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WANT WANT CHINA HOLDINGS LIMITED

中國旺旺控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0151)

PRESENTATION ON 2022 INTERIM RESULTS

A presentation in relation to the results of Want Want China Holdings Limited and its subsidiaries for the six months ended 30 September 2022 is appended to this announcement.

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

Hong Kong, 29 November 2022

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



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Holdings Limited

Interim Results

Six months ended September 30 2022

November 29 2022



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This presentation does not constitute an offer or invitation to purchase or subscribe for any securities or financial instruments or the provision of any investment advice, and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto, nor does this presentation constitute a recommendation regarding the securities or financial instruments of the Company.

NOTE

Unless otherwise stated, this presentation provides the financial information from 1st April 2022 to 30th September 2022 (abbr. 1H FY22), and the comparative financial information from 1st April 2021 to 30th September 2021 (abbr. 1H FY21).

Readers are reminded to read and construe this presentation in conjunction with the announcement of the Company dated 29th November 2022 in relation to its interim results for the six months ended 30th September 2022.



Financial Highlights

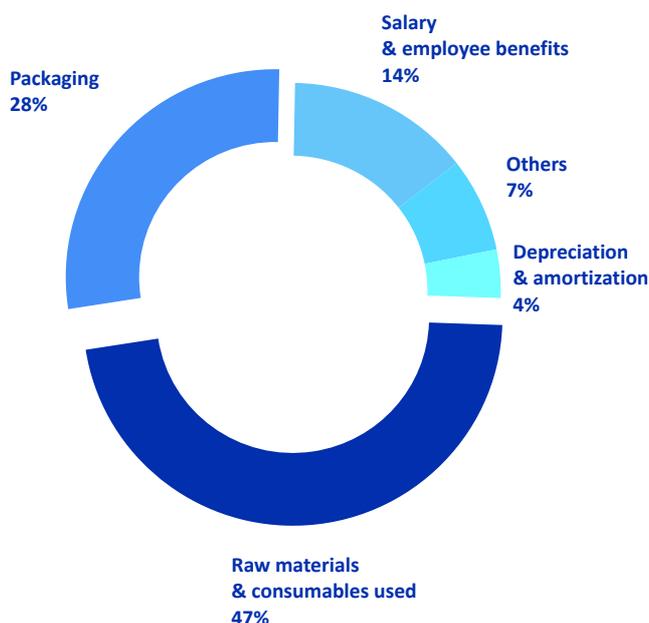
RMBmn
(unless otherwise stated)

	1H FY21	1H FY22	YOY
Revenue	11,383	10,833	↓ 4.8%
Gross Margin	46.8%	42.8%	↓ 400bps
Operating Profit	2,781 24.4%	2,072 19.1%	↓ 25.5% ↓ 530bps
Profit Attributable to Equity Holders of the Company	2,090 18.4%	1,596 14.7%	↓ 23.6% ↓ 370bps

- ✓ Primarily result of weakening dairy and beverages segment
- ✓ Rice crackers segment and snack foods segment delivered **mid-to-high single digit** ↑
- ✓ Overseas market resumed growth momentum
- ✓ Price of certain raw materials, packaging and energy cost ↑
- ✓ Primarily due to weakening sales and lower gross profit margin

COST STRUCTURE

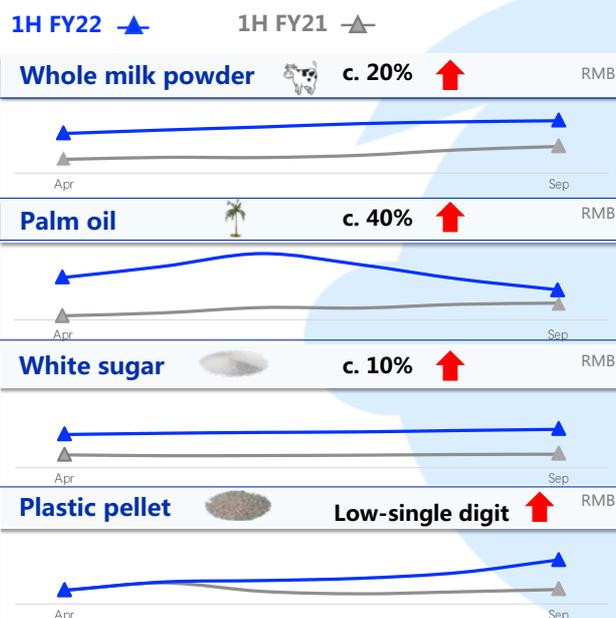
✓ Cost of sales breakdown



Price of certain raw materials & packaging ↑



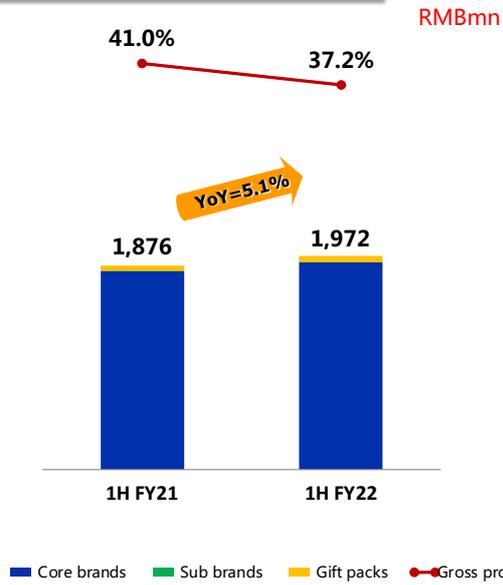
✓ Raw material & packaging unit cost YOY



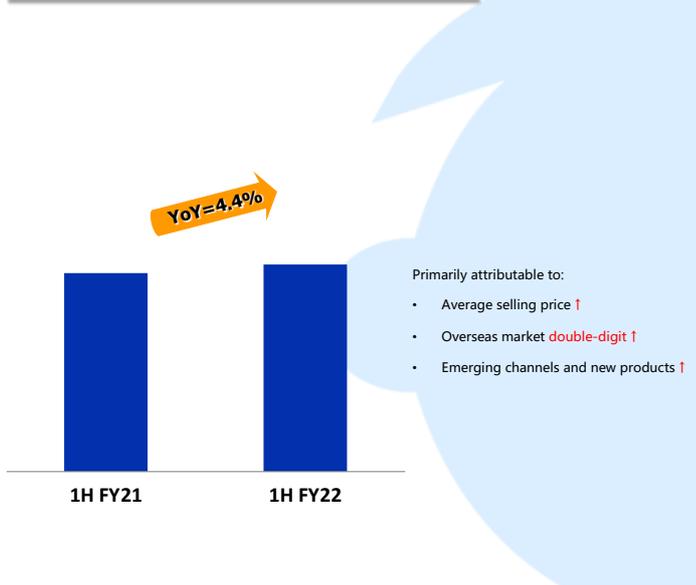


RICE CRACKERS SEGMENT

Revenue breakdown and gross margin

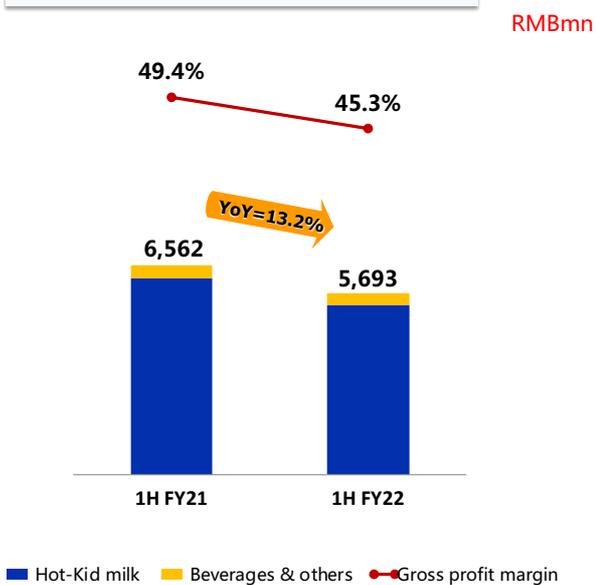


Revenue of core-brand rice crackers

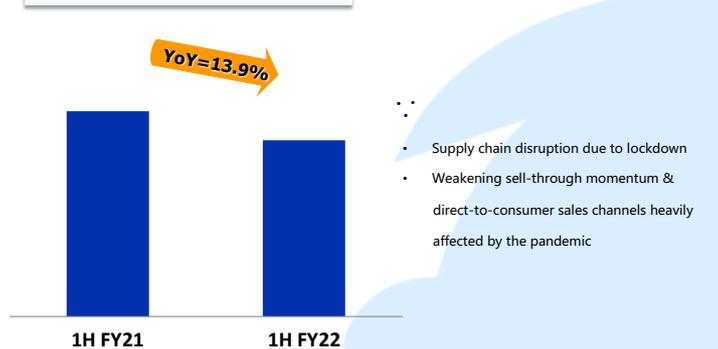


DAIRY and BEVERAGES SEGMENT

Revenue breakdown and gross margin



Revenue of Hot-Kid Milk



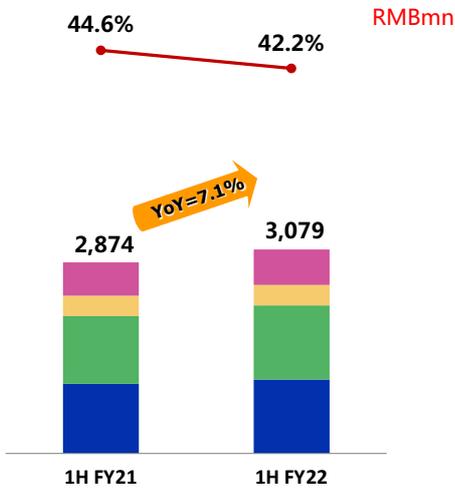
Revenue of beverages & others



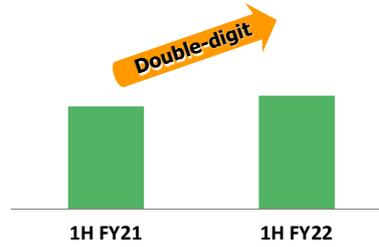
SNACK FOODS SEGMENT



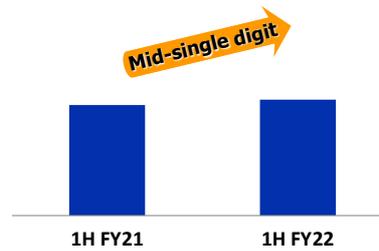
Revenue breakdown and gross margin



Revenue of popsicles



Revenue of candies

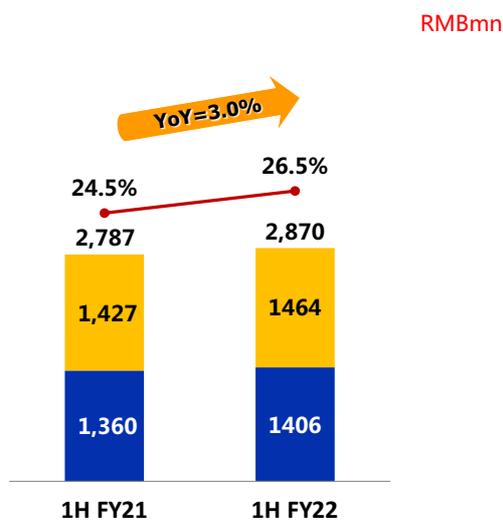


■ Candies ■ Popsicles ■ Ball cakes ■ Beans, jellies & others ● Gross profit margin

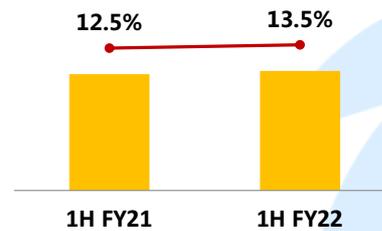
OPERATING EXPENSES and EXPENSE RATIO



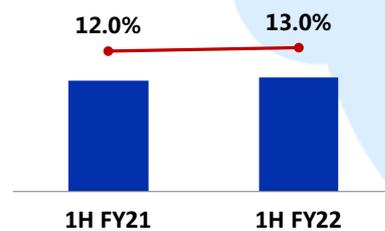
Operating expenses breakdown



Distribution costs



Administrative expenses

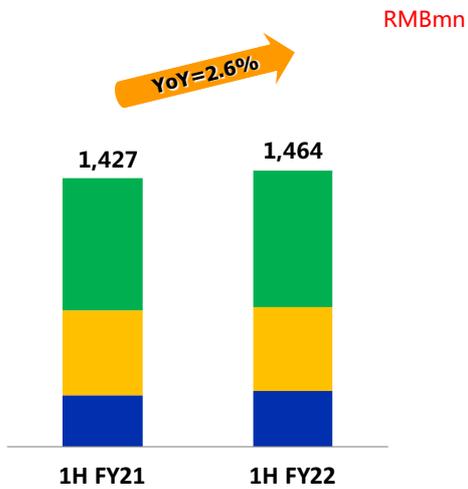


■ Administrative expenses ■ Distribution costs ● Expense ratio



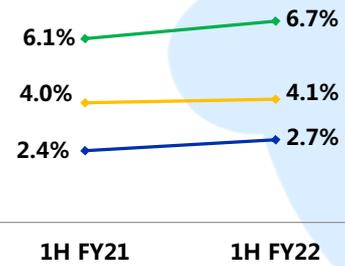
DISTRIBUTION COSTS

✓ Distribution costs breakdown



■ A&P expenses ■ Transportation expenses ■ Others (mainly staff costs)

✓ Distribution costs as % of revenue



◆ Others (mainly staff costs) ◆ Transportation expenses ◆ A&P expenses

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WORKING CAPITAL



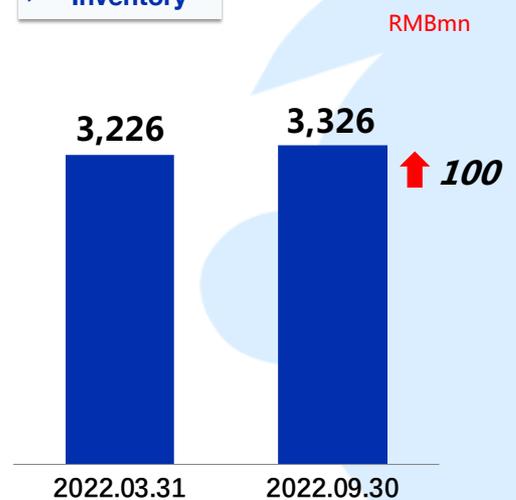
✓ Turnover days

Days

Item	2022.03.31	2022.09.30
Inventory	79	95*
Trade receivables	15	16
Trade payables	(28)	(33)
Cash conversion cycle	66	78

↑ 12 days

✓ Inventory



* Inventory turnover days increased by 16 days as compared to the beginning of the current financial year, mainly because we appropriately increased the inventory level of materials held for production in response to uncertainties caused by the pandemic, resulting in an increase of 12 days in raw material and packaging material inventory turnover days.

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CASH and BORROWINGS

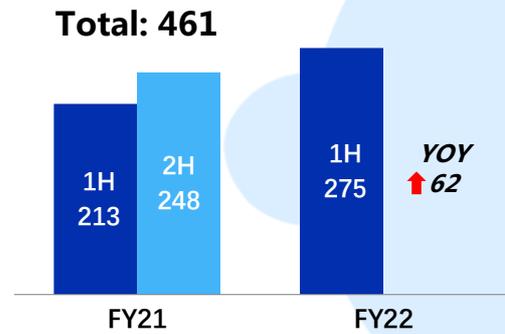
RMBmn

Item	2022.09.30	YOY *
Cash & bank balances + long-term bank deposits	13,259	↓ 4,137
Borrowings	6,122	↓ 2,113
Net cash	7,137	↓ 2,024

* As compared with the balances as at 30 September 2021

CAPEX

RMBmn



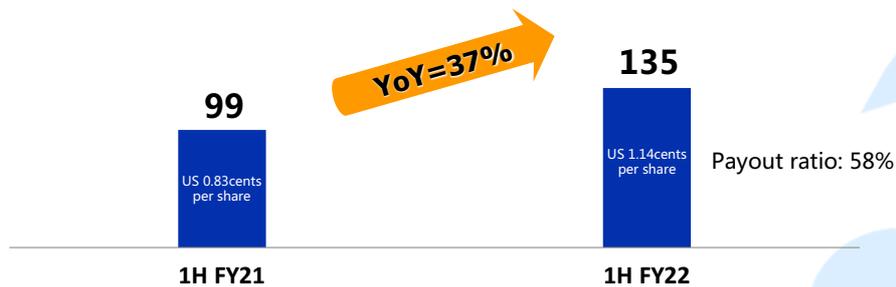
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Interim Dividends and Share Repurchases



✓ Interim dividend

USDmn



✓ Dividends and share repurchases history (2008 – Sep 2022)



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Marketing Highlights

1H FY22



1H FY22 Full of Challenges

Unfavourable factors e.g. frequent & widespread outbreak of pandemic etc., which are out of expectation

Increased investment in end point-of-sales, improved supply chain contingency mechanism

Revenue from products accounted for about half of Group's revenue ↑





DAIRY and BEVERAGES SEGMENT



Dairy and beverages revenue double digit ↓

Main reasons:

Negative impact on channels from the pandemic

Impact of on-line community group buying

Measures:

Sustained healthy development of channels

Marketing strategy corresponding with festivals

Active expansion to new e-commerce channels

✓ Various marketing campaigns



✓ Unique new products



RICE CRACKERS SEGMENT



Rice crackers revenue mid-single digit ↑

Attributable to overseas market and emerging channels double-digit ↑

To launch various new products for Chinese New Year peak sales season in 2H FY22

✓ Characteristic new products integrated with different channels





SNACK FOODS SEGMENT



Snack foods revenue **high-single digit** ↑

2Q FY22 revenue **double-digit** ↑



Revenue of both candies and jellies achieved new record high



Candies **mid-single digit** ↑

Among which revenue of new products accounted for mid-to-high single digit



Popsicles, jellies and beans **double-digit** ↑

Revenue from Dongchi c.RMB200mn



CHANNEL DIVERSIFICATION



Traditional channels **mid-single digit** ↓

Dairy and beverages ↓

Snack foods **high-single digit** ↑



Emerging channels impacted by the pandemic

Revenue from new e-commerce channels

exceeded RMB100mn



Modern channel basically remained flattish

Revenue of new products contributed double-digit

Revenue of convenience store channel ↑



Overseas market **double-digit** ↑

The Americas, Asia Pacific, Southeast Asia and Oceania ↑

Vietnam factory commenced production

Continuous improvement of product profitability



PROSPECT

- ✓ Sales prior to Chinese New Year proceeds smoothly
- ✓ Revenue of new products that were launched by the Group in the past 5 fiscal years, in aggregate, accounted for more than 10%
- ✓ To continue with channel, product & marketing diversification strategy



There's always a rainbow after the rain!

Q & A

The image features a dark blue background with a subtle geometric pattern of triangles. A thin yellow border with decorative corner motifs frames the top portion of the image. Centered in this area is the text "Contact us:" followed by the email address "investor@want-want.com" in a bold, yellow, sans-serif font.

Contact us:
investor@want-want.com