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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

FINANCIAL HIGHLIGHTS

	Unaudited Six months ended 30 September		
	2020	2019	Change
Key income statement items	***RMB'000***	*RMB'000*	*%*
Revenue	**10,299,247**	9,304,071	+10.7
Gross profit	**4,963,652**	4,550,046	+9.1
Operating profit	**2,534,882**	2,053,767	+23.4
Profit attributable to equity holders of the Company	**1,952,396**	1,614,913	+20.9
Key financial ratios	%	%	% point
Gross profit margin	**48.2**	48.9	-0.7
Operating profit margin	**24.6**	22.1	+2.5
Margin of profit attributable to equity holders of the Company	**19.0**	17.4	+1.6

The board (the "Board") of directors (the "Directors") of Want Want China Holdings Limited (the "Company") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (together, the "Group" or "Want Want") for the six months ended 30 September 2020 ("first half of 2020FY") together with the comparative figures for the six months ended 30 September 2019 ("first half of 2019FY") as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 September 2020

	Note	**Unaudited Six months ended 30 September 2020** *RMB'000*	2019 *RMB'000*
Revenue	4	**10,299,247**	9,304,071
Cost of sales		**(5,335,595)**	(4,754,025)
Gross profit		**4,963,652**	4,550,046
Other (losses)/gains – net	5	**(36,094)**	1,787
Other income		**161,268**	157,523
Distribution costs		**(1,249,863)**	(1,369,929)
Administrative expenses		**(1,304,081)**	(1,285,660)
Operating profit		**2,534,882**	2,053,767
Finance income		**270,119**	295,544
Finance costs		**(100,134)**	(158,169)
Finance income – net		**169,985**	137,375
Share of losses of associates		**(1,049)**	(1,775)
Profit before income tax		**2,703,818**	2,189,367
Income tax expense	6	**(757,127)**	(584,518)
Profit for the period		**1,946,691**	1,604,849
Profit attributable to:			
– Equity holders of the Company		**1,952,396**	1,614,913
– Non-controlling interests		**(5,705)**	(10,064)
		1,946,691	1,604,849
Earnings per share for profit attributable to equity holders of the Company			
Basic earnings per share	7	**RMB15.75 cents**	RMB12.99 cents
Diluted earnings per share	7	**RMB15.75 cents**	RMB12.99 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2020

	Unaudited Six months ended 30 September	
	2020	2019
	RMB'000	*RMB'000*
Profit for the period	**1,946,691**	1,604,849
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**283,868**	(366,957)
Items that will not be reclassified subsequently to profit or loss		
Remeasurements on post-employment benefit obligations	**–**	(7)
Change in value of financial assets at fair value through other comprehensive income	**6,699**	(959)
Other comprehensive income for the period	**290,567**	(367,923)
Total comprehensive income for the period	**2,237,258**	1,236,926
Total comprehensive income for the period attributable to:		
– Equity holders of the Company	**2,242,140**	1,248,039
– Non-controlling interests	**(4,882)**	(11,113)
	2,237,258	1,236,926

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2020

	Note	**Unaudited 30 September 2020** *RMB'000*	Audited 31 March 2020 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**6,553,357**	6,770,980
Investment properties		**37,351**	37,944
Intangible assets		**11,958**	13,027
Investments in associates		**14,376**	15,425
Deferred income tax assets		**334,260**	287,536
Financial assets at fair value through other comprehensive income		**90,842**	31,761
Right-of-use assets		**1,065,754**	1,062,289
Total non-current assets		**8,107,898**	8,218,962
Current assets			
Inventories		**2,636,409**	2,746,167
Trade receivables	9	**933,562**	846,744
Prepayments, deposits and other receivables		**765,985**	756,190
Cash and cash equivalents		**17,339,163**	17,256,927
Total current assets		**21,675,119**	21,606,028
Total assets		**29,783,017**	29,824,990

	Note	Unaudited 30 September 2020 *RMB'000*	Audited 31 March 2020 *RMB'000*
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**1,847,089**	1,866,355
Reserves		**12,008,039**	13,406,327
		13,855,128	15,272,682
Non-controlling interests		**76,551**	81,532
Total equity		**13,931,679**	15,354,214
LIABILITIES			
Non-current liabilities			
Borrowings		**3,386,378**	8,293,566
Lease liabilities		**81,247**	67,034
Deferred income tax liabilities		**222,324**	214,378
Other non-current liabilities		**147,684**	74,281
Total non-current liabilities		**3,837,633**	8,649,259
Current liabilities			
Trade payables	10	**1,146,928**	1,093,092
Accruals and other payables		**2,438,086**	2,371,083
Contract liabilities		**1,232,207**	1,584,651
Current income tax liabilities		**305,769**	133,728
Borrowings		**6,831,970**	587,085
Lease liabilities		**58,745**	51,878
Total current liabilities		**12,013,705**	5,821,517
Total liabilities		**15,851,338**	14,470,776
Total equity and liabilities		**29,783,017**	29,824,990

1. General information

Want Want China Holdings Limited ("the Company") and its subsidiaries (together "the Group") are principally engaged in the manufacturing and distribution of food and beverages. The Group's activities are primarily conducted in the People's Republic of China ("the PRC"), and its products are also sold to the North America, East Asia, Southeast 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 condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated.

This condensed consolidated interim financial information was approved for issue on 19 November 2020.

This condensed consolidated interim financial information has been reviewed, not audited.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 September 2020 has been prepared in accordance with HKAS 34, 'Interim Financial Reporting'. The condensed consolidated interim financial information does not include all the notes of the type normally included in the annual consolidated financial statement. Accordingly, it should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2020, which have been prepared in accordance with Hong Kong Financial Reporting standards ("HKFRSs").

3. Accounting policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 March 2020, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments to HKFRSs effective for the financial year ending 31 March 2021.

(a) New standards, amendments and interpretation of HKFRSs adopted by the Group

A number of new amendments and interpretation to existing standards became applicable for the current reporting period. These new amendments and interpretation did not give rise to any significant impact on the Group's financial statements. The impact of the adoption of the new accounting policies are set out below:

(i) Amendments to HKAS 1 and HKAS 8 regarding definition of material

The HKICPA has made amendments to HKAS 1 'Presentation of Financial Statements' and HKAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' which use a consistent definition of materiality throughout HKFRSs and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in HKAS 1 about immaterial information. In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole; and

- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

(ii) Amendments to HKFRS 3 regarding definition of a business

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

(iii) Revised Conceptual Framework for Financial Reporting

The HKICPA has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting;

- reinstating prudence as a component of neutrality;

- defining a reporting entity, which may be a legal entity, or a portion of an entity;

- revising the definitions of an asset and a liability;

- removing the probability threshold for recognition and adding guidance on derecognition;

- adding guidance on different measurement basis; and

- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards.

(iv) Amendments to HKFRS 7, HKFRS 9 and HKAS 39 regarding interest rate benchmark reform

The amendments made to HKFRS 7 'Financial Instruments: Disclosures', HKFRS 9 'Financial Instruments' and HKAS 39 'Financial Instruments: Recognition and Measurement' provide certain reliefs in relation to interest rate benchmark reforms.

The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving Inter Bank Offered Rate based contracts, the reliefs will affect companies in all industries.

(v) Amendments to HKFRS 16 regarding COVID-19-related rent concessions

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the HKICPA made an amendment to HKFRS 16 'Leases' which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

This amendment is effective on 1 June 2020.

(b) The following new standard and amendments of HKFRSs have been issued but are not effective for the financial year beginning on 1 April 2020 and have not been early adopted by the Group

(i) Amendments to HKAS 1 regarding classification of liabilities as current or non-current, effective for annual periods beginning on or after 1 January 2022 (possibly deferred to 1 January 2023).

(ii) Amendments to HKAS 16 regarding property, plant and equipment, proceeds before intended use, effective for annual periods beginning on or after 1 January 2022.

(iii) Amendments to HKAS 37 regarding onerous contracts – cost of fulfilling a contract, effective for annual periods beginning on or after 1 January 2022.

(iv) Amendments to HKFRS 3 regarding reference to the conceptual framework, effective for annual periods beginning on or after 1 January 2022.

(v) HKFRS 17 'Insurance Contracts', effective for annual periods beginning on or after 1 January 2023.

(vi) Amendments to HKFRS 10 and HKAS 28 regarding sale or contribution of assets between an investor and its associate or joint venture, originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed.

(vii) Annual Improvements to HKFRS Standards 2018–2020, effective for annual periods beginning on or after 1 January 2022.

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-temparature 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 without allocation of unallocated costs, finance income-net and share of losses of associates, which is consistent with that in the financial statements.

The segment information for the six months ended 30 September 2020 is as follows:

	Six months ended 30 September 2020				
	Rice crackers *RMB'000*	Dairy products and beverages *RMB'000*	Snack foods *RMB'000*	Other products *RMB'000*	Group *RMB'000*
Segment results					
Revenue	**1,992,268**	**5,315,003**	**2,951,974**	**40,002**	**10,299,247**
Timing of revenue recognition					
At a point in time	**1,992,268**	**5,315,003**	**2,951,974**	**40,002**	**10,299,247**
Segment profit	**395,991**	**1,690,620**	**695,317**	**24,873**	**2,806,801**
Unallocated costs					**(271,919)**
Finance income – net					**169,985**
Share of losses of associates					**(1,049)**
Profit before income tax					**2,703,818**
Income tax expense					**(757,127)**
Profit for the period					**1,946,691**
Other segment items included in the income statement					
Depreciation of property, plant and equipment	**115,160**	**173,750**	**114,568**	**509**	**403,987**
Amortisation of right-of-use assets	**9,838**	**21,877**	**10,464**	**2,340**	**44,519**
Depreciation of investment properties	**–**	**–**	**–**	**615**	**615**
Unallocated depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets	**–**	**–**	**–**	**–**	**7,154**
Capital expenditure					
Capital expenditure by segments	**36,018**	**65,817**	**26,188**	**11,364**	**139,387**
Unallocated capital expenditure					**20,704**
Total capital expenditure					**160,091**

The segment assets and liabilities as at 30 September 2020 are as follows:

	30 September 2020				
	Rice crackers *RMB'000*	Dairy products and beverages *RMB'000*	Snack foods *RMB'000*	Other products *RMB'000*	Group *RMB'000*
Segment assets and liabilities					
Segment assets	**2,199,178**	**6,636,772**	**3,363,616**	**120,481**	**12,320,047**
Unallocated assets					**109,431**
Cash and cash equivalents					**17,339,163**
Investments in associates					**14,376**
Total assets					**29,783,017**
Segment liabilities	**1,053,203**	**2,823,327**	**1,562,487**	**22,546**	**5,461,563**
Unallocated liabilities					**171,427**
Borrowings					**10,218,348**
Total liabilities					**15,851,338**

The segment information for the six months ended 30 September 2019 is as follows:

	Six months ended 30 September 2019				
	Rice crackers *RMB'000*	Dairy products and beverages *RMB'000*	Snack foods *RMB'000*	Other products *RMB'000*	Group *RMB'000*
Segment results					
Revenue	1,820,605	4,949,929	2,508,634	24,903	9,304,071
Timing of revenue recognition					
At a point in time	1,820,605	4,949,929	2,508,634	24,903	9,304,071
Segment profit	287,553	1,531,721	513,081	11,956	2,344,311
Unallocated costs					(290,544)
Finance income – net					137,375
Share of losses of associates					(1,775)
Profit before income tax					2,189,367
Income tax expense					(584,518)
Profit for the period					1,604,849
Other segment items included in the income statement					
Depreciation of property, plant and equipment	115,845	174,649	114,203	1,042	405,739
Amortisation of right-of-use assets	7,456	15,379	7,341	1,641	31,817
Depreciation of investment properties	–	–	–	731	731
Unallocated depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets	–	–	–	–	8,325
Capital expenditure					
Capital expenditure by segments	16,997	47,024	33,164	7,021	104,206
Unallocated capital expenditure					31,211
Total capital expenditure					135,417

The segment assets and liabilities as at 31 March 2020 are as follows:

	31 March 2020				
	Rice Crackers *RMB'000*	Dairy products and beverages *RMB'000*	Snack foods *RMB'000*	Other products *RMB'000*	Group *RMB'000*
Segment assets and liabilities					
Segment assets	2,591,487	6,620,859	3,115,137	113,056	12,440,539
Unallocated assets					112,099
Cash and cash equivalents					17,256,927
Investments in associates					15,425
Total assets					29,824,990
Segment liabilities	1,503,117	2,658,950	1,256,412	10,994	5,429,473
Unallocated liabilities					160,652
Borrowings					8,880,651
Total liabilities					14,470,776

5. Other (losses)/gains – net

	Six months ended 30 September	
	2020 ***RMB'000***	2019 *RMB'000*
Net foreign exchange (losses)/gains	**(14,073)**	8,270
Donation expenses	**(18,111)**	(5,538)
Losses on disposal of property, plant and equipment, net	**(7,853)**	(4,285)
Others	**3,943**	3,340
Total	**(36,094)**	1,787

6. Income tax expense

	Six months ended 30 September	
	2020	2019
	RMB'000	*RMB'000*
Current income tax		
– Mainland China	**689,786**	509,156
– Taiwan region	**6,144**	6,776
– Hong Kong Special Administrative Region and overseas	**7,926**	142
	703,856	516,074
Deferred income tax	**53,271**	68,444
Total	**757,127**	584,518

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

7. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2020	2019
Profit attributable to equity holders of the Company (RMB'000)	**1,952,396**	1,614,913
Weighted average number of ordinary shares in issue (thousands)	**12,397,348**	12,428,837
Basic earnings per share	**RMB15.75 cents**	RMB12.99 cents

(b) Diluted

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

8. Dividends

Final dividend and special dividend of RMB 2,990,184,000 for the year ended 31 March 2020 was paid in September 2020 (for the year ended 31 March 2019: RMB2,543,364,000).

An interim dividend for the six months ended 30 September 2020 of US0.65 cent per share (An interim dividend for the six months ended 30 September 2019: US0.64 cent) was declared by the Board of Directors on 19 November 2020. It is payable on 23 December 2020 to shareholders who are on the register of members of the Company on 9 December 2020. This interim dividend, amounting to RMB555,346,000 (as at 30 September 2019: RMB550,209,000) based on the issued shares as at 19 November 2020, has not been recognised as a liability in this condensed consolidated interim financial information. It will be recognized in shareholders' equity in the financial year ending 31 March 2021.

9. Trade receivables

	30 September 2020 *RMB'000*	31 March 2020 *RMB'000*
Trade receivables		
– from third parties	**969,103**	886,717
– from related parties	**18,622**	15,494
	987,725	902,211
Less: provision for impairment	**(54,163)**	(55,467)
Trade receivables – net	**933,562**	846,744

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 (for the year ended 31 March 2020: 60 to 90 days).

As at 30 September 2020 and 31 March 2020, the ageing analysis of trade receivables based on invoice date is as follows:

	30 September 2020 *RMB'000*	31 March 2020 *RMB'000*
Within 60 days	**702,990**	382,742
61-90 days	**126,849**	187,662
91-180 days	**75,936**	237,273
181-365 days	**42,253**	20,153
Over 365 days	**39,697**	74,381
Total	**987,725**	902,211

10. Trade payables

As at 30 September 2020 and 31 March 2020, the ageing analysis of the trade payables is as follows:

	30 September 2020 *RMB'000*	31 March 2020 *RMB'000*
Within 60 days	**1,087,043**	985,783
61 to 180 days	**39,901**	82,972
181 to 365 days	**5,020**	11,584
Over 365 days	**14,964**	12,753
Total	**1,146,928**	1,093,092

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2020FY, total revenue of the Group recorded a year-on-year growth of 10.7%. It was mainly attributable to the dedicated efforts that the Group has made in the past 4 years (since 2016) in developing diversified emerging channels according to the changes in the external environment and implementing the brand differentiation strategy to satisfy the ever changing consumer demands, and the effects thereof have gradually been seen. Total revenue of the Group grew at a mid-single-digit compound annual growth rate from the first half of 2016FY (April to September 2016) to the first half of 2020FY.

In recent years, the Group continued to implement the following strategies:

1. Intensive development and diversification of channels

2. Brand and new product differentiation strategy

3. Extensive and diversified digital marketing

4. Digitalised and lean operation and management

Channel diversification

1. **Intensive development of traditional channels**

   The growth of revenue from the traditional channels has, since 2016, been accelerating year by year (excluding the impact of the pandemic on sales), and achieved a breakthrough of double-digit year-on-year growth in the first half of 2020FY. It was mainly due to our continuous effort to manage the market order in traditional channels and optimise distributor policy which enhanced distributors' confidence and willingness to trade. Meanwhile, the shelf-share of core products increased through digitalized management and intensive cultivation of the end points of sales. In the first half of 2020FY, through focused investment in marketing resources and provision of policy support, the sales of potential products were set in motion and the balanced development of products was boosted.

   In addition, the Group will empower distributors to work towards digital transformation in their operating models, expand coverages of end points of sales and accelerate product turnover, thereby leading to a new win-win situation.

2. **Diversified development of emerging channels**

   The Group has invested continuously in the development of emerging channels in recent years. The revenue of the emerging channels maintained the momentum of rapid growth and accounted for a mid-to high-single-digit of the total revenue of the Group in the first half of 2020FY and has become an important driver for the mid-to long-term revenue growth of the Group.

   The operation of the emerging channels has also been increasingly diversified. The Group has cooperated with various platforms and merchants to develop its B2B operating models covering e-commerce channels, maternity channels, special channels, OEM orders, etc. Having regard to the changes in consumers' shopping habits, the Group has developed its B2C channels, which reach out to our consumers directly. In addition to its self-operated e-commerce flagship stores, the Group has swiftly explored different B2C business models to achieve diversification. Currently, more than 5,500 vending machines and around 110 theme stores have been launched, and, our network has achieved in reaching out to an additional 30,000 end-points of sales through Want Want official online store (旺仔旺鋪). This has allowed the Group's unique new products to be displayed in front of consumers while enhancing the understanding of consumers.

3. **Continuous development of overseas market**

   In the first half of 2020FY, notwithstanding the adverse effect of the coronavirus across the globe, the Group's overseas market sales achieved a mid-single-digit year-on-year growth rate.

For a long time, the Group has diversified and developed overseas Chinese, domestic mainstream and OEM markets and brought Want Want products to consumers in over 60 countries and regions. In the first half of 2020FY, the revenue from the overseas market accounted for a mid-single-digit of the Group's total revenue.

In the future, the Group will focus on developing the overseas market further. Following the establishment of our first production base and sales entity in Vietnam, the Group will continue to establish sales entities in countries with potential. With these further expansion and development, overseas market will be one of the revenue growth contributors of the Group in the medium and long term.

Product differentiation strategy

1. Multiple brands satisfying the consumption needs of all ages

Based on the customized needs of consumers and leveraging on its production capacity advantages and a wide range of product offering, the Group has designed and launched a range of products with unique features under dedicated brands to cater for the demands for foods and beverages of consumers of different age groups. This has resulted in Want Want products being suitable to all ages and bring pleasant surprise to many more consumers.

The brands launched by the Group in recent years include:

"Baby Mum-Mum" (貝比瑪瑪) - a special brand of complementary foods for babies and toddlers
"Mr. Bond" (邦德) - a brand of novel beverages for youngsters
"Fix x Body" - a special brand for healthiness and nutrition
"Queen Alice" - a light luxurious brand for female consumers
"Mr. Hot" (辣人) - a customised brand for spicy lovers
"Shi Ji Yan" (食技研) - a new personalised brand
"Prime of Love" (愛至尊) - a brand of healthy nutritious products for middle-aged and elderly people

2. Launching new products to create new demands

The Group has constantly enhanced its product portfolio, developed new products such as low calorie meal replacement and nutritious and functional products to meet the needs of consumers for nutrition and health.

The characteristics of the Group's products are communicated to consumers in a more visualized and direct manner through lively and amusing digital marketing. Examples are the mesmerizing "Brother QQ" (QQ哥) video, which illustrated the QQ gummy's features of having different levels of chewy textures and helped the product to gain popularity rapidly; the "Want Want Dongchi" (旺旺凍痴) which features consumption with no fear of melting in summer months and being a new taste of KOL (key opinion leaders), successfully achieved extensive "Zhong Cao" (種草) online and converted into sales; new products promoted by e-commerce channels with current favourite tastes, such as products with the flavor of "little crayfish" and distinctive spicy rice noodles, have gained popularity among young consumers.

In addition, the Group has harmonized the product packaging with the brand IP images and by focusing on channel display characteristic designed packages to attract consumers' attention.

Creative and interesting digital markeing

The Group strengthens its brand image, enhances emotional communication and interaction with consumers, increases product exposure and gains new growth momentum through launching creative and diversified digital marketing activities in nowadays popular marketing media. Meanwhile, the Group focuses on consumer-centric experience and is dedicated to build up a pool of Want Want fans - the Hot-Kid Club, in an effort to establish an ecosystem of Want Want fans to increase users' loyalty and enhance channel development.

1. **Strengthen brand image of the Group**

   A positive brand image is conveyed to consumers through topical products and marketing activities. During 2020, the Group launched the creative "Hot-Kid Milk occupational cans" (旺仔牛奶職業罐) to pay tribute to hard-working occupational groups. To satisfy the consumers' need for daily protective materials, the Group specifically launched the "Hot-Kid masks" with our iconic Hot-Kid IP in anti-pandemic image and "Want Want health 'Jia You' bags" to consumers to boost their morale.

2. **Cross-industry marketing drives the growth of emerging channels**

   The Group, jointly with NetEase Cloud, launched a program of awarding "Yunbei" (雲貝) for listening music and redeeming "Yunbei" (雲貝) for snacks through offline vending machines. The program brought together Want Want snacks and music and delivered a trendy and cool image of the Want Want brand. The program also added momentum to emerging channels by realising online to offline model through snack redemption.

Operation and management driven by digitalisation

By promoting digitalization continuously, the Group aims to enhance its understanding of consumers, improve channel management ability and supply chain efficiency and drive the sustainable growth of the Group.

In recent years, the deployment of information systems and multi-dimensional analysis of data have enabled the management to identify market opportunities more quickly, examine management weaknesses more thoroughly and enhance the efficiency of channel management. At the same time, the information systems have also helped to optimise production planning and supply chain management, continuously lower costs and improve efficiency.

In the future, the Group will make use of digital technologies to further strengthen regional collaborative management, enhance sensitivity in responding to emergencies and increase its understanding of consumers, and apply them in product research and development, sales management and to increase operational precision. Meanwhile, digitalization will also help the Group achieve a balance between flexible production and economy of scale and maximize overall operation capability.

REVENUE

In the first half of 2020FY, total revenue of the Group increased by 10.7% to RMB10,299.2 million as compared with that of the first half of 2019FY. All three key product segments exhibited strong year-on-year revenue growth. Revenue from rice crackers segment, dairy products and beverages segment and snack foods segment increased by 9.4%, 7.4% and 17.7% year-on-year respectively.

In addition, the Group emphasized on a balanced development among product segments with aggregate revenue from rice crackers and snack foods segments accounted for 48.0% of the Group's total revenue while that from dairy products and beverages segment accounted for 51.6% of the Group's total revenue.

Rice crackers

In the first half of 2020FY, revenue from rice crackers segment amounted to RMB1,992.3 million, representing a year-on-year increase of 9.4% as compared with that of the same period in the previous year, of which revenue from core-brand rice crackers amounted to RMB1,912.6 million, representing a year-on-year increase of 6.5%, which was a record high for rice cracker products.

Benefiting from the continuous focused development of channels as well as rich and effective marketing and promotions at end points of sales, revenue derived from core-brand rice crackers sales through traditional channels recorded a mid-single-digit growth year-on-year. Building on the Group's solid business foundation and efforts in maintaining market order, the profitability of distributors was secured. Creative display at end points of sales and over ten thousand tasting activities stimulated consumers' purchasing desire.

The diverse emerging channels increased the terminal displays of rice crackers and the use of social media platforms for innovative and topical content marketing increased product exposure and became an important driving factor for the growth of rice crackers.

The research and development of new rice cracker products took into account nutrition, health and innovation, with new salty egg yolk and cheese flavored rice cracker rolls and the added ingredient of coarse grain corn to satisfy consumers' demand for health and variety. In response to the rapid development of the complementary food market for babies and toddlers, the Group established its first local complementary food factory in Jiangxi designated for the production of rice crackers for babies and toddlers, and launched the high quality "Baby Mum-Mum" (貝比瑪瑪) organic rice crackers, which won the Gold Award of the Monde Selection International Award 2020, Brussels.

The second half of 2020FY will be the peak season for rice crackers, particularly during the festive season. The Group will launch a special "blessing version" (御守版) of rice crackers to create a hot topic and stimulate consumer purchase desire. Based on the differentiated needs and personal preferences of consumers between channels, we will launch customized gift boxes with packaging design and contents specially catered to impress consumers and to meet the demand for gift packs during the holiday season. In addition, rich and dynamic terminal display for the Chinese New Year will also help to promote booming sales during Chinese New Year.

Dairy products and beverages

In the first half of 2020FY, revenue from dairy products and beverages segment amounted to RMB5,315.0 million, representing a year-on-year increase of 7.4%. The revenue from "Hot-Kid Milk", which accounted for over 90% of the revenue from dairy products and beverages segment, recorded a year-on-year growth of 7.0%, and the year-on-year growth in the second quarter (July-September) of 2020FY was more significant than that in the first quarter (April-June). Revenue from beverages and other products also achieved a growth rate of 13.3% year-on-year through dynamic digital marketing and strategic investment in resources.

The recovery of traditional channels was the key driver for the continuous growth of "Hot-Kid Milk". This was achieved through the strengthening of market order and terminal inventory management to speed up product turnover in the market, increasing investment in terminal display to boost product exposure on shelves, and implementing regional product development and business incentive strategies to drive refined product management in each region.

In addition, the Group's lively and abundant digital marketing activities launched in recent years have created a more vibrant, three-dimensional product image that resonates with consumers' emotions and brought good sales momentum in the market. In 2017, the TV commercial titled "Li Zi Ming has grown up" (李子明長大了) refreshed the memory of Want Want fans, and following the launch of the topical products – "Hot-Kid Milk 56 ethnic groups cans" in 2019, the launching of "Hot-Kid Milk occupational cans" in 2020FY has won the love of more and more consumer groups.

In the first half of 2020FY, sales of beverage products also achieved breakthrough growth. The marketing campaign with the theme of "Gulu-Gulu Energizing Intestinal Health of Want Want" (咕嚕咕嚕活力腸旺旺) attracted more than 100 million page views, sparking the public concern about intestinal health and pushing "O-Bubble" lactobacillus beverage's three-month sales to over RMB100 million. At the same time, the "Hot-Kids Milk + Mr. Bond" combo pack launched on e-commerce platforms increased the visibility and coverage of the new "Mr. Bond" brand coffee products through dual-brand alliance.

Snack foods

In the first half of 2020FY, revenue from snack foods segment amounted to RMB2,952.0 million, representing a year-on-year increase of 17.7%, of which, revenue from popsicles, candies, and beans, jellies and others increased by 22.5%, 22.8% and 11.9% respectively and the revenue for the second quarter of 2020FY recorded a faster year-on-year growth rate than that of the first quarter.

The growth of popsicles was attributable mainly to the strengthening of channel inventory management, which effectively eased the operating pressure on distributors. The newly launched premium package of popsicles (碎冰冰) (single packs with extra free pack(s)) and promotional family size package of popsicles met the consumption needs of consumers at home after the pandemic outbreak. In addition, the new Hot-Kid Milk flavor and red bean flavor of "Dongchi" (凍痴) were well received by consumers upon their launch.

The growth of candies was driven by product expansion and upgrades, such as the new "QQ juicy gummy" (QQ醬爆), "Super QQ" (超QQ) and "Lactobacillus QQ candies" (QQ糖乳酸菌), which brought a new experience of taste to the consumers. At the same time, policy incentives and focused investment of resources helped drive the rapid growth of potential candy products.

Beans products also achieved rapid growth. In 2020, the newly launched 176g series of flavor mix variety packs, accompanied by the magical online televison (OTV) advertising film titled "The Family That Can't Resist Beans" (經不起挑豆的一家人) successfully offered consumers with both visual and tasty enjoyment.

In order to meet consumers' demands, candy products with more flavors and new packaging will be launched to enrich the festive candy items offered to the market during the Chinese New Year. In addition, the occupational IP version of ball cakes will be launched to convey positive occupational energy to children through online and offline promotions; and an abundant promotional items and lively displays will be used to enhance interaction with consumers and increase market activities.

COST OF SALES

The cost of sales of the Group for the first half of 2020FY amounted to RMB5,335.6 million, representing an increase of 12.2% as compared with that of the corresponding period in the previous year. It was attributable mainly to the increase in cost of certain key raw materials used by the Group such as milk powders and white sugar in the first half of 2020FY as compared with that of the same period in the previous year. As the peak season sales accompanying the Chinese New Year are around the corner, the Group will improve the efficiency in its supply chain and optimize the production planning so as to provide solid support for the business in the coming Chinese New Year.

GROSS PROFIT

Due to the increase in the cost of certain key raw materials, the gross profit margin of the Group for the first half of 2020FY decreased by 0.7 percentage point as compared with that of the same period in last year, to 48.2%. In line with the topline growth, gross profit increased by 9.1% year-on-year and reached RMB4,963.7 million. The Group will continue to improve production efficiency and optimize its product mix to maintain a healthy product profitability.

Rice crackers

The gross profit margin of rice crackers was 46.3% for the first half of 2020FY, representing an increase of 3.2 percentage points as compared with that of the corresponding period in the previous year. The further improvement in product mix brought about a steady increase in profitability.

Dairy products and beverages

The gross profit margin of dairy products and beverages segment was 48.7% for the first half of 2020FY, representing a decrease of 2.3 percentage points as compared with that of the corresponding period in last year. It was mainly due to the increase in costs of certain key raw materials such as milk powder and white sugar.

Snack foods

The gross profit margin of snack foods segment was 48.2% for the first half of 2020FY, representing a decrease of 0.5 percentage point as compared with that of the same period in the previous year. In the future, the Group will continue to deepen its multi-brand strategy, launch new products in a timely manner and extend its current price range while continuing to consolidate the profitability of the segment.

DISTRIBUTION COSTS

The distribution costs for the first half of 2020FY amounted to RMB1,249.9 million, representing a decrease of RMB120.1 million or 8.8% as compared with that of the first half of 2019FY. Distribution costs as a percentage of revenue decreased by 2.6 percentage points to 12.1% as compared with that of the same period in the previous year. It was due mainly to a decrease in advertising and promotion expenses as a percentage of revenue by 1.0 percentage point to 2.3%, as compared with 3.3% for the same period of last year, as a result of the Group's continued implementation of digitalized management to improve overall operational efficiency and adjustment of the pace of investment in sales promotion against the backdrop of the COVID-19 pandemic. In the first half of 2020FY, staff costs as a percentage of revenue decreased by 1.4 percentage points to 4.5% as compared with that of the same period in 2019FY, due mainly to the combined effect of the increase in revenue and the decrease in the number of sales representatives as a result of improvement in sales management efficiency. Transportation expenses as a percentage of revenue was 3.9% in the first half of 2020FY, basically remained at similar level as compared with that of the same period in the previous year.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses for the first half of 2020FY amounted to RMB1,304.1 million, representing an increase of RMB18.4 million or 1.4%, as compared with that for the first half of 2019FY. Administrative expenses as a percentage of revenue was 12.7%, representing a decrease of 1.1 percentage points from that of the same period of last year.

OPERATING PROFIT

Benefitting from the increase in revenue and effective control of distribution costs, the Group's operating profit for the first half of 2020FY amounted to RMB2,534.9 million, representing an increase of RMB481.1 million or 23.4% as compared to that for the first half of 2019FY. The operating profit margin for the first half of 2020FY reached 24.6%.

INCOME TAX EXPENSE

The Group's income tax expense for the first half of 2020FY was RMB757.1 million, and the income tax rate was 28.0%, representing an increase of 1.3 percentage points as compared with that for the first half of 2019FY.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Profit attributable to the equity holders of the Company for the first half of 2020FY amounted to RMB1,952.4 million, representing an increase of 20.9% as compared with that for the first half of 2019FY. The margin of profit attributable to equity holders was 19.0%.

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 30 September 2020, our bank and deposits balances amounted to RMB17,339.2 million (31 March 2020: RMB17,256.9 million), representing an increase of RMB82.2 million as compared with that as at 31 March 2020. Renminbi accounted for approximately 97.5% of our cash balances, being approximately RMB16,903.0 million.

As at 30 September 2020, our total borrowings amounted to RMB10,218.3 million (31 March 2020: RMB8,880.7 million), representing an increase of RMB1,337.7 million as compared with that as at 31 March 2020, of which, short-term borrowings amounted to RMB6,832.0 million (31 March 2020: RMB587.1 million), representing an increase of RMB6,244.9 million as compared with that as at 31 March 2020, and long-term borrowings, including the guaranteed bonds issued, amounted to RMB3,386.4 million (31 March 2020: RMB8,293.6 million), representing a decrease of RMB4,907.2 million as compared with that as at 31 March 2020.

As a result, as at 30 September 2020, net cash of the Group amounted to RMB7,120.8 million (31 March 2020: RMB8,376.3 million), representing a decrease of 15.0% as compared with that as at 31 March 2020.

In April 2017, the Group issued 5-year term guaranteed bonds with a face value of US$500.0 million and a coupon rate of 2.875% (the "Bonds"). As at 30 September 2020, the balance of the Bonds payable amounted to US$497.3 million (31 March 2020: US$496.4 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 30 September 2020 was -0.51 time (31 March 2020:-0.55 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 first half of 2020FY, our cash and cash equivalents increased by RMB82.2 million. Among which, RMB2,364.1 million of net cash inflow was generated from our operating activities, representing an increase of 22.2% as compared with that of the same period in the previous year. Net cash outflow for financing activities was RMB2,031.6 million, consisting mainly of dividend payments of RMB2,990.2 million, net borrowing inflow of RMB1,662.2 million and cash outflow for share repurchase of RMB669.5 million. The net cash outflow for investment activities was RMB207.4 million.

Capital expenditure

For the first half of 2020FY, our total capital expenditure amounted to RMB160.1 million (first half of 2019FY: RMB135.4 million). We spent approximately RMB36.02 million, RMB65.82 million and RMB26.19 million respectively for the additions of production plant, facilities and equipment for the three product segments (rice crackers, dairy products and beverages, and snack foods) and replacement and upgrade of some of the old plant and production facilities to prepare for the further growth. 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 six months ended 30 September 2020 and for the year ended 31 March 2020:

	Six months ended 30 September 2020	**Year ended 31 March 2020**
Inventory turnover days	91	90

As at 30 September 2020, the inventory balance amounted to RMB2,636.4 million (31 March 2020: RMB2,746.2 million).

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 China 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 six months ended 30 September 2020 and for the year ended 31 March 2020:

	Six months ended 30 September 2020	**Year ended 31 March 2020**
Trade receivables turnover days	16	17

Trade payables

Our trade payables relate mainly 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 six months ended 30 September 2020 and for the year ended 31 March 2020:

	Six months ended 30 September 2020	**Year ended 31 March 2020**
Trade payables turnover days	38	37

Pledge of assets

As at 30 September 2020, none of our assets was pledged.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

For the first half of 2020FY, our average number of employees was approximately 40,757, representing a decrease of 1,815 employees as compared with the average number of employees for the year ended 31 March 2020. This was mainly due to the improvement of sales management efficiency which led to a reduction in the demand for corresponding personnel. Our total remuneration expenses for the first half of 2020FY amounted to RMB1,837.8 million, representing a decrease of 2.0% as compared with that for the first half of 2019FY. 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 that of the individual.

Our Group always concerns about and has invested significant amount of resources in the continuing education and training programmes for 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

Our presentation currency is RMB but the Company's functional currency is still USD. More than 90% of our activities are conducted in mainland China, our China subsidiaries' functional currency is RMB. The Group's foreign exchange risks arise mainly from procurement of raw materials and equipment from overseas, overseas dividend payments and accounting recognition of certain assets and liabilities.

As procurement of raw materials and equipment from overseas and USD denominated borrowings of the Group are mainly recognised in the financial statements of these relevant subsidiaries of the Group whose 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 as presented on the "other gains – net" section of the consolidated income statement. During the year, the Group did not hedge against its foreign exchange risks.

DIVIDEND

The Board has declared an interim dividend of US0.65 cent per share for the financial year 2020, amounting to approximately US$79 million (equivalent to approximately RMB555 million). Together with an amount of approximately US$98 million (equivalent to approximately RMB670 million) for share repurchases in the first half of 2020FY, the Group would have returned a total of approximately US$177 million (equivalent to approximately RMB1,225 million) to its shareholders, representing an increase of 77% as compared with the aggregate amount of approximately US$100 million (equivalent to approximately RMB693 million) for the interim dividend and share repurchases in the first half of 2019FY. The Group adheres to its dividend policy by returning most of the free cash flow, after reserving necessary funds for operation and capital expenditure requirements, to shareholders by ways of share repurchases and dividends. In the future, the management will allocate between the two depending on prevailing market conditions.

AUDIT AND RISK MANAGEMENT COMMITTEE

The audit and risk management committee comprises five independent non-executive Directors, namely Mr. Toh David Ka Hock (chairman), Dr. Pei Kerwei, Mr. Hsieh Tien-Jen, Mr. Lee Kwok Ming and Mr. Pan Chih-Chiang.

The unaudited interim results of the Group for the six months ended 30 September 2020 have been reviewed by the audit and risk management committee and PricewaterhouseCoopers, the external auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

To facilitate and assist the Board in managing matters relating to environmental, social and governance ("ESG") of the Group, such as strategies and policies, initiatives, performance and reporting, the Board established the ESG committee on 18 August 2020 with written terms of reference. The ESG committee comprises two executive Directors, namely Mr. Tsai Wang-Chia (chairman) and Mr. Chu Chi-Wen, two independent non-executive Directors, namely Dr. Pei Kerwei and Mr. Lee Kwok Ming and four management team members, namely Ms. Cao Yong-Mei (managing director of the manufacturing and R&D Group), Mr. Chen Chien-Chen (managing director of the procurement center and the advertising and communication division of the Group), Ms. Guo Jun-Jie (deputy managing director of the human resources center) and Mr. Lee Ming Chun (deputy managing director of the internal audit and internal control center).

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 September 2020, the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as stated 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 and A.4.1. The reasons for these deviations are explained below.

Code provision A.2.1

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

Code provision A.4.1

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

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 six months ended 30 September 2020.

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

The Company repurchased a total of 140,872,000 shares on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") for an aggregate amount (excluding expenses) of HK$757,033,141 during the six months ended 30 September 2020 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$)*
August 2020	41,148,000	5.49	5.27	221,069,180
September 2020	99,724,000	5.51	5.19	535,963,961
	140,872,000			757,033,141

Subsequent to the balance sheet date of 30 September 2020 and up to the date of this announcement, the Company repurchased a total of 46,723,000 shares on the HK Stock Exchange for an aggregate amount (excluding expenses) of HK$246,103,010. Such repurchased shares were subsequently cancelled in October 2020. The number of issued shares of the Company as at the date of this announcement is 12,227,589,135 shares. Particulars of the shares repurchased on the HK Stock Exchange after the balance sheet date are as follows:

Month of repurchases	Total number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate amount paid (excluding expenses)
		(HK$)	*(HK$)*	*(HK$)*
October 2020	46,723,000	5.46	5.17	246,103,010

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.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including the Bonds) of the Company during the six months ended 30 September 2020 and up to the date of this announcement.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board declared an interim dividend of the Company of US0.65 cent per ordinary share of the Company for the six months ended 30 September 2020. The interim dividend will be paid on or about 23 December 2020 to shareholders whose names appear on the register of members of the Company on 9 December 2020. Shareholders registered under the principal register of members in the Cayman Islands will automatically receive their cash dividends in United States dollars (“US$”) while shareholders registered under the Hong Kong branch register of members will automatically receive their cash dividends in Hong Kong dollars (“HK$”). The HK$ equivalent of the interim dividend is HK$0.0504 per share which is based on the exchange rate of US$ against HK$ at US$1.00 to HK$7.752 on 18 November 2020, being the business day preceding the date of dividend declaration.

In order to qualify for the entitlement to the above mentioned interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on 4 December 2020. The register of members of the Company will be closed from 7 December 2020 to 9 December 2020 (both dates inclusive).

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

Hong Kong, 19 November 2020

As at the date of this announcement, the executive Directors are Mr. TSAI Eng-Meng, Mr. TSAI Shao-Chung, Mr. TSAI Wang-Chia, Mr. HUANG Yung-Sung, Mr. CHU Chi-Wen, Mr. TSAI Ming-Hui and Ms. LAI Hong Yee; the non-executive Directors are Mr. LIAO Ching-Tsun, Mr. MAKI Haruo and Mr. CHENG Wen-Hsien; and the independent non-executive Directors are Mr. TOH David Ka Hock, Dr. PEI Kerwei, Mr. HSIEH Tien-Jen, Mr. LEE Kwok Ming and Mr. PAN Chih-Chiang.