Want Want" and to help young people to respond to inquiries from relatives and friends during the Chinese New Year. The Group also organised related offline entertainment and varieties activities during the Chinese New Year, which made the Want Want image permeated into the post-90 groups and expanded the Want Want brand power and influence during the Chinese New Year and festivals. The Group, in cross-industry cooperation with Ele.me, set up offline pop-up shop "Girls' Pub", which accurately targeted audience with pink theme while at the same time creating hot topics online around "Girls' Pub" and related products to maximise the influence of this campaign and generate brand effect featuring 1+1>2.

Overview of operational results

For the period from 1 April 2017 to 31 March 2018 (the "New 2017FY")

For the New 2017FY, the Group achieved a total revenue of RMB20,274.7 million, representing an increase of 6.6% as compared with that of the period from 1 April 2016 to 31 March 2017.

The Group's gross profit margin was 43.1% for the New 2017FY, representing a decrease of 4.1 percentage points as compared with that of the period from 1 April 2016 to 31 March 2017, due to the increase in the costs of certain key raw materials such as packaging materials, sugar and milk powder.

For the New 2017FY, the Group's operating expense ratio (being the ratio of total distribution costs and administrative expenses to revenue) was 25.9%, representing a decrease of 0.4 percentage point year-on-year. Distribution costs to revenue ratio was 14.8%, representing an increase of 0.8 percentage point year-on-year. This was due mainly to the increase in the number of sales representatives and in-store promoters to strengthen services at points of sales across the nation and to enhance user experience thereby improved the performance of related points of sales in the traditional channels and modern channels. In addition, in order to grasp the channel development opportunities, the Group increased the investment in advertising and promotion resources in modern channels and emerging channels to attract target consumers and retailers, so as to promote the long-term development of such channels. The Group's improved sales and continuous effective cost control led to a decrease of 1.2 percentage points in the ratio of administrative expenses to revenue, which offset the effects of the increase in marketing resources, resulting in a decrease in overall operating expense ratio by 0.4 percentage point year-on-year to 25.9%.

As a result of the foregoing, the net profit attributable to equity holders of the Company reached RMB3,115.8 million, representing a decrease of 6.6% year-on-year, while the year-on-year decline for the period from 1 October 2017 to 31 March 2018 (being the second half of the New 2017FY) further narrowed to a lower single digit level. The margin of profit attributable to equity holders reached 15.4% due to the decrease in gross profit margin.

For the period from 1 January 2017 to 31 March 2018 (the "2017 15-month Period")

For the 2017 15-month Period, the Group achieved a total revenue of RMB24,854.5 million. In terms of the Group's revenue attributable to the three key product segments, the revenue from the rice crackers and the snack foods segments together accounted for 52.1% of the Group's total revenue while that from the dairy products and beverages segment accounted for 47.6% of the Group's total revenue.

The Group's gross profit margin reached 43.4% for the 2017 15-month Period, representing a decrease of 4.4 percentage points as compared with that of the period from 1 January to 31 December 2016, due to the increase in the costs of certain key raw materials such as packaging materials, sugar and milk powder. The operating expense ratio reached 26.1% for the 2017 15-month Period, representing an increase of 0.1 percentage point as compared with that of the period from 1 January to 31 December 2016. As a result, the net profit attributable to equity holders of the Company reached RMB3,862.6 million for the 2017 15-month Period and the margin of profit attributable to equity holders of the Company reached 15.5%.

REVENUE

Benefiting from the business strategies which started to bring positive results, the total revenue of the Group for the New 2017FY increased by 6.6% as compared to that of the period from 1 April 2016 to 31 March 2017, thus maintaining a positive growth recovery trend. The three key product segments continued to develop in a balanced manner. The revenue from the rice crackers and the snack foods segments together accounted for 52.4% of the total revenue while that from the dairy products and beverages segment accounted for 47.4% of the total revenue.

For the 2017 15-month Period, the Group achieved a total revenue of RMB24,854.5 million. As for the performance of the three key product segments during the period, the revenue form rice crackers, dairy products and beverages and snack foods segments was RMB6,717.8 million, RMB11,833.9 million and RMB6,244.6 million, respectively.

Rice crackers

As a result of the optimisation of the sales organisation and the development of unexplored market, the revenue from rice crackers for the New 2017FY was RMB5,653.5 million, representing an increase of 8.4% as compared with that of the same period in the previous year, and recorded a high single-digit growth rate both in the first and second half of the New 2017FY, while the core-brand rice crackers achieved a nearly double-digit growth rate.

In terms of the traditional channels, the revenue growth rate of the rice crackers in the New 2017FY exceeded their compound annual growth rate during the past 5 years. Modern channels, through the introduction of the customised large packing size bags and corner seal bags, such as 360g sugar-coated crackers and savoury senbei bags, which are more appropriate for shelf display and cyclical purchasing needs of our consumers, achieved a double-digit growth rate in terms of rice crackers sales, thereby boosting the overall growth of rice crackers segment.

The Group utilised distinctive product design and lively digital marketing methods to create several hot product sales that are memorable among consumers in the e-commerce channel. For example, during the "Double 11" event (short form of the event day launched by a well-known e-commerce platform on November 11 in China), the Group launched the "Make Bigger" gift pack through the e-commerce channel, for which our star products like traditional sugar-coated crackers and savoury senbei that we have sold for more than 20 years were enlarged 8 times overnight. The unique product style combined with the interesting marketing method made the products sold out quickly once introduced, and the enthusiasm of the topic continued to heat up. The rapid growth in e-commerce channel sales was attributable to the strong sales of these customised new products.

With the excellent technology and experience in the production of rice crackers for more than 20 years, the rice crackers for toddlers under "Baby Mum-Mum" brand launched by the Group had won high praise in overseas markets for many years and received many international awards. With the development in China's maternity market, "Baby Mum-Mum" brand has quickly won consumers' trust and gained popularity, and sales through maternity channels was doubled. The Group will continue to develop maternity stores, and will extend the sales of products for infants and toddlers to all channel sales to effectively expand the products offerings of rice crackers and customer base. In addition, the Group's rice crackers were in great demand in Southeast Asia and North America markets, which had driven the sales of rice crackers from overseas markets to archive a double-digit growth rate year-on-year, and had also become an important revenue growth driver for rice crackers.

In the future, we will introduce several new products that cater for the consumers' dual demands for both healthy food and good taste. For example, the "non-fried rice potato chips", is produced with advanced technology to effectively reduce the fat content while maintaining the crispy taste and flavour that is of great appeal to consumers. Meanwhile, the Group will actively expedite the evaluation process in relation to the viability of establishing overseas factories to explore and grasp the overseas sales opportunities for our rice crackers and other products.

During the 2017 15-month Period, the rice crackers achieved a revenue of RMB6,717.8 million. After the change of our financial year end date, the year-on-year comparisons of rice crackers revenue will better reflect the actual underlying performance of the rice crackers segment.

Dairy products and beverages

For the New 2017FY, the revenue from dairy and beverages increased by 7.1% year-on-year to RMB9,614.6 million. During the period, the revenue of "Hot-Kid milk", which accounted for over 90% of the segment's revenue, increased by 10.0% year-on-year. Apart from the positive growth of sales through traditional channels, sales through e-commerce channel were more than double of that of the same period in the previous year and became a key revenue growth driver for the dairy products and beverages segment. In addition, the sales through modern channels achieved a high-teen growth rate and effectively boosted the market penetration of "Hot-Kid milk" and its availability on shelves, demonstrating the long-standing leadership position of this classic product among consumers.

Although the recovery of the economy had driven the growth of overall consumption demand, the shift and differentiation of consumption demand became increasingly evident, which posed challenges for the development of children's flavoured milk segment. In this context, the Group strengthened its market presence through differentiated channel management and conducting vivid and diversified marketing campaigns to promote the brand image of "Hot-Kid milk", enhance user loyalty and expand its customer base. The above strategies had enabled "Hot-Kid milk" to overcome adversity and achieve a double-digit revenue growth rate. This growth trend had been maintained in both the first half and the second half of the New 2017FY, demonstrating the continued effectiveness of the strategies.

The digital marketing and e-commerce channel played an important role in the recovery growth of "Hot-Kid milk". The channel focuses on satisfying the novel and personalised preferences of young groups in product design with interesting topic marketing. For example, in 2017, the Group launched an advertisement titled by "Li Ziming grew up" in the online media, which refreshed the memory of consumers for the classic "Hot-Kid milk" advertisement 10 years ago and produced new resonance. Meanwhile, it actively explored new online and offline retail models to reinforce the coverage of terminal points. Sales through modern channel has started to achieve a double-digit growth rate since the second half of 2016, which was due mainly to new packing specification and packaging design of our products that are more appropriate to our customers' purchasing habits and the improved operating efficiency of a store resulted from enhancing communication between our in-store promoters and consumers. The Group believes that there is still significant room for the development of modern channel, which will also become one of the future growth drivers of "Hot-Kid milk". During the New 2017FY, the Group increased the investment in market resources to improve the maintenance and service at points of sales and improved the operation efficiency through the optimisation of the sales organisation, enabling the traditional channels to gradually return to positive growth.

In the future, the Group will continue to focus on multi-channel development and expansion of channels to enhance the effective coverage of products. At the same time, we will further expand the product offerings of dairy and beverage products, keep up with the market trends to seize consumers' needs and adopt a targeted approach to launch a few selective and totally new or relatively new dairy and beverage products. To address the current health and consumption upgrade needs, the Group launched a new product with a milk protein content of 3.6%, "premium high protein Hot-Kid milk". It is designed in white Tetra Pak package, which has effectively differentiated it from the classic "Hot-Kid milk" and extended the product offerings of the existing dairy products. When the product was first launched, it became hot search words on the internet, and recorded a revenue of more than RMB100 million for sales in some regions just within a few months. In 2018, the Group will sell this product to all other places in the PRC to meet the consumption needs of more customers. In the meantime, there will be a few unique distinctive new products, such as Sawow cocktail, moisten-throat tea, lactic acid water, Mr. Bond Coffee, etc., which will be marketed and sold to specific consumer groups. The Group will not hesitate to invest in product promotion in order to attract more consumer groups with more diversified, lively and targeted marketing methods. Furthermore, it will focus on the maintenance and reinforcement of points of sales to maintain a sustainable and healthy development of dairy products and beverages.

With the implementation of the above strategies, sales of dairy products and beverages for the 2017 15-month Period achieved a revenue of RMB11,833.9 million.

Snack foods

During the New 2017FY, the revenue of snack foods reached RMB4,961.7 million, representing an increase of 4.0% as compared with that of the same period in the previous year. Revenue of popsicles, which are sold mainly in the summertime, increased by 11.2% year-on-year. Revenue of Hot-kid ball cakes also achieved nearly double-digit growth. Candies, despite being affected by the weakness of the entire industry, began to resume positive growth in the second half of the New 2017FY due to our effective marketing strategies.

Want Want's popsicles, benefiting from its unique product design, are able to solve the requirement for refrigeration and avoid the problem of damages and losses during transportation faced by conventional ice products while maintaining its delicious taste. The double-digit compound annual revenue growth rate of popsicles sales over the past 20 years demonstrates the strong brand value and product appeal of Want Want's popsicles. In 2018, the Group will launch a new product with Tetra Pak package "Dongchi" (room temperature ice-cream), which will extend our popsicles product range to include ice-cream products. The product was quickly booked-out by distributors when we first introduced this product to our distributors at the 2017 Ningbo New Product Launch Conference, signalling an exciting potential in the sales of Want Want's popsicles in 2018.

The Hot-Kid ball cakes have always been a high profit margin product and are well received by customers. In recent years, the Group has spared no effort in cooperating with relevant authorities to crack down on counterfeit products and restore confidence of distributors, and has begun to optimise and upgrade products and actively promoted cross-industry cooperation to promote interactions with consumers. During the release of "Monster Hunt II", a popular movie among children, the Group conducted joint design of product packages with the owner of the IP, and launched the Monster Hunt gift packages which were only sold on e-commerce channel. It effectively increased its appeal to consumers through online interactions with the filmmaker's official weibo, offline film roadshows and cinema exhibitions. Following the above efforts, the Group witnessed the gradual growth of Hot-Kid ball cakes, which achieved a mid-teen growth rate during the second half of the New 2017FY. In the future, the Group will continue to optimise and upgrade products and capture more consumers through vivid digital marketing.

For the 2017 15-month Period, the Group's snack foods recorded a revenue of RMB 6,244.6 million.

COST OF SALES

The cost of sales of the Group for the New 2017FY amounted to RMB11,539.4 million, representing an increase of 14.9% as compared with that of the same period in the previous year. The cost of sales of the Group included primarily cost of key raw materials (such as milk powder, sugar, rice, palm oil and packaging materials), direct labour and manufacturing costs such as utility expenses. The increase in the cost of sales was attributable mainly to the substantial increase in the cost of certain key raw materials of the Group such as packaging materials (mainly paper and tinplate), sugar and whole milk powder over that of the same period in the previous year.

The cost of sales of the Group for the 2017 15-month Period amounted to RMB14,064.9 million.

GROSS PROFIT

Due to the significant increase in the cost of certain key raw materials, the Group's gross profit margin for the New 2017FY was 43.1%, representing a decrease of 4.1 percentage points as compared with that of the same period in the previous year. The gross profit amounted to RMB8,735.3 million, representing a decrease of 2.7% for the period as compared with that of the same period in the previous year.

In the future, the Group will continue to devote itself to the automation project for the relatively labour-intensive production lines and consolidating and rationalising some of its production bases and production lines to optimise the deployment of production manpower and facilitate the implementation of multi-brand and channel customisation strategies as well as to maximise the supply chain efficiency. In addition, by leveraging on Want Want's production advantages, it will continue to engaging OEM activities with other brands, which will improve the utilisation rate and operation efficiency of the production lines.

For the 2017 15-month Period, the Group's gross profit amounted to RMB10,789.6 million, and gross profit margin dropped by 4.4 percentage points to 43.4% as compared with that of the 12-month period from 1 January to 31 December 2016.

Rice crackers

The gross profit margin of rice crackers was 39.8% for the New 2017FY, representing a decrease of 2.0 percentage points as compared with that of the same period in the previous year, due mainly to the rising cost of certain key raw materials and the cost of the gift packs resulted from adding certain potential and new products to the Group's festival best-selling gift pack in order to increase the product recognition. However, benefiting from the improved sales of rice crackers during such period which improved the utilisation rate, and coupled with the effect of improving automation over the years, the Group effectively alleviated the raw material cost pressure.

For the 2017 15-month Period, the gross profit margin of rice crackers products was 39.6%, representing a decrease of 3.4 percentage points as compared with that of the period from 1 January to 31 December 2016, mainly due to a double-digit increase in the cost of certain key raw materials such as carton and sugar.

Dairy products and beverages

The gross profit margin of dairy products and beverages was 45.4% for the New 2017FY, representing a decrease of 5.2 percentage points as compared with that of the period in the previous year. The cost of certain raw materials such as carton and tinplate has been rising since late 2016, and was increased by a double-digit growth rate for the period as compared with that of the same period in the previous year. In addition, the cost of whole milk powder for the New 2017FY also increased as compared with that of the same period in the previous year which marked the lowest in the recent two years. As a result, gross profit margin of dairy products and beverages recorded a year-on-year decline.

For the 2017 15-month Period, the gross profit margin of dairy products and beverages was 45.8%, representing a decrease of 4.9 percentage points as compared with that of the period from 1 January to 31 December 2016.

Snack foods

The gross profit margin of snack foods was 42.8% for the New 2017FY, representing a decrease of 4.0 percentage points as compared with that of the same period in the previous year, due mainly to the higher proportion of usage of sugar in this segment and the increase in the cost of sugar and carton by over 10% for the New 2017FY as compared with that of the same period in the previous year, which also affected the overall gross profit margin of the segment.

Among the three key product segments, snack foods have the widest range of products, including many distinctive products with a high market share, such as popsicles, ball cakes and QQ gummy. The Group has continuously upgraded products, customised products for different distribution channels, and timely introduced new products to extend existing price ranges, which enabled us to maintain a relatively stable profitability for the segment.

For the 2017 15-month Period, the gross profit margin of snack foods was 43.1%, representing a decrease of 4.9 percentage points as compared with that of the year from 1 January to 31 December 2016.

DISTRIBUTION COSTS

The distribution costs for the New 2017FY amounted to RMB3,003.8 million, representing an increase of RMB334.6 million as compared with that of the same period in the previous year. Distribution costs as a percentage of revenue increased by 0.8 percentage point to 14.8% as compared with that of the same period in the previous year. It was due mainly to an increase of advertising and promotion expenses as a percentage of revenue by 0.6 percentage point to 3.7%, as compared with 3.1% in the same period in the previous year, as a result of the Group's increased investment in the resources of emerging distribution channels and modern channels in 2017. In the future, the Group will continue to invest in branding and marketing and promotion resources for distribution channels, and to increase investment of resources in new product free tasting, marketing and advertising while implementing appropriate cost control measures to improve operating efficiency.

Despite the rising transportation prices, the transportation expenses as a percentage of revenue decreased by 0.3 percentage point to 4.0%, as compared with 4.3% in the same period of the previous year, mainly as a result of the Group's continuous improvement in supply chain efficiency through rational planning of transportation routes and promoting direct delivery. Other distribution costs (mainly including labour cost) as a percentage of revenue was 7.1%, representing an increase of 0.5 percentage point as compared with that of the same period in the previous year, due mainly to the increase in the number of sales representatives and in-store promoters stationed at modern channel outlets to strengthen the services and display quality at the points of sales and to proactively expand the customer base in the fourth-tier and fifth-tier cities for further expansion of our distribution channels and market penetration.

The distribution costs for the 2017 15-month Period amounted to RMB3,692.2 million. Distribution costs as a percentage of revenue increased by 1.0 percentage point to 14.9% as compared with that of the period from 1 January to 31 December 2016. Advertising and promotion expenses as a percentage of revenue increased by 0.3 percentage point to 3.7%, as compared with that of the period from 1 January to 31 December 2016, due mainly to the fact that the Group increased investment of resources in certain distribution channels. The transportation expenses as a percentage of revenue decreased by 0.1 percentage point to 4.0% as compared with that of the period from 1 January to 31 December 2016. Other distribution costs as a percentage of revenue increased by 0.8 percentage point to 7.2% as compared with that of the period from 1 January to 31 December 2016, due mainly to an increase of labour costs as a result of the increase in the number of sales representatives and in-store promoters.

ADMINISTRATIVE EXPENSES

The Group remained committed to the effective management with control of resources and efficiency. Administrative expenses of the Group for the New 2017FY decreased by 4.5% from RMB2,346.5 million for the same period in the previous year to RMB2,241.1 million. Administrative expenses as a percentage of revenue was 11.1%, representing a decrease of 1.2 percentage points from that of the same period in the previous year, due mainly to the improvement in utilisation efficiency of administrative resources.

Administrative expenses of the Group amounted to RMB2,783.9 million for the 2017 15-month Period. Administrative expenses as a percentage of revenue was 11.2%, representing a decrease of 0.9 percentage point from that of the period from 1 January to 31 December 2016.

OPERATING PROFIT

Due to the decrease in gross profit margin, the Group's operating profit for the New 2017FY decreased by RMB334.2 million to RMB4,192.1 million as compared with that of the period in the previous year, with an operating profit margin of 20.7%.

The Group's operating profit for the 2017 15-month Period amounted to RMB5,192.8 million, with an operating profit margin of 20.9%.

INCOME TAX EXPENSE

The Group's income tax expense for the New 2017FY was RMB1,183.0 million, and the income tax rate was 27.6%, similar to that of the same period in the previous year.

The Group's income tax expense for the 2017 15-month Period was RMB1,468.4 million, and the income tax rate was 27.6%, representing a decrease of 0.6 percentage point as compared with that of the period from 1 January to 31 December 2016.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Profit attributable to equity holders of the Company for the New 2017FY amounted to RMB3,115.8 million. The margin of profit attributable to equity holders of the Company was 15.4%.

Profit attributable to equity holders of the Company for the 2017 15-month Period amounted to RMB3,862.6 million. The margin of profit attributable to equity holders of the Company was 15.5%.

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 March 2018, our bank balances and deposits amounted to RMB12,499.7 million (31 December 2016: RMB11,557.4 million), representing an increase of RMB942.3 million as compared with that as at 31 December 2016.

As at 31 March 2018, our total borrowings amounted to RMB6,904.1 million (31 December 2016: RMB9,903.5 million), representing a decrease of RMB2,999.4 million as compared with that as at 31 December 2016, mainly due to the repayment of part of our borrowings during the current period. The long-term borrowings, including the guaranteed bonds issued, amounted to RMB3,101.3 million (31 December 2016: RMB5,890.5 million), representing a decrease of RMB2,789.2 million as compared with that as at 31 December 2016. The short-term borrowings amounted to RMB3,802.9 million (31 December 2016: RMB4,013.1 million), representing a decrease of RMB210.2 million as compared with that as at 31 December 2016.

In May 2013, the Group issued US$600.0 million 5-year term guaranteed unsecured senior notes, bearing an interest at a fixed rate of 1.875%. As at 31 March 2018, the balance of notes payable amounted to US$599.9 million (31 December 2016: US$599.1 million). These notes were subsequently redeemed in full at maturity in May 2018.

In April 2017, the Group issued US$500.0 million 5-year term guaranteed bonds (the "Bonds"), bearing an interest at a fixed rate of 2.875%. As at 31 March 2018, the balance of Bonds payable amounted to US$493.2 million.

The Group's net gearing ratio (total borrowings net of cash and cash equivalents as a percentage of total equity (excluding non-controlling interests)) as at 31 March 2018 was -0.39 time (31 December 2016: -0.13 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

For the 2017 15-month Period, our cash and cash equivalents increased by RMB942.3 million. Among which, RMB5,316.9 million of net cash inflow was generated from our operating activities. Net cash outflow for financing activities was RMB4,419.2 million, which was used mainly for paying dividends of RMB1,803.8 million, and repaying part of the borrowings resulting in the net borrowing outflow of RMB2,390.2 million. The net cash inflow for investment activities was RMB172.3 million.

Capital expenditure

For the New 2017FY, our capital expenditure was approximately RMB323.0 million, which was used mainly for completing the outstanding construction work of the factory buildings, purchasing machinery and equipment, improving facilities for information technology, and increasing the investment in automated warehouse and storage equipment.

For the 2017 15-month Period, our total capital expenditure amounted to RMB419.9 million (1 January to 31 December 2016: RMB447.5 million). We spent approximately RMB55.7 million, RMB205.0 million and RMB88.1 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, packaging, etc.

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

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 fifteen months ended 31 March 2018 and for the year ended 31 December 2016:

	Fifteen months ended 31 March 2018	Year ended 31 December 2016
Inventory turnover days	**81**	94

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 distribution channels and certain emerging channels, which then on-sell our products to end-consumers.

The following table sets forth the number of our trade receivables turnover days for the fifteen months ended 31 March 2018 and for the year ended 31 December 2016:

	Fifteen months ended 31 March 2018	Year ended 31 December 2016
Trade receivables turnover days	**22**	20

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 fifteen months ended 31 March 2018 and for the year ended 31 December 2016:

	Fifteen months ended 31 March 2018	Year ended 31 December 2016
Trade payables turnover days	**43**	45

Pledge of assets

As at 31 March 2018, none of our assets was pledged.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

For the period from 1 January 2017 to 31 March 2018, our average number of employees was approximately 47,280, representing an increase of 165 employees as compared with average number of employees in 2016. Our total remuneration expenses for the period from 1 January 2017 to 31 March 2018 amounted to RMB4,628.4 million. The remuneration package of our employees includes fixed salary, commissions and allowances (where applicable), and performance-based year-end bonuses having regard to the performance of the Group and the individual.

We have always invested in significant resources in the continuing education and training programmes of our employees. Training programmes, both external and internal, are also provided to relevant staff as and when required to constantly improve their professional knowledge and skills.

FOREIGN EXCHANGE RISKS

The presentation currency of the Group has been changed to RMB from USD since 2016 but the Company's functional currency is still USD. More than 90% of our activities are conducted in the Chinese mainland, our Chinese mainland subsidiaries' functional currency is RMB. Foreign exchange risks arise mainly from procurement of raw materials and equipment from overseas, dividend payments and certain recognised assets and liabilities.

As procurement of raw materials and equipment from overseas and USD denominated borrowings of the Group are recognised in the financial statements of the subsidiaries of the Group which functional currency is USD, the assets and liabilities subject to foreign exchange risks are minimal and the relevant exposure after offsetting is not significant. As such, RMB does not have a significant impact on exchange gains and losses presented on the consolidated income statement within "other gains – net". During the 2017 15-month Period, the Group did not hedge against its foreign exchange risks.

DIVIDENDS AND REPURCHASES

The Board recommended the payment of a final dividend of US0.90 cent per share and a special dividend of US1.25 cents per share for the fifteen months ended 31 March 2018, totalling US2.15 cents per share, representing approximately US$267.7 million (equivalent to approximately RMB1,683.1 million) in total. Including the two interim dividends paid respectively in October and December 2017, the total amount of dividends paid for the fifteen months ended 31 March 2018 would amount to approximately US$387.7 million (equivalent to approximately RMB2,473.2 million).

To increase shareholders' value, during the period of the fifteen months ended 31 March 2018, the Group repurchased 74.69 million shares of the Company in the open market for an aggregate amount of approximately RMB371.7 million, by way of share repurchases funded by its free cash flow. The shares repurchased were subsequently cancelled.

As a result, the Group would have returned a total of approximately RMB2,844.9 million to our shareholders, for the period of the fifteen months ended 31 March 2018, by payments of dividends and share repurchases, representing a decrease of 3.4% as compared to the amount of RMB2,945.0 million for dividends and share repurchases for the year ended 31 December 2016.

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 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 fifteen months ended 31 March 2018. The Audit Committee has also reviewed the financial results for the fifteen months ended 31 March 2018.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures contained in the preliminary announcement of our Group's results for the fifteen months ended 31 March 2018 have been agreed by our Group's external auditor, PricewaterhouseCoopers, to the figures set out in our Group's consolidated financial statements for the fifteen months ended 31 March 2018. 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 fifteen months ended 31 March 2018, 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 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. 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 40 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.

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 the Company do not currently have specific terms of appointment. However, the articles of association of the 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 the 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 provision E.1.2

Code provision E.1.2 provides that the chairman of the board should attend the annual general meeting. The Company deviates from this provision because Mr. Tsai Eng-Meng, an executive Director and the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 12 May 2017 due to other important engagement at that time.

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

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules regarding directors' securities transactions. Specific enquiries have been made with our Directors and all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the fifteen months ended 31 March 2018.

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

During the fifteen months ended 31 March 2018, the Company repurchased a total of 74,688,000 shares on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") for an aggregate amount (excluding expenses) of HK$440,428,176 and such repurchased shares were 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$)*
January 2017	8,435,000	5.00	4.89	41,860,090
February 2017	1,416,000	5.39	5.36	7,597,971
September 2017	3,055,000	5.23	5.16	15,872,000
October 2017	3,300,000	5.75	5.68	18,864,120
November 2017	20,650,000	6.27	5.95	126,130,695
December 2017	21,479,000	6.15	5.86	129,274,320
February 2018	3,606,000	6.18	6.08	22,187,754
March 2018	12,747,000	6.30	6.10	78,641,226
	74,688,000			440,428,176

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.

Senior Notes

Want Want China Finance Limited, a wholly-ownded subsidiary of the Company, has redeemed and settled at maturity on 14 May 2018 (the "Maturity Date") the US$600,000,000 1.875% guaranteed unsecured senior notes due 2018 (the "Notes") in full at their principal amount together with interest accrued to the Maturity Date. Following the completion of the redemption, the Notes were cancelled and ceased to be listed on the HK Stock Exchange.

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 and the Bonds) of the Company during the fifteen months ended 31 March 2018 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 25 July 2018. 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 19 July 2018, for the purpose of effecting the share transfers. The register of members of the Company will be closed from 20 July 2018 to 25 July 2018 (both dates inclusive).

PROPOSED DIVIDENDS AND BOOK CLOSURE FOR ENTITLEMENT OF THE PROPOSED DIVIDENDS

The Board has recommended the payment of a final dividend of US0.9 cent per share and a special dividend of US1.25 cents per share in respect of the fifteen months ended 31 March 2018. Subject to the approval of shareholders at the AGM, the proposed final and special dividends will be paid on or about 15 August 2018. 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 and special dividends will be calculated with reference to the exchange rate of US dollars against Hong Kong dollars on 25 July 2018, being the date of the AGM on which such dividends will be proposed to the shareholders of the Company for approval.

In order to qualify for the entitlement to the above mentioned final and special dividends, 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 July 2018, for the purpose of effecting the share transfers. The register of members of the Company will be closed from 31 July 2018 to 1 August 2018 (both dates inclusive).

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

Hong Kong, 5 June 2018

As at the date of this announcement, the executive Directors are Mr. TSAI Eng-Meng, Mr. TSAI Wang-Chia, Mr. HUANG Yung-Sung, Mr. CHU Chi-Wen and Mr. CHAN Yu-Feng; the non-executive Directors are Mr. LIAO Ching-Tsun, 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.