



**SAVONIA**

# **Suggestions On Whether To Invest In Want Want Or Not**

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**Bachelor's Thesis**

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<b>Abstract</b>			
<p>In China, the living standard of people is developing. At the same time, people do not just need essential food. More and more Chinese people like to buy and eat snacks in leisure time. Investment market in snacks field is increasingly popular, snacks field is a good option when investors decide the investment direction.</p> <p>Want Want is a very famous snacks brand in China; there are so many kinds of products of Want Want sold in Chinese market. There are also some other snacks brands in Chinese market, such as Hsu Fu Chi, Master Kong, and Kraft and so on. I make a research on whether Want Want is worth investing or not. The results of the research could be helpful for potential investors when they make investment decisions in snacks field.</p> <p>The theoretical part of my thesis includes investment and financing, investment decision-making, share market and investment, the investment surroundings of Chinese snack food.</p> <p>The financial situation, SWOT analysis and performance in share market of Want Want could help the readers to get basic information of Want Want in financial field and share market. All the information is helpful when investors decide whether to invest in Want Want or not.</p> <p>I do two surveys for common Chinese people and investors via different questionnaires respectively; the questionnaire for common Chinese people is to find out the opinions on and popularity of Want Want from the point of common; the aim of questionnaire for investors was to find out the opinions on and popularity of Want Want from the point of investors. Through all the information from analysis for Want Want's financial situation, performance in share market, and answers to questionnaires, I analyzed the investment prospect of Want Want and give my suggestions about whether to invest in Want Want or not.</p>			
<b>Keywords</b> Want Want, share investments			

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## **1 INTRODUCTION**

### **1.1 Objectives of the Research**

Want Want is a successful and popular brand in Chinese snacks market. I am familiar with Want Want's products; Want Want is related to my life. The familiarity for Want Want could help me to supply more information for my thesis. Familiarity for Want Want is an important objective to do my research.

Another important objective is that thesis is related to my major. My major is International Business; in the process of my thesis work, I could use my knowledge and skills to analyze data from Internet sources and questionnaires. My studying experience could help me to find the most effective and useful way to analyze all the data. It can save time to make analysis and increase usefulness of my suggestions for whether invest in Want Want or not.

From the recent financial news, I find that there is a good momentum in snack food share market. My parents want to do some investment but they do not know which companies have developing trend in share market. My research could find some information about investing prospect of Want Want, and then I give some suggestions to them. If Want Want is not a good choice, other companies in same field can also come to the list of choice; in my research, the comparisons among Want Want and other competitors are included. This research may be helpful when someone want to make investment in Chinese snack food field. There are some information about Chinese snacks market and share market and financial situation of Want Want, these information are beneficial for investing. Three above objectives motivate me to do this research.

### **1.2 Description of the Research**

To achieve the objectives, I do much research work to collect adequate information, to make analysis and then to obtain conclusions. At first, I acknowledge Chinese snack food investment market and options; Chinese snack food share markets. Then introduction, the financial situation, and SWOT analysis of Want Want are all included in contents of research. Next, I find Want Want's performance in share market, such as share price from 2008 to 2014 of this company. I do two surveys to know the public praise and popularity of Want Want, these two surveys are towards Chinese

public and investors respectively via questionnaires. The questions for different respondents are different; for investors the answer results are 5 and for Chinese public answer results are 100. At last, I combine all the data that I collected and then analyze all the data. The conclusions include my analysis for investment prospect of Want Want and I give some suggestions for whether invest in Want Want or not.

In my thesis, there are 6 chapters to show my research work:

- In chapter 1, I introduce my objectives and make a description of research. This chapter leads the thesis; it shows the beginning work of research.
- In chapter 2, I introduce some theoretical knowledge associated with my research. From the introduction of this chapter, I know the theoretical information of investment, financing, investment decision-making, investment market, share market and share investing. This chapter is the theoretical part of whole research, it supplying theoretical base for research.
- In chapter 3, I introduce Chinese snack food investment market and options and Chinese share investing surroundings. This chapter is the beginning part of desk research; it is one part of information needed for investment decision-making.
- In chapter 4, I introduce Want Want's principal information, the recent financial situation and SWOT analysis of Want Want. And then I find performance of Want Want in share market. This chapter is to survey for Want Want in detail.
- In chapter 5, I introduce the results from questionnaires and make some analysis. The questions are made to acknowledge the public praise and popularity of this company. This chapter is quantitative research.
- In chapter 6, I do the conclusions for all the data and information I collected. At last, I give my suggestions to readers about whether investing in Want Want or not according to the conclusions.

## **2 INTRODUCTION OF INVESTMENT**

### **2.1 Investment and Financing**

#### **2.1.1 Definition and Characteristics of Investment**

**Investment is the business actions or process that gets financial return by using certain valuable property, which includes inputting capital, human resource, intellectual property and some other property into certain company, project or business activity. Investment can be divided into material investment, capital investment and portfolio investment. Material investment is putting currency into company to obtain profit through the production and management activities. Capital and portfolio investment is joining in the distribution of company profits indirectly via buying the share and bonds issued by company. (Baidu Baike: Investment, 2014)**

**Investment has some related significances at financing and economy. From the angle of technology, investment means "The action that puts something into other place". And from the angle of financing, the periods of investment is longer compared with the duration of speculation; it is the accumulation of future profits, the activity is to gain certain stable cash flow return in the certain period of future time. (Baidu Baike: Investment, 2014)**

**Investor puts a certain amount of capital into company, project or business activities to expect the return in the future; the return is expected to cover:**

- 1) Time used in investment**
- 2) Prospect inflation rate**
- 3) Uncertainty of future income (Baidu Baike: Investment , 2014)**

**The most complex investment type is portfolio investment; it is the action to analyze security value and the change through combining analysis for any kinds of information influencing security value and price in professional analysis methods. There are three useful tools when making research for stock market and practical investment:**

- 1) Technical analysis: The aim is to predict future change trend of market price, the way is analyzing previous charts to research for movement of market price. It is one kind of analysis methods for universal use in security investing market.**
- 2) Fundamental analysis: This way is to build the suggestions for buying or selling share through analyzing factors of inner value of share; macro-economic**

situation, condition of industry, state of commercial operation that affect share price; then predicting investing value of share compared with market price.

- 3) **Evolutionary analysis:** The base of this way is evolution securities' theory, the main object of study is movement characteristics of stock market fluctuation. It is the combination of methods for researching direction of market volatility and supplying chances and risk assessment for share investment decisions; research points are metabolism, tent towards benefit, adaptability, plasticity, sensitivity, variability and other characteristics of stocks. Stock market is always changing, the stocks have life cycle. Some stocks are failed, at the same time some new stocks exist. This is situation happens in share market everyday, this characteristic is metabolism. The aim of share market is building benefits, all stocks have tent towards benefits. Share market also adapts to external surroundings, share market is plastic and sensitive for the change of surroundings. Because share market is always changing, variability is also a characteristic of this market. Evolutionary analysis should analyze these characteristics of stock market. (Baidu Baike: Investment, 2014)

The types of investment are different at economics and financing. From the point of economics, investment is the purchase (and related production) capital goods- the goods that can be used for future production, which will not be consumed. In practical examples, building railway or factory, cleaning ground or accepting higher education are included in investment at economics. Investment at economics also belongs to one part of GDP. Investment can be divided into non-residential investment and residential investment according to functions of investment. The income and interest rate of investment have intimate connection. Increase of income promotes higher amount of investment, but higher interest rate will hinder investing because the costs for borrowing money become more expensive. Although company decides to use its own fund to invest, interest rate does not stand for interest for borrowing but represents opportunity cost of funds used for investing. From the point of financing, investment means to buy security, other financial or paper assets. Evaluating price is one way to evaluate whether the price of one kind of potential investments is worth or not. The types of investment consists real estate, portfolio investment, gold, foreign currency, bond and stamps investment. Afterwards these investments may supply future cash flow, maybe the value will increase or decrease. The investment in stock market is carried out by securities investor. (Baidu Baike: Investment, 2014)

Investment is one another property exchanged by releasing other property; it is also the owned property by company except production and management. Investment is one kind of property, which performance pattern is right. Investment is also one kind of property that possesses financial risk. (Baidu Baike: Investment, 2014)

The connection between investment and economic growth is very tight. The performance of economic growth is mainly decided by investment, investment is the basic driving force of economic growth; investment is also the essential premise of economic growth. The effects of investment for economic growth could be analyzed from factor input and resource allocation. Investment is the carrier of technical progress, any technical achievement use must shows via certain investment activity, investment is the link between technology and economy; technology is the structure of investment, any technical achievement is the product that needs human capital and some resources. Production and use of technical development can not exist without investment. (Baidu Baike: Investment, 2014)

Investment is the action to gain possible but uncertain future value using certain present value. There are three characteristics of investment:

- 1) Timing: Time value of funds
- 2) Uncertainty—Risk: Are there securities with risk?
- 3) Profitability: Satisfying future consumption by increasing the treasures of investors.

The exact definition of investment should include three corrective important factors:

- a) Investment must built on the base of analyzing in detail
- b) Investment should have security
- c) The results of investment must be "satisfied return"

When the actions do not accord with above three factors, these actions are called speculation. (Doc88, 2014)

An investor should have a portfolio that synthesis many kinds of investment property, such as fund, share, securities, bond and so on. The size of portfolio can be changed, investor could sell some present property and then buy some new one using selling money; when the amount of selling bigger than that of buying, the size will be reduced, at the same time, opposite situation will bring the rise of size. Investor



should consider individually whether sell or buy, the amount of selling and buying. (Bodie, Kane, & Marcus, 2006)

For common person, supply and consumption of earnings are not easy to be equal. When supply is bigger than consumption, person may use the extra money to give its due value. Investment emerges at this time. (Reilly, & Norton, 1999)

### 2.1.2 Introduction of Financing

Financing is the management and distribution for property of personhood, family, enterprise and public institution by some financial tools, such as saving, bank financial products, bond, fund, share, futures, foreign currency, real estate, insurance, gold and so on; investors should allocate funds reasonably to achieve the aim of keeping and increasing value of property and then speed up the rise of property. (Baidu Baike: Finance and Investment, 2014)

Financing is a sustainable process; investor should manage property for life but not the emergencies. It is also the cash flow management; everyone needs cash outflow from birth and then needs investment and financing. Financing covers risk management of course, because cash flow in the future has uncertainty. Personal risk, property risk and market risk will affect cash inflow and outflow. (Baidu Baike: Finance and Investment, 2014)

In the process of financing, there are some traps. When someone recommend share for free, there are must be some traps in share. If sales force evaluates earnings for you, it is very dangerous to believe expected income easily. Before financing, people should consider carefully and calmly. If people want to close an account, he or she should to be required to manage business in opening bank of bank card. In this situation, customers should acknowledge these regulations whether reasonable or not; if regulations are not reasonable, people could refuse these regulations to protect their own right. (Baidu Baike: Finance and Investment, 2014)

There are some types of financing:

- **Trust financing:** This is one property management system; core content is that consignor relegates property to consignee based on the trust for consignee and

consignee to manage or disposal the property in his/ her own name according to wishes of consignor for benefits or other certain aim of consignor.

- **Fry gold:** This is just investing for gold; the price of gold is increasing these years, so fry gold becomes one kind of financing tool.
- **Fund:** The fund for financing is mainly securities investment funds, some people gather money and find an expert to gain more money using present property; and then enlarge the scale of cooperative investment.
- **Investing the stocks:** This is the action of investor that buy share of company, or other institutions issued in share market, investor should judge which shares are beneficial for him/ her.
- **National debt:** This is one kind of debtor-creditor relationship that nation raises fund from public based on its trustworthiness according to general principal of debt.
- **Bond:** This is one kind of financial contracts, government, financial institution or business enterprise issues credit-debt certificate with the promise of certain interest and returning principal on time to investors for raising fund.
- **Foreign currency:** This is creditor's right of currency administration authorities (Central Bank, Monetary institutions, Exchange Rate Stabilization Fund and Ministry of Finance) when balance of payment deficit is broken; its forms are deposit in bank, national treasury bond, short-term and long-term government securities and so on. Investors could buy foreign currency in financing.
- **Insurance:** It is one kind of economic compensation system to spread risk and absorb losses. Insurance applicant pays insurance fee to insurer according to the regulations of contract; insurer should compensate for insurance fee when possible accidents in contracts happen or applicant is died, disabled, sick or grows to achieve age of convention.
- **P2P:** It is Peer to Peer, it means a new communication mode that every participant has equal ability to start a communication session. It is associated with network, micro-finance and some other innovative technologies. Investor could finance online directly.
- **Real estate:** This kind of financing just the buying action of real estate to obtain income. (Baidu Baike: Finance and Investment, 2014)

There are three common types of financing products:

- 1) **Fixed income type:** For this type, main products are bank financial products and trust wealth management products. For bank financial products, rate of

return is relatively low but rate of safety is high; bank usually inputs fund into government bond, monetary market products and other safety products. For trust wealth management products, there are specific investment direction and funds protection measures but starting point of investment is high; common public do not afford it.

- 2) **Break-even floating income management products:** The base of issuing institution is bank. Although the principal could be protected, the income is not sure. The income of this type's products is higher than first type's good's earnings.
- 3) **Non-preservation floating income management products:** In this type, main products are bank financial goods and securities investing financial goods. Bank inputs fund into different kinds of goods, securities investing financial products that mainly are fund and orient additional financing goods. (Baidu Baike: Finance and Investment, 2014)

To make good financing, people should do following things:

- a) Deciding the financing goal first; when people have financial objectives, people could make decision relatively rational.
- b) Defining investment period in twice step; financial goals can be divided into short-term, middle term and long-term aims, different goals have different investing period and then produce different risk level.
- c) Investors should build investment projects, when investors decide financial goals, investing period and other important factors; these factors need a feasible plan to operate them. In investment, this plan is called investing portfolio. (Baidu Baike: Finance and Investment, 2014)

**The biggest aim of financing is to accumulate treasure and produce income. People could use correct attitude and method to invest, making available money produce the biggest wealth under sustain risk and using fund to realize each goal with sufficient working capital. From financing, investors could know their exact demands clearly and allocate financial resources to useful places rationally. (Yun, 2010)**

**Personal finance plan is very popular in western countries, financial income usually equals or even more than working earning for people in western countries. But for persons in China, personal finance is in the starting phase. There are so many things for them to learn financial knowledge in detail. Financing is not related to the amount**

of owned money, people have no excuse to give up financing. Financing is a concept, it is also one kind of life attitude. (An, 2011)

In recent years, young people tend to enjoy current life and lack long-term plans. They are used to spend all of owned money and even borrow money; they should know which are investments and consumption first. There are no best financing but suitable financial methods. Finding the most suitable way to finance and make owned money to have the biggest usage. People should build reasonable plans and produce more property for him or her own. (Cai, 2011)

## 2.2 Investment Decision-making

For individuals, they should consider 5 questions before making investment decisions. The five questions are:

- 1) What should be invested and what ought to be avoided: There are many types of investing, such as stocks, fund or bank financial products. In this unsure market environment, the most important point is to ensure that which products could make you feel at ease and which are uneasy investment for you.
- 2) Which products are understood by investor enough to make decisions by him/her own: For individual investors, they do not have kinds of resources compared to those of experts. Choosing the most familiar products is essential for these individual investors and they should collect resources as many as possible.
- 3) Whether asset allocation suits for investor's age and long-term plan or not: For young people, they should not focus on short-term beneficial investment strategies too much; long-term investing plans are also needed for them. But if old people also invest like ways in working and accumulating period, they will do not have time to twist loss when market fluctuates largely.
- 4) How much confidence of investors for hold funds: Every investor should check hold funds, if investors do not have enough confidence for certain fund, this fund could be replaced.
- 5) What factors may happen in investment: Investor should know beforehand how to react when harmful factors happen, such as European debt crisis, economic fluctuation and other conditions. (PEOPLE.COM, 2011)

Investment decision-making is a process of analyzing, judging and choosing programs for necessity, aim, scale, direction, structure, costs and earnings of

investment using some scientific theory, ways and measures by investor. In this process, investor could realize his/ her expected investment goals. Investment decision-making is an important process of production. (Baidu Baike: Investment Decision-making, 2014)

**Investment decision-making has some characteristics:**

- i. Investment decision-making has pertinence, a specific goal is essential for decision-making. If decision-making can not reach goal, the decision-making is fail.
- ii. It has reality, it is the base of actions for investing; it is also the core of modern investing management. Investment management should proceed on the basis of investment decision-making for a company, there no rational investing without correct investment decision-making.
- iii. There is preferred orientation for investment decision-making. In the process of decision-making, there should be some feasible plans to be chosen. Rational selection is preference, preferred plan may be not the best but it must be the most satisfying one.
- iv. In the process of investment decision-making, risk could not be avoided. There are many predictable and unpredictable changes in practical operation; the risk is occasional and objective. People could predict for risk according to previous historical resources through probability statistics to control and decrease risk. (Baidu Baike: Investment Decision-making, 2014)

Investment decision-making also needs evaluation indexes to judge the reasonability of it. Investors should use common investment evaluation index to calculate; curve of net present value (the relationship between net present value and discount rate) is also should be considered. There are also some comparisons among independent projects each other and among mutually exclusive projects each other. Multiple IRR (analysis for multiple internal rate of return) and MIRR (calculation for modified internal rate of return) are also indexes to judge. Investor should compare projects in different economic life. Then calculating and evaluating cash flow of new projects and renewal projects. (Baidu Baike: Investment Decision-making, 2014)

The process of investment decision-making can be defined as a perceiving process; investors should define initial condition, goal condition of problems and the operation to achieve goal state from initial state. They should collect information, and then

make analysis for market; finally they could make the judgment and do the corrective actions. (HEXUN.COM, 2006)

The non-objective factors in decision-making exist from first step—collecting information, namely viewer's prejudice. Viewer's prejudice is the faults resulting from personal incentive and expectations. Every investor should participate in whole process from analysis to decision, he or she must have own expectations for final analysis; these expectations will lead investor to have preference for information associated with expected results in the process of observation and collection, thus influencing analysis conclusions. To decrease the viewer's errors, investors should follow standardization and operability definitions. Standardization means that use uniform and consistent procedures to collect information and data. Using similar ways to ask questions and quantizing reactions according to prior defined regulations to ensure comparability in terms and conditions after recording results. After collecting information, investors should analyze all the information to get a useful conclusion, namely inference. Inference can be divided to deductive reasoning (getting logical conclusions that suit for deductive forms using deductive regulations) and inductive reasoning (getting possible but unsure conclusions according to possible evidences). In deductive inference, belief prejudice effect is very easy to make conclusions lack fidelity. People tend to judge logic that people could build a reasonable model for it subjectively as right thing; things will become wrong on the contrary. The most possible situation is that investors judge things according to experience but ignore the check for rationality of logical structure. In daily analysis, people use inductive reasoning more. Investors think one or some factors are features of certain quotation, namely judgment system built by investors own according to experience and knowledge; and then they estimate whether this quotation will happen or not on the basis of if these factors exist. In the majority situation, it is rational to follow similar paths to judge. But when investors ignore relative information of other types because of representativeness, the representativeness will lead you to do wrong decisions; it means that previous useful analyzing ways may have no effect in this analysis. In stage of decision-making, decision structure (a specific description for a selection) is the most effective factor for final results. For example, "72% possibility to get profit" and "28% possibility to get loss" have no difference in essence. But the former leads people to focus on positive facts, and then people tend to collect resources supporting decisions; the later attracts people in negative facts, it will make people tend to gather information

against decision. The difference of reference point makes the distinction of psychological effect. There is more probability that investors make investment decisions in former structure obviously. (HEXUN.COM, 2006)

People rely more on informal empirical law, rather than systematic analysis on the basis of data to do decisions. The deviation of memory, knowledge structure, mental set caused by experience, expectations for conclusions and other factors are all have effects on impersonality and correctness of decision-making. A successful investor should judge every stage of decision-making in the critical view and remove impacts of non-objective factors; investors use the way to handle uncertainty effectively in the process of decision-making. (HEXUN.COM, 2006)

When investors make investment, some funds could not be used at present. Investment decision-making is to define the amount of funds that investors can not spend in current time. Investors give up present enjoying to exchange for increase of property in the future. The effectiveness of investment decision-making also determines the results of investment. If the decision-making is effective, the results will near to or better than expected objectives; the results also show the effectiveness of decision-making. (Copeland, & Weston, 1988)

When investors are willing to do investment, he/ she should consider how much property available for financing. Available funds do not mean the extra property except for assets needed to use at present, cash flow also should be calculated. Investor could not live without money. So making a capital budgeting is also needed in the process of decision-making. A right investment decision-making is very important for everyone. (Horngren, Datar, & Rajan, 2011)

## **2.3 Share Market and Investment**

### **2.3.1 Share Market**

Share market is the place for the transfer, deal and circulation of issued share. It covers exchange market and outside dealing market. This market builds on the base of issue market, it also to be called as secondary market. The structure and dealing activities of share market are more complex, functions and effects are also bigger than those of issue market. Share market gathers speculators and investors, the situation of share market represent economic and financial surroundings of one

nation. In this market, everything is changing all the time. (Baidu Baike: Stock Market, 2014)

In share market, stocks dealing can be divided into following types from different angles:

- **Bargain and bidding deal:** Bargain deal means that buyer and seller interview one-to-one, both parties make the deal through bargaining. This is the common way for outside dealing; when stock can not be issued in market, dealing amount is small, when stock need to be kept secret or dealer wants to save commission; bargain deal is a good choice. Bidding deal means buyers and sellers make two-way competition in public, sellers and buyers both are groups. There are not only competition between contracting parties but also among sellers' group and buyers' group in deal. Buyer could choose seller freely and it is also free in contrary, this regulation ensures fair deal and quite rational dealing price. The deal will be made between buyer who gives the highest price in his/ her group and seller who gives the lowest price in his/ her group. This is the main way to make share dealing in stock exchange.
- **Direct deal and indirect deal:** Direct deal is a way that contracting parties discuss price and clear stocks directly without any intermediary. There is mainly direct deal in outside dealing. Indirect deal means that contracting parties do not need to meet; middleman is delegated to make stock deal. The manager system in security exchange is one typical kind of indirect deal.
- **Spot trading and futures' trading:** Trading is divided into spot and futures according to difference of delivery deadline. Spot trading is that seller and buyer deal with procedures of delivery after the bargain is closed immediately. But futures' trading requires contracting parties to make delivery in certain period after the bargain is closed according to regulations in contract. (Baidu Baike: Stock Market, 2014)

To analyze the share market, there are three methods: fundamental analysis, technical analysis and evolutionary analysis. Fundamental analysis is based on traditional economics; the main research object is company's value. This analysis method is to calculate long-term investing value and safety margin of public company is probably compared with current share price, the calculation is through the analysis for corporation's inner value and macro-economic situation, development prospect of industry and operational situation affecting share price. Technical analysis is on the



basis of traditional securities, main study objective is share price, and fundamental purpose is predicting trend of stock price fluctuation. This method is to analyze fluctuation rules of share market from historical change charts of share price. Evolutionary analysis has the base of evolutionary securities; fundamental research objective is life movement characteristics of share market. This way is the sum of researching dynamically, supplying chances for share deal and evaluating risk. This way believes that the wave of share price can not be predicted directly. (Baidu Baike: Stock Market, 2014)

The characteristics of share market are: there is certain market liquidity but the liquidity depends on deal volume at that day mainly; share market only opens from 9:30 am to 3:00 pm (Peking time), outside dealing after closing market is limited; costs and commission are not so high; there are restrictions of policies and principal when dealer sells stocks out; quite big amount of steps in deal increase operational errors and mistakes. (Baidu Baike: Stock Market, 2014)

One share market period experiences four stages: bull market---- high-order consolidation market--- bear market--- low leather market. Cyclical movement of share market is change of main trend in long-term, not the variation of stock price index in short-term. This cyclical movement means the homogeneity actions for whole share market, not the activities of several stocks or modules. The movement is the changeover of main momentum, characteristics of market are changed. (Baidu Baike: Stock Market, 2014)

There are some important reversal patterns, such as the head and shoulder, composite head and shoulder, round bottom, symmetrical triangle, right triangle and some other patterns. In share market, three kinds of tendencies exist. These are basic trend (vertical motion is big-scale or higher than media level, this trend can last for one year or longer usually), secondary trend (retracement of price alongs with basic trend) and small tendency (price wave in short period, the period is shorter than 6 days in common). (Edwards, 2007)

In stock market, there are some proper nouns, such as:

- Opening Price: First dealing price in everyday's trades
- Closing Price: Last dealing price in everyday's trades
- Amounts of deal: The dealing amounts of stocks at that day

- **Bear Market:** Total moving trend of stock price is decreasing
- **Bull Market:** Total moving trend of stock price is increasing
- **Gap:** Share price comes to gap substantially after getting some stimulations
- **Retreat:** In the rise process of stock price, price decreases temporarily when rise speed is too fast
- **Break-even point:** This point represents that if dealing amounts is more than this point, stock exchange will gain profit; stock exchange will get loss on the contrary
- **Nominal Value:** Initial price decided by company of stock
- **Low leather market:** Share price fluctuates in a narrow scope, buyers and sellers have balanced power; beneficial and loss space are quite small and the situation will last for a long period
- **High-order consolidation market:** Growing trend of share price stops after a span and then price has spiral wave ; share price is very high and rise space is limited, price will decrease quickly when dealer sells stocks gradually (Baidu Zhidao, 2008)

### 2.3.2 Stock Investment

Stock investment is an action of gaining profit through buying stocks by enterprises or individuals. The profit of stock investment is consists of income and capital gains. Income is share interest and bonus allocated by company according to share of share holder. Capital gain is the difference of share price, namely investor buys stocks in low price and sells in high price. (Baidu Baike: Stock Investment, 2013)

The costs of share investment include opportunity cost and direct cost. Opportunity cost means that when investor chooses share investment but gives up other investing chances to get profit. Direct cost is the capital output of investor in investing share; it includes share price, dealing fee, and tax cost and information expense. (Baidu Baike: Stock Investment, 2013)

A rational process of investing stocks includes five steps: Deciding investment policies → Analysis for stocks → Investment portfolio → evaluating performance → Adjusting investment strategies. (Baidu Baike: Stock Investment, 2013)

To control the risks happened in investing stocks, investors use four regulars usually:

- 1) **Avoiding risks:** Investors predict possibility of risk beforehand and analyze condition and factors for arising risks. Investors will give up investing for high risk stocks; this is a quite negative and conservative selection.
- 2) **Decreasing risks:** Investors will not give up investing objectives because of risks; they will take some measures to reduce the rate of risks.
- 3) **Lien risks:** When risks have happened or can not be avoided, investors take the risks and try to decrease the loss to the lowest level from the angle of long-term profit.
- 4) **Disperse risks:** Investors choose to participate in inventors' group to undertake risks jointly, this is a conservative action. (Baidu Baike: Stock Investment, 2013)

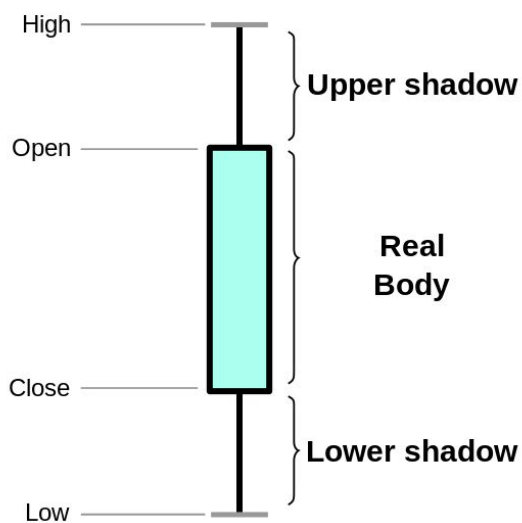
There are three blind spots when investors invest in share market, these blind spots are:

- **Believing in second-hand spread and pursuing famous brands blindly:** Some investors rely on the information of mass media, friends totally. TV news, financial management programs and website news are not given attention. If investors highly depend on word of mouth information, the investment is very easy to be eyeless. Some investors just focus on famous brands; they just keep attention on assets of brands but lose sight of risks.
- **Investing for many things blindly:** Some investors choose to invest for many kinds of stocks; they think at least one of stocks could be beneficial. But people do not have so many abilities, time and power to acknowledge every stock they bought carefully. This way will bring huge risk to investors.
- **Having no aim:** Some investors do not have specific objectives; their judgments for share market are changed with the quotation fluctuation of market. But quotation produces in desperation, develops in hesitation and disappears in optimism. (Hua Gu Financing, 2010)

For an investor, anxiety is not useful. It is very important to keep a positive and optimistic mentality when they are in share investment process. Investors should recognize themselves and find real objectives. Optimistic attitude do not mean blindness, investors should only believe in themselves. If they choose to invest, they have responsibility to do decisions by them own. (Pi, 2007)

An investor should learn to view and analyze candlestick charts to be the rational people in share market. Candlestick charts consists of 4 data: Starting price, highest

price, lowest price and closing price. The charts show the market situation of everyday or one period, there are reversal shapes, tidy shapes, gap shapes and trendy lines. From candlestick charts, investors could know real change of market entirely. When average line rise largely and become stable after a period of time, the share price goes down lower than average line; at that time, it shows that investors could sell owned stocks. When average line is decreasing and share price fall to lower level of average line after breaking through average line immediately, it is also the sign to sell stocks. When average line is decreasing and share price falls at once after closing to average line(fluctuating in lower average level and then having a significant rise), investors could choose this moment to sell shares. Or average line is rising and share price turns to drop rapidly after rising quickly at higher average level (BIAS is from 30% to 50%); at that time, it is a signal to sell. (Baidu Baike: Candlestick Charts, 2014)



**FIGURE 1** Scheme of a single candlestick chart (Wikipedia, 2013)

### **3 CHINESE SNACK FOOD INVESTMENT SURROUNDINGS**

#### **3.1 Chinese Snack Food Investment Market and Options**

**In China, the annual per capita consumption for snack food is much lower than the consumption level in snack food field of developed countries. It shows that there is big development space in Chinese snack food market, at the same time, the competition is huge. (OCN.COM, 2012)**

**In 2011, Chinese food industry had total industrial output value about 7.8 trillion Yuan; year-on-year grows 31.6%. In first half year of 2012, the total snack food industrial output value is about 540 billion Yuan, the selling profit is about 16 billion Yuan. In China, there are 1.4 billion residents; almost everybody chooses some snack food when he or she enjoys free time. Even many people eat snacks everyday; the demand for snacks is big. With the improvement of Chinese people living level, the demand for snacks increases continuously and it has the momentum to keep increasing quickly. The quick speed of living leads the needs for cookies, potato chips and other bakery food increasingly rise day by day. (OCN.COM, 2012)**

**In Chinese snack food market, Kraft, Orion, Nestle and other international brands entered Chinese market from 1980s. These brands have quite big share in Chinese snack food market because of high quality, various types and abroad selling channels. In comparison, domestic snack food brands started later, there were domestic brands from 1990s. Golden Monkey, Strong, Want Want, Hsu Fu Chi, Master Kong and other domestic brands develop quickly and some domestic brands catch more market compared with some international brands. The competition in snack food market is bigger and bigger. There are many options besides Want Want. (OCN.COM, 2012)**

**When domestic snacks brands compete with international snacks brands for market share, domestic brands also have good performance at types, package and selling channels in first-tier (big cities in China, such as Peking, Shanghai and so on) and second-tier cities (second class cities in China, such as Guangzhou, Xiamen and so on). Although they started later, the aftereffect is strong. In Chinese small cities, snack food brands have quite small influence compared with influence in big cities. Want Want and other companies that have same business field all make effort to fight for this potential market. And in different districts, the demands for taste are also different. This characteristic gives higher requirements for companies. Totally,**

Chinese snack food area has a good development momentum in recent years; Want Want is one of good options for investing. (OCN.COM, 2012)

The main consumer groups are children and young people, 18 to 28 year-old young ladies is the main trend group for fashion snacks but 28 to 35 year-old men focus more on nutrition, taste and brand of snack food among consumer groups. Besides, the families those have children younger than 12 years old are also have a quite big proportion in snacks consumer groups. The selling channels of snacks concentrate in eastern coastal area mainly, but the vast Midwest area nearly has no impeccable selling ways. With the development of Chinese economic reform, governments came up with many beneficial policies for Midwest's economic development. The rise of living level will lead the increase of consumers for products except daily food for sustaining lives. Besides this situation, snacks are developing in Midwest quickly with the expansion of supermarket chains (principal selling channel of snacks is supermarket). Midwest will become a very potential market for snacks according to above two reasons. Of course, whole demand for snack food also increases. (FOODMATE.NET, 2010)

The rise of demand brings the rat race; some small domestic brands exist to compete with international and big domestic brands. Before Danone and Cadbury were purchased by Kraft, there were many snacks brands in Chinese market. Kraft became the biggest brand in snacks field after buying many international snack food factories. This phenomenon gave more space for domestic companies because amounts of international competitors became from some to one. Want Want, Hsu Fu Chi, Mater Kong and some other scaling domestic companies got better development chances. (FOODMATE.NET, 2010)

In Chinese snacks market, major products are cookies, milk drinks, candies, melon seeds, peanuts and so on. In large-scale supermarkets, the operational proportion of snacks in food field has increased up to 10%, ranking first; selling amounts account for above 5%, ranking third. There are some characteristics of modern snack food market: industries develop fast but concentration ratio is not high; competition is not sufficient so that gross margin is pretty high; maturity of industries is quite low, there are lacking big brands in market; kinds of types of products but innovative ability is not enough; safety and health problems are pretty serious. The development trends are: competition becomes drastic; many large-scale brands and factories exist;

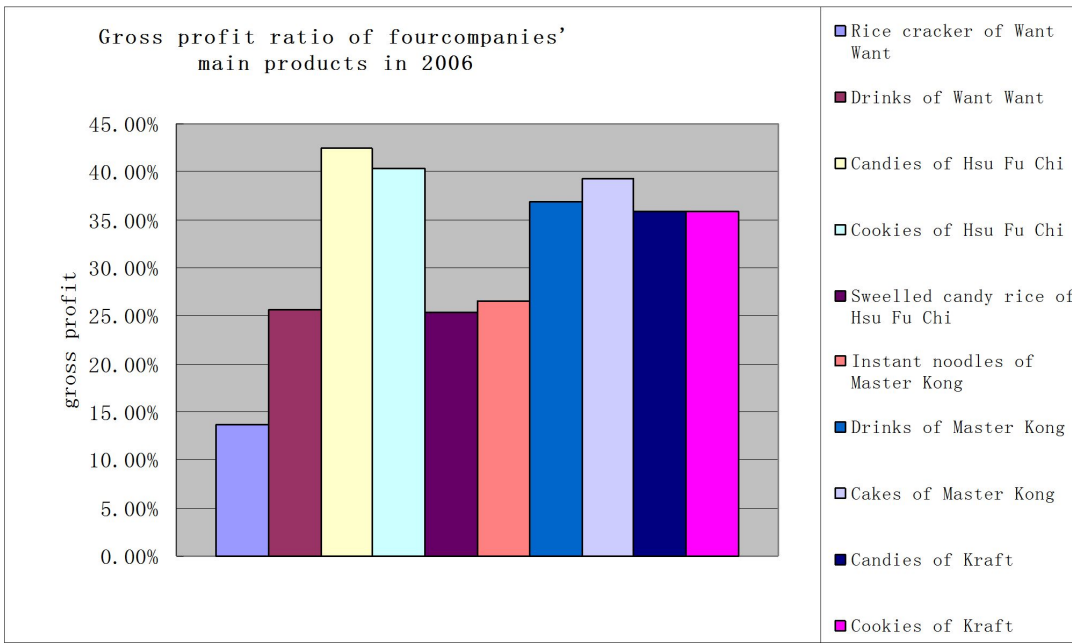
products become healthy and fashion; integrating factories. (Baidu Wenku: Present Situation and Development Trend of Chinese Snacks Industry, 2011)

Want Want, Kraft, Hsu Fu Chi and Master Kong are four large-scaled companies in Chinese snacks market, so I made some comparisons for these four brands. It could compare from 4 points of view ((gross profit ratio of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong)' main products, same type products of different companies (Gross margin Want Want, Kraft, Hsu Fu Chi and Master Kong), net profit rate of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong) and of similar products of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong))):

1) Gross profit ratio of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong)' main products

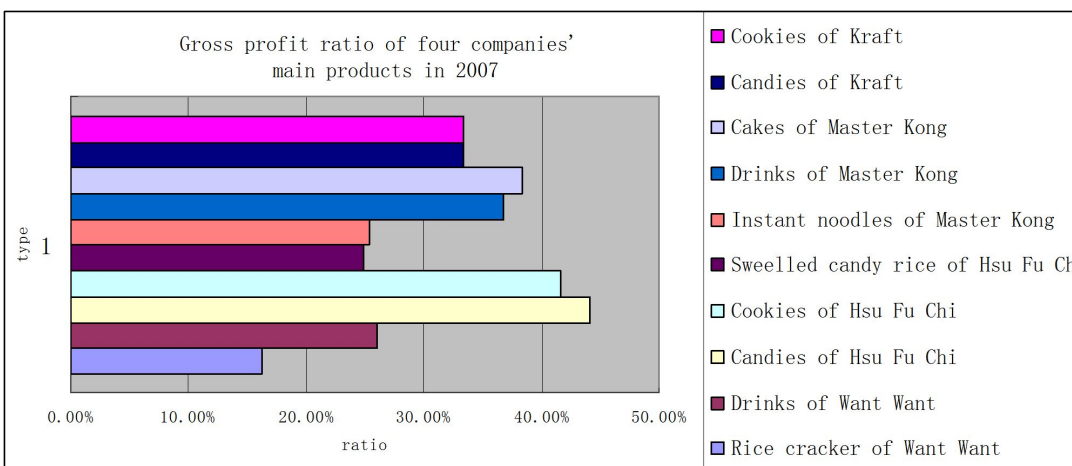
Table 1 Gross margin of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong)' main products (FOODMATE.NET, 2010)

type	year	2006	2007	2008	2009
	Rice cracker of Want Want		13.60%	16.20%	20.20%
Drinks of Want Want		25.60%	26.10%	17.30%	18.40%
Candies of Hsu Fu Chi		42.50%	44.10%	47.50%	48.30%
Cookies of Hsu Fu Chi		40.40%	41.60%	39.60%	41.70%
Sweelled candy rice of Hsu Fu Chi		25.30%	24.90%	29.30%	43.80%
Instant noodles of Master Kong		26.60%	25.40%	27.50%	31.50%
Drinks of Master Kong		36.90%	36.80%	36.20%	36.90%
Cakes of Master Kong		39.30%	38.30%	38.40%	40.70%
Candies of Kraft		35.80%	33.40%	33.00%	36.20%
Cookies of Kraft		35.82%	33.42%	33.02%	36.15%



**Figure 2** Gross profit ratio of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong) main products in 2006 (FOODMATE.NET, 2010)

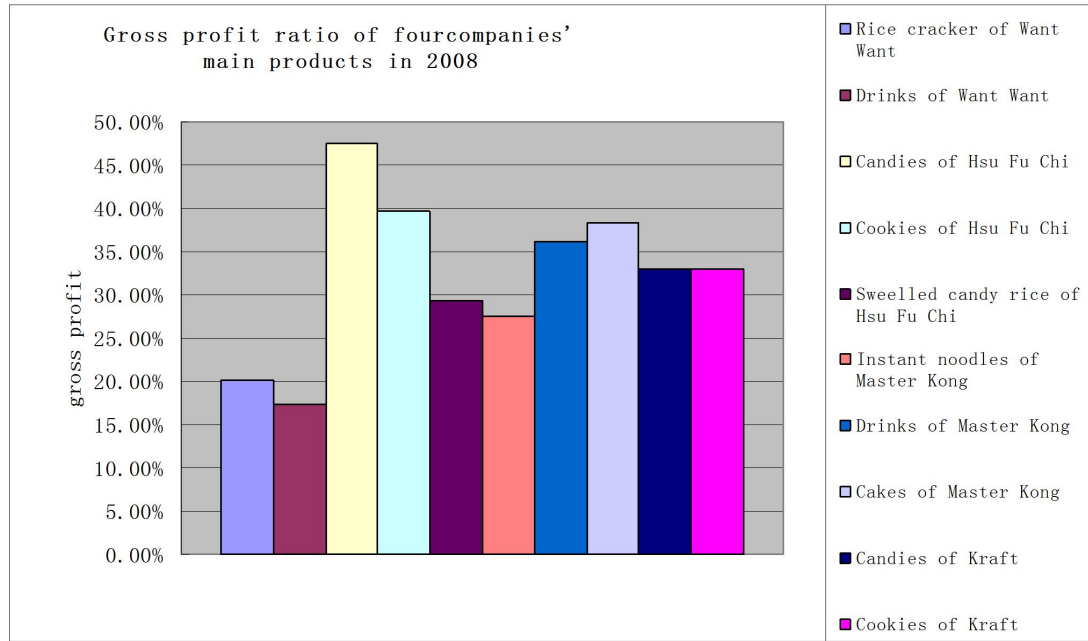
From above table and bar graph, you can see that candies of Hsu Fu Chi ranked first at gross profit ratio, cookies of Hsu Fu Chi ranked twice but rice cracker of Want Want ranked lowest in 2006. The overall gross margin of Want Want was pretty low, but which of Kraft and Master Kong were pretty high. Hsu Fu Chi lay at top level at gross margin.



**Figure 3** Gross margin of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong) main products in 2007 (FOODMATE.NET, 2010)

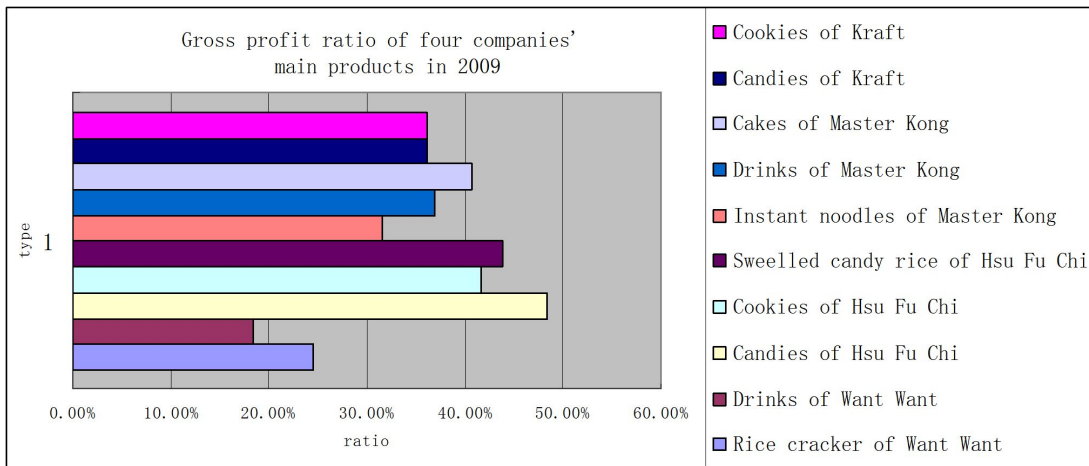


From above bar diagram, you can find that candies of Hsu Fu Chi ranked first at gross profit ratio, cookies of Hsu Fu Chi ranked twice but rice cracker of Want Want ranked lowest in 2007. The overall gross margin of Want Want was pretty low, but which of Kraft and Master Kong were pretty high. Hsu Fu Chi lay at top level at gross margin. The situation in 2007 was nearly similar with that in 2006.



**Figure 4** Gross margin of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong) main products in 2008 (FOODMATE.NET, 2010)

In 2008, candies of Hsu Fu Chi also ranked first at gross profit ratio, cookies of Hsu Fu Chi also ranked twice. This year drink of Want Want was the last one at gross margin. But the results also were that overall gross margin of Want Want was pretty low, and which of Kraft and Master Kong were pretty high. Hsu Fu Chi lay at top level at gross margin.



**Figure 5** Gross margin of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong)' main products in 2009 (FOODMATE.NET, 2010)

In 2009, candies of Hsu Fu Chi also ranked first but swelled candy rice of Hsu Fu Chi ranked twice at overall gross profit ratio. Want Want also lay on last one and there was a quite big gap among Want Want and other three brands. From 2006 to 2009, these four companies' gross margin had same ranking, Hsu Fu Chi was on the top and Want Want was located on end-term.

2) Same type products of different companies (Gross margin of Want Want, Kraft, Hsu Fu Chi and Master Kong )

**Table 2** Gross margin of different companies (Want Want, Kraft, Hsu Fu Chi and Master Kong)' same type products (FOODMATE.NET, 2010)

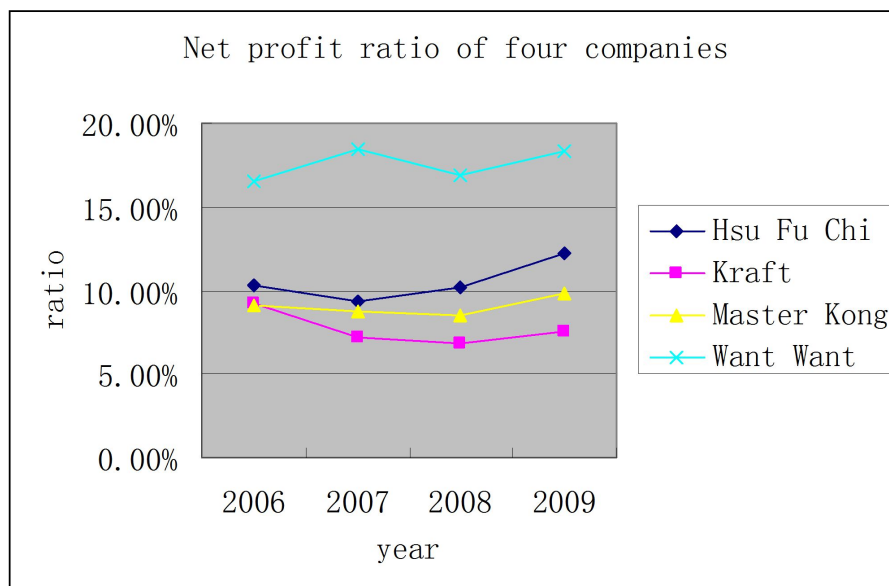
product	year	2006	2007	2008	2009
Drinks of Want Want		25.60%	26.10%	17.30%	18.40%
Drinks of Master Kong		36.90%	36.80%	36.19%	36.87%

From above table you can find that gross margins of Master Kong were higher about 10% than which of Want Want in these four years.

3) Net profit rate of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong)

**Table 3 Net profit rate of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong) (FOODMATE.NET, 2010)**

year	2006	2007	2008	2009
company				
Hsu Fu Chi	10.30%	9.40%	10.20%	12.20%
Kraft	9.20%	7.17%	6.87%	7.50%
Master Kong	9.13%	8.74%	8.47%	9.85%
Want Want	16.53%	18.45%	16.93%	18.31%



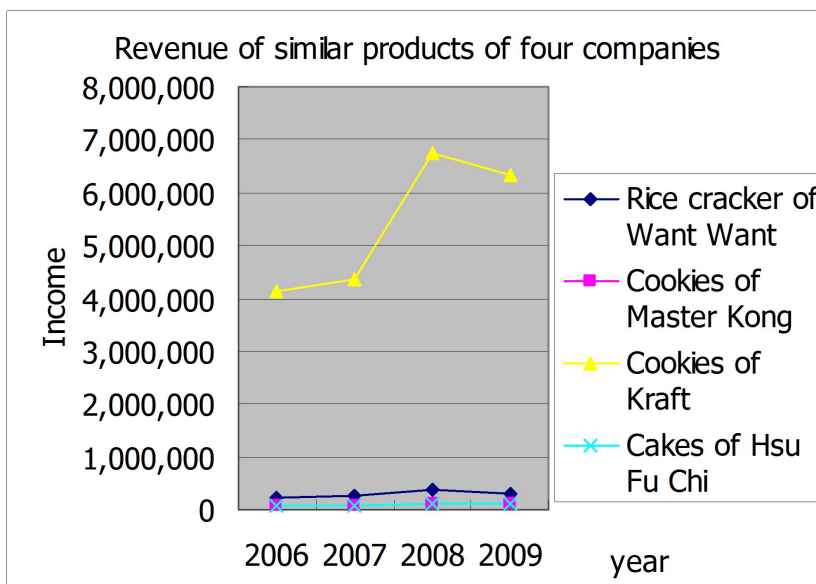
**Figure 6 Net profit rate of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong) (FOODMATE.NET, 2010)**

From above table and line chart, I can see easily that Want Want was located on leader level and Kraft ranked lowest at net profit ratio from 2006 to 2009. The chart also shows that Want Want had much higher net profit ratio than other companies', other companies' net profit ratio fluctuated at quite similar level.

#### 4) Revenue of similar products of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong)

**Table 4 Revenue of similar products of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong) (FOODMATE.NET, 2010)**

revenue of products (unit: 10 thousand Yuan)	year			
	2006	2007	2008	2009
Rice cracker of Want Want	240,126	274,860	383,496	319,470
Cookies of Master Kong	76,162	80,570	103,479	106,900
Cookies of Kraft	4,142,820	4,341,790	6,763,470	6,342,565
Cakes of Hsu Fu Chi	59,519.90	76,682.20	108,293	125,004.80



**Figure 7 Revenue of similar products of four companies (Want Want, Kraft, Hsu Fu Chi and Master Kong) (FOODMATE.NET, 2010)**

In the part of income, Kraft had much more income than other companies because Kraft has a global market but other companies focused on Chinese Mainland market. Want Want had more income for similar products among Want Want, Hsu Fu Chi and Master Kong. (FOODMATE.NET, 2010)

Through the comparison from 4 points of view, I find that Want Want had some advantages from angle of net profit ratio. But from point of gross margin, Want Want

was not as good as other companies. Hsu Fu Chi was a powerful competitor of Want Want, the comprehensive strength of Hsu Fu Chi was equaled by Want Want from 2006 to 2009. (FOODMATE.NET, 2010)

### 3.2 Chinese Snack Food Share Investing Surroundings

Snack food belongs to fast moving consumer goods industry; this industry is associated with income of residents closely. The rise from sub layer to super stratum leads the increase of middle class, people in middle class are tend to buy products of high-end brands with the promotion of earning level. Snack food will develop to the direction of branding and packaging. Snacks shares face gold cycle for developing in this period. (HEXUN.COM, 2011)

Snack food is included in people's food; people's food industries can get benefits from big market potential and grow-up space. Chinese economy turns from export and investment of government to inner demands, snacks factory's consumption capacity will increase gradually in long-term. Some companies with popularity and good management in this field could be the future integrator of this factory to accelerate factory's growth. Want Want is one of companies that got benefits from the development of resident's consumer level; the compound growth rate of income was 28% from 2004 to 2010 and compound growth rate of profit was up to 32%. (TJKX.COM, 2011)

The concentration rate of snack food industry improves continuously; leading enterprises have advantages on bidding, building marketing network and products' promotion. Chinese snack food market kept compound growth rate of selling amount and sales at 7.5% and 8.4% in 2011. The top five companies in rice cracker industry had market share 78.4%; Want Want's market share achieved 68.6%, this figure much higher than M Old Man's market share 3.2% in 2007. In the same year, top five corporations in puffed food industry accounted for 58.5% in market; 58.5% included 22.9% from Want Want, Want Want ranked first (Oishi that ranked twice had 19.4%). Want Want had absolute advantages in these two industries in 2007. There are two catalysts for snack food share price: increase of residents' consumption power and slowing down of material price growth speed. Want Want had better ability of cost control and passing on the cost compared with those of

Master Kong (When the gross margin of Mater Kong, Want Want and Unity decreased at the same time, Want Want could still keep gross margin higher than 30% when Want Want had the similar large scale with Master Kong); if operational surroundings keep in the terrible condition, Want Want will have a higher chance to keep rise momentum of profit. Besides these advantages, the performance at return on equity and liquidity ratio of Want Want was also better than that of competitors. This good performance represented that Want Want had the best ability to gain profit from operations and deal with short-term turnover of capital. In 2010, return of equity of Want Want, Mater Kong and Unity were 34.8%, 29% and 7.9% respectively; at the same time, financial leverage of these three companies were 1.96, 2.53 and 1.35 times respectively. This situation showed that Want Want did not need to get an excellent return of equity at the base of high financial leverage. In the condition of more and more serious debit and credit relation, Want Want could get a higher value of assessment in shares. (TJKX.COM, 2011)

In last half year of 2012, snack food stocks (Want Want, Master Kong and Unity) announced the achievement of first half year, the profit were better than expectation because of decrease of materials' price. From 07.2011 to 09.2012 in Chinese Mainland market, consumer price index (Dividing present price of one certain group of products by price of these products in based period) reduced from 6.5% to 1.8%, the figure decreased by 4.7%; producer price index (Dividing present production costs of one certain group of products by costs of these products in based period) went down from 7.5% to -2.9%, the decrease range was up to 10.4%. This situation showed that the decrease speed of production costs is quicker than speed of price. This phenomenon gave chance to industries; of course snack food industry got benefits from this chance (Keeping the ability of raising price with the drop of production costs). There were many kinds of snacks in 2012; trend of market monopoly became more and more obvious, top five producers had market share more than 60%. Want Want had share of 68.6% in rice cracker's market, the share in puffed food market was up to 22.9%. High market share could bring advantages for defining price, prompting new products, brand building and expanding selling channels. High gross profit and market share could bring many positive effects for stock price. (JRJ.COM, 2012)

There are some risks when invest in snack food market:

- **Price of food materials will increase:** The output of agricultural products decrease, this situation will influence price of snack food materials indirectly. Companies may not keep the gross profit because of the rise of costs.
- **Potential food safety problems:** In recent years, there is much negative news about food safety in China. If some companies meet the problem of food safety crisis, share price of these companies will be hit seriously.
- **Value of assessment is pretty high:** Snack food share is chased in market, it causes that value of assessment for these stocks is pretty high. If share market surroundings turn to be depressed, these high valued stocks will get more massive assaults. (JRJ.COM, 2012)

In Chinese snack food stock market, investors should consider and care the change of agricultural products' price. Kinds of agricultural products have substitute relationship each other, such as the change of feed's price could influence meat's price; future situation of these products' change is difficult to predict. For snack food, the types of materials are abundant. Investors should know present and previous materials' price to give own judgment. In 2012, the difference of income rising range among snacks stock was not so big in a quite slack market. High gross profit brought stable increase ability in profiting and high protection power for costs' changes. Want Want had pretty high gross profit compared with Unity and Master Kong; it was the first option in investing. But there were some unclear factors such as the change of materials and changing market surroundings, investors should be calm. (JRJ.COM, 2012)

From above information about Chinese investment market and share investing surroundings from 2006 to 2012, I find that Want Want had some advantages compared with competitors. From point of net profit and income, Want Want had pretty good competitiveness compared with Hsu Fu Chi, Mater Kong and Kraft from 2006 to 2009. Although the gross margin was not good enough in this period, gross margin had an improvement from 2010 to 2012 because of decrease of material price. The leader capacity in cost control and innovation for products also improves the investment value of Want Want. The snack food market is quite slack; it is a signal for investors that this market has a big development space. From above information I can find that Want Want is worth for me to search more detail information of its performance in recent years and make questionnaires for this company to judge present investment value. I could find financial performance,

**SWOT analysis, market share and performance in share market of Want Want in detail and make a predict about its stocks' performance in the future. And then I could analyze all information to consider whether Want Want is worth to be invested in or not.**



## 4 INFORMATION OF WANT WANT

### 4.1 Introduction of Want Want

Want Want Group is a Chinese snack food company, the origin business derived from Chinese Taiwan market. From 1992, the business expanded to Chinese Mainland market. From then on, Want Want also built branch offices in Chinese Hong Kong, Singapore and Japan. Now the scope of business has covered more than 40 countries and districts in six continents. Want Want has become a diversified comprehensive corporation at present, lines of business also include medical service, catering chain, agriculture, hotel, real estate and other areas besides snacks. In my thesis, I searched information about Want Want's share performance in snack food share market. In 1996, Want Want went to share market in Singapore and name was defined as Want Want Holdings Limited. (Baidu Baike: Want Want, 2014)

Main business of Want Want includes the operation and selling of snacks, drinks and related products. Major branches locate in Chinese Mainland, company focuses on Chinese Mainland market, and second markets are in Taiwan and other areas (such as Southeast Asia countries). (Baidu Baike: Want Want, 2014)

The series of products are Baby Mum-Mum rice cracker, O bubble fruit milk, juice, slimming tea, sembei, snow cake, rice cake, noodle, rice, milk drink, beans, pancake, ice-lolly, herbal tea, jelly, Bond coffee, candy, small steamed buns, puff, alcohol, cookie and other related snack food. There are many kinds of products; scope is also large, types are from cookie, candy to drinks, alcohol. (Baidu Baike: Want Want, 2014)

Logo of this company (Figure 2) is a small child with patulous arms and smile; it shows the positive and young concepts of Want Want. There is a very famous message "I need fortune" in its advertisement, Chinese pronunciation is "Wo Yao Wang". (Baidu Baike: Want Want, 2014)



Image 1 Logo of Want Want (Baidu Baike: Want Want, 2014)

## 4.2 Financial Situation

In 2010, the business performance was presented in following table:

Table 5 Want Want's financial performance in different business parts in 2010 (Baidu Wenku: Financial Analysis of Chinese Want Want Co., Ltd, 2011)

Performance in different business parts thousand dollars):	Rice Cracker	Dairy products and drinks	Snacks	Other products	Undistributed	Group
Sales	235592	482087	273928	10785	-	1002392
Profit/Loss	50638	88950	71110	823	16070	195451
Income of Financing- Net amount Other						2328
Income After Tax						<u>35</u>
Profit Before Tax						197814
Tax						<u>36343</u>
Profit After Tax						161471

There is also a table showing Want Want's increase rate and share of market in 2010 in different business parts:

Table 6 Want Want's increase rate and share of market in 2010 in different business parts (Baidu Wenku: Financial Analysis of Chinese Want Want Co., Ltd, 2011)

	Increase rate of market size	Market share
Rice cracker	38.30%	70.00%
Dairy products and drinks	25.50%	45.00%
Snacks	14.20%	50.00%
Others(alcohol)	9.00%	15.00%

The rate of return of rice cracker, dairy product and drinks, snacks and other products were 21.49%, 18.45%, 25.96% and 7.63% respectively in 2010 of Want Want from the calculation for data in first above table. Market increase rate of rice cracker, dairy products and drinks, snacks were all higher than 10% and at the same time, market share of these three business parts were all higher than 20%. This situation represents that these parts had good performance in market in 2010. Two ratios of others were quite low, but this part was just the avocation of Want Want. (Baidu Wenku: Financial Analysis of Chinese Want Want Co., Ltd, 2011)

Attractiveness of industries is shown in following two tables through each appraising standard:

Table 7 Want Want's grades of different business fields in different appraising parts (Baidu Wenku: Financial Analysis of Chinese Want Want Co., Ltd, 2011)

Grade (5 is very beneficial, 4 is beneficial, 3 is disinterestedness, 2 is harmful, 1 is very harmful)	Rice Cracker	Dairy products and drinks	Snacks	Others
	Industry growth rate	4	3	2
Price	3	2	3	2
Profit rate	3	2	3	1

Weightings of industry growth rate, price and profit rate are 0.15, 0.1 and 0.15 respectively. (Weighting of industry growth rate is the proportion of industry's overall output in total increase value of output; weighting of price is the proportion of

customers' consumption expenditures for Want Want's snacks in their overall consumption expenditures; weighting of profit rate is the proportion of profit in total revenue. All the figures of grades and weightings are from 2010 Annual Report of Want Want.) (Baidu Wenku: Financial Analysis of Chinese Want Want Co., Ltd, 2011)

Weighed mean is the result of weighting times grade, following table 8 shows Want Want's weighted means of different business fields in different appraising parts according to the figures of table 7 and weightings of industry growth rate, price and profit rate.

Table 8 Want Want's weighted means of different business fields in different appraising parts (Baidu Wenku: Financial Analysis of Chinese Want Want Co., Ltd, 2011)

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Weighed mean (weighting times grade)	Rice cracker	Dairy products and drinks	Snacks	Others
Industry growth rate	0.6	0.45	0.3	0.15
Price	0.3	0.2	0.3	0.2
Profit rate	0.45	0.3	0.45	0.15
Total	1.35	0.95	1.05	0.5

---

The competitiveness assessment of Want Want in different business parts in 2010 can be seen in following tables. Importance of market share is just the Want Want's market share, importance for increase rate of market size is the proportion of Want Want's increasing market size in its total market size, importance of popularity is the proportion of Want Want's popularity influencing in all influencing factors, importance of differentiation of products is effecting proportion of products differentiation for sales in all effecting factors. All the figures of grades and importance are from 2010 Annual Report of Want Want.) (Baidu Wenku: Financial Analysis of Chinese Want Want Co., Ltd, 2011)

Table 9 Three different appraising standards of Want Want's rice cracker industry in different appraising parts (Baidu Wenku: Financial Analysis of Chinese Want Want Co., Ltd, 2011)

(Rice cracker)	Grade (5 is very beneficial, 4 is beneficial, 3 is disinterestedness, 2 is harmful, 1 is very harmful)	Importance (Figures are from 2010 Annual Report of Want Want)	Weighed mean (Grade times Importance)	Total
Market share	5	0.15	0.75	
Increase rate of market size	4	0.15	0.6	
Popularity	5	0.15	0.75	
Differentiation of products	4	0.1	0.4	
				2.5

Table 10 Three different appraising standards of Want Want's dairy products industry in different appraising parts (Baidu Wenku: Financial Analysis of Chinese Want Want Co., Ltd, 2011)

(Dairy products and drinks)	Grade (5 is very beneficial, 4 is beneficial, 3 is disinterestedness, 2 is harmful, 1 is very harmful)	Importance (Figures are from 2010 Annual Report of Want Want)	Weighed mean(Grade times Importance)	Total
Market share	3	0.15	0.45	
Increase rate of market	3	0.15	0.45	
Popularity	5	0.15	0.75	
Differentiation of products	4	0.1	0.4	

Table 11 Three different appraising standards of Want Want's snack industry in different appraising parts (Baidu Wenku: Financial Analysis of Chinese Want Want Co., Ltd, 2011)

(Snacks)	Grade(5 is very beneficial, 4 is beneficial, 3 is disinterestedness, 2 is harmful, 1 is very harmful)	Importance(Figures are from 2010 Annual Report of Want Want)	Weighed mean(Grade times Importance)	Total
Market share	4	0.15	0.6	
Increase rate of market	2	0.15	0.3	
Popularity	5	0.15	0.75	
Differentiation of products	3	0.1	0.3	
				1.95

Table 12 Three different appraising standards of Want Want's "others" industry in different appraising parts (Baidu Wenku: Financial Analysis of Chinese Want Want Co., Ltd, 2011)

(Others)	Grade (5 is very beneficial, 4 is beneficial, 3 is disinterestedness, 2 is harmful, 1 is very harmful)	Importance (Figures are from 2010 Annual Report of Want Want)	Weighed mean (Grade times Importance)	Total
Market share	2	0.15	0.3	
Increase rate of market	1	0.15	0.15	
Popularity	5	0.15	0.75	
Differentiation	1	0.1	0.1	

From above 6 tables, I find that the attractiveness and competitiveness of rice cracker were both high, which of dairy products and drinks, and snacks were quite high. Attractiveness and competitiveness of others were quite low compared with other three parts. Main products kept high level in market, avocation part had good potential. All the products of Want Want developed and performed well and stably in their role in 2010, it showed that Want Want's financial performance in market was good in this year. (Baidu Wenku: Financial Analysis of Chinese Want Want Co., Ltd, 2011)

In 2012, total revenue of group was 3.36 billion dollars, with year-on-year growth of 14.0%. Gross margin increased from 34.8% to 39.5% because of improvement of gross margin and good control for costs; total amount of gross profit was up to 1.33 billion. The net profit reached at 0.55 billion with year-on-year growth of 32%. (GOOGUU.NET, 2013)

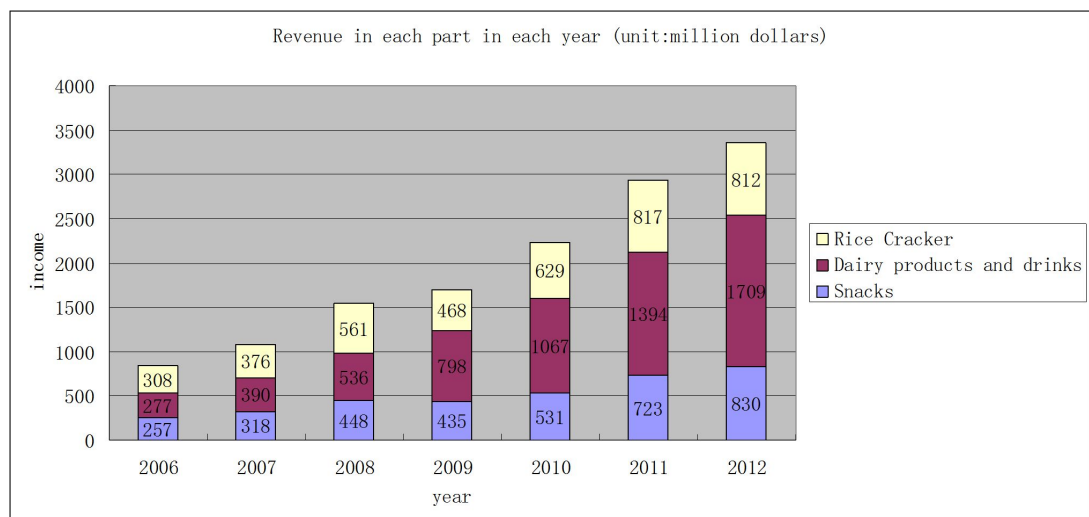


Figure 8 Want Want's revenue in different business parts from 2006 to 2012 (GOOGUU.NET, 2013)

From above bar chart, I find that total revenue from 2006 to 2012 was increasing and rise range became large from 2009 to 2012 compared with the range from 2006 to

2009. The revenue of dairy products and drinks took leader role gradually and kept rise momentum with the year passed. Income of other two parts also had a growing trend from 2006 to 2012. (GOOGUU.NET, 2013)

- Rice cracker: The gross margin came to 39% in 2012, ration increased 1.4% from 2011. The reasons of rise were the improvement measures for costs and decrease of raw materials;
- Dairy products and beverage: Gross margin of this kind of products was 39.5% in 2012, with year-on-year rise of 6.1%; main reason for growth was the rise of price. Hot product Mong Chai Milk's sales volume was increasing gradually; this phenomenon gave the power for revenue rise.
- Snacks: The gross margin in this part increased from 34.5% in 2011 to 40.4% in 2012. Revenue increased to 0.83 billion with rise rate of 14.8%. (GOOGUU.NET, 2013)

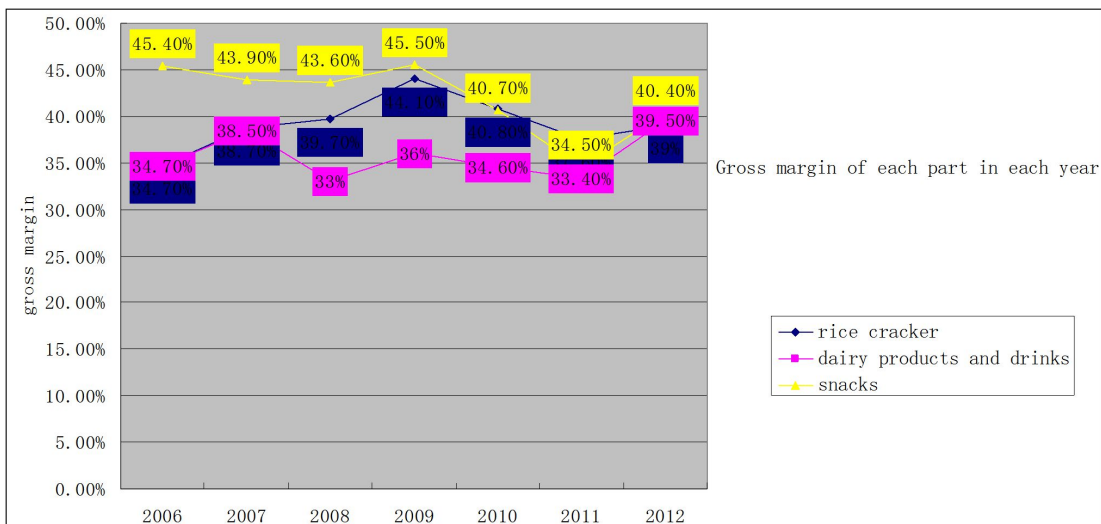


Figure 9 Want Want's gross margin in different business parts from 2006 to 2012 (GOOGUU.NET, 2013)

From above line chart I find that the gross margin in each part began to rise again from 2011 because Want Want controlled costs better. The gross margin of three fields became nearer and nearer, the differences had decrease trend. (GOOGUU.NET, 2013)



The performance in 2012 suited for expected results, the increase of gross margin was higher than expected performance. This situation compensated for the disappointment for low rise rate of rice cracker's revenue. The decrease of main materials helped the increase of gross margin. In dairy products part, this industry had a development. In next two years, the rise momentum of gross margin would keep because company controlled costs better and better and rise of product's price could cover the increase of materials' price. But the Spring Festival in 2013 was quite late and festival in 2014 was quite early, this caused that some sales in 2014 located in 2013's sales. The performance in 2014 may had a decrease compared with that in 2013. (Finance.China.Com, 2013)

### 4.3 SWOT Analysis

Strength:

- There are many kinds of products, such as sembei, snow cake, rice cake, noodle, rice, milk drink, beans, pancake and other snack food. The products include four types of rice cracker, dairy products and drinks, snacks, other (alcohol). These types are comprehensive; they almost suit for people to experience leisure time. There are many different products in each type; many new products appear every year to attract the attention of public.
- The prices of Want Want's products are quite cheap generally compared with similar products of other brands. The price could be accepted by most common people.
- Advertisement of Want Want is successful to be remembered by Chinese people; people who are young and old all know the phrase "I need fortune".
- The brand is influencing and famous, brand power makes customers relieved for products of this brand.
- The costs are quite low; it is a very important part for snacks companies.
- Selling channels of Want Want are various and wide, customers could buy products in many ways.

Weakness:

- Snack food are easy to deteriorate, this causes many loss of unsold overdue products.
- There are no innovative advertisement comes to public, old one could not attract people more.

Opportunity:

- Mong Chai is one of famous branch brands of Want Want, it has a healthy image and huge influence. Many Chinese people like Mong Chai.
- The products are sold in Chinese Mainland, Taiwan and some other Southeast Asian countries, the markets are international.
- People have more and more pressures nowadays; many people choose to eat some snacks to relief pressure.

Threat:

- Kraft, Hsu Fu Chi, Master Kong and other famous companies in similar business field have quite big competitiveness.
- Many well-known companies have similar product positioning with Want Want. (SHS.EDU.TW, 2009)

#### **4.4 Performance in Share Market**

In 2013, cash flow per share of Want Want was 0.07 Hong Kong dollars, this data ranked 7 in same industry's performance in cash flow per share. Profit per share of Want Want was 0.29 Hong Kong dollars, this figure ranked 4 in same industry's performance in profit per share. The main revenue per share was 0.40 Hong Kong dollars; it ranked 17 in snacks industry's share performance in main revenue. These three ranking figures showed that Want Want had a quite good performance in snacks share market in 2013. (QUOTES.MONEY.COM, 2014)

Want Want ever went to stock market in Singapore in 1996, but the results were not good. Then Want Want withdrew the place in Singaporean stock market. In 2008, Want Want went to stock market in Hong Kong Stock Exchange and name was defined as Want Want Holdings Limited. Per issuing share price was 3 Hong Kong dollars at that time. (Baidu Zhidao, 2011)

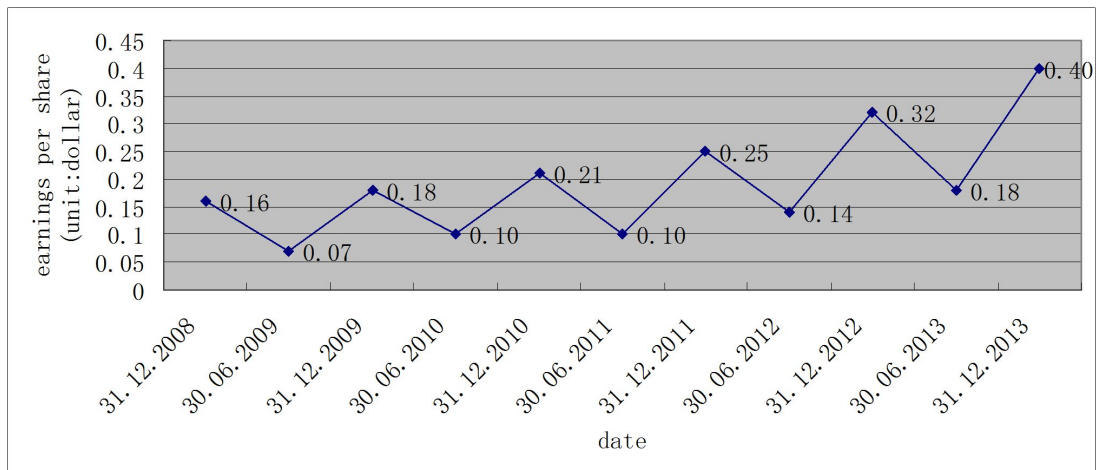


Figure 10 Earnings per share of Want Want from 2008 to 2013 (unit: dollar) (Quotes. Money, 2014)

From Figure 10 I find that earnings per share of Want Want had increase trend with fluctuations from 31.12.2008 to 31.12.2013. From 30.06 to 31.12 in 2013 earnings per share rose from 0.18 dollars to 0.40 dollars, this was a quite quick increase.

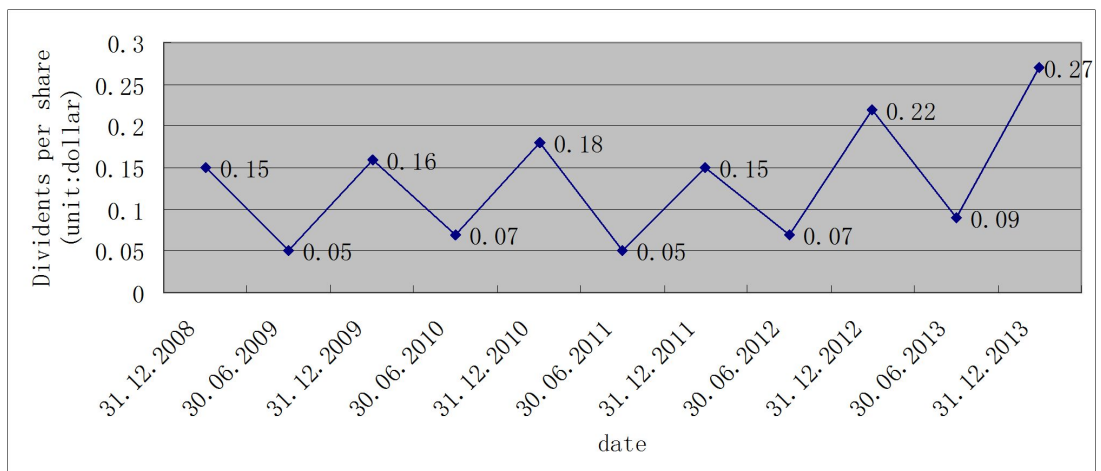


Figure 11 Dividends per share of Want Want from 2008 to 2013 (unit: dollar) (Quotes. Money, 2014)

From Figure 11 I find that dividends per share of Want Want rose with fluctuations except 2011 from 31.12.2008 to 31.12.2013. In 31.12.2008, dividend per share was 0.15 dollars, but the dividend per share went up to 0.27 dollars. Combining Figure 10 and Figure 11 I find that Want Want had a good trend in earnings per share and dividends per share from 2008 (the year when Want Want went into Hong Kong

Stock Exchange) to 2013. This phenomenon shows that Want Want had a quite good performance in stock market from entering stock market year to 2013, it could be one basis when judge whether invest in Want Want or not.

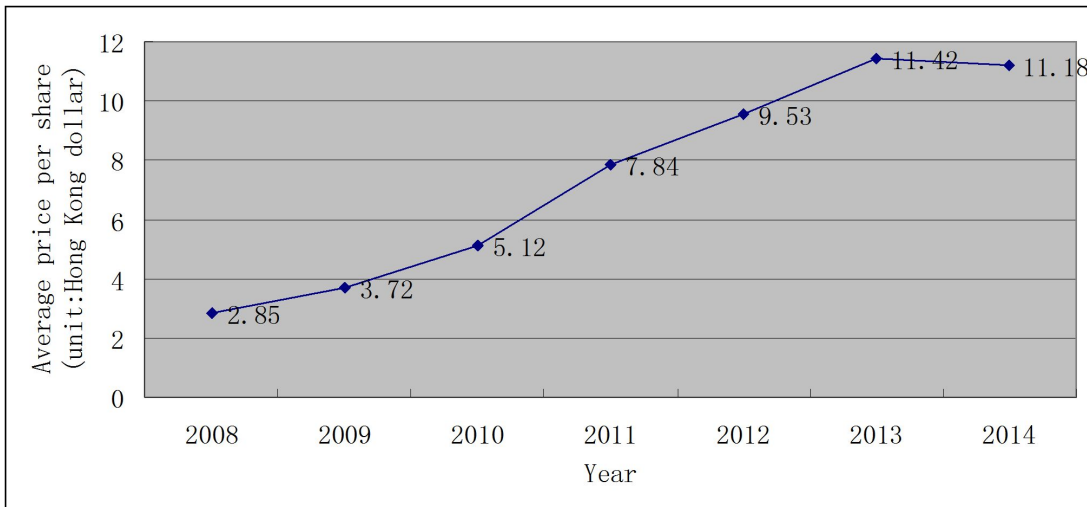


Figure 12 Average price per share of Want Want from 2008 to 2014 (unit: Hong Kong dollar) (Quotes. Money, 2014)

From Figure 12 I find that average price per share of Want Want had an obvious rise from 2008 to 2013, average price increased from 2.85 Hong Kong dollars to 11.42 Hong Kong dollars. But from 2013 to 2014, there is a decrease from 11.42 Hong Kong dollars to 11.18 Hong Kong dollars for average share price of Want Want. The momentum from 2008 to 2013 of Want Want's stocks was quite good, the performance of its shares at average share price, earnings per share and dividends per share were all developing from 2008 to 2013. But in 2014, share price started to descend. The decrease of share price will lead the drop of earning per share and dividend per share. It is a risk for investors to buy Want Want's stocks in 2014; if share price keep decrease momentum in 2014, investors will get a loss. But the descend range of average share price from 2013 to 2014 was not big; Want Want had a very good performance in stock market in 2013, share price may increase in the latter half of 2014. From the Want Want's developing performance in share market from 2008 to 2013, it is more possible for Want Want's average share price to increase in the next half 2014. (Quotes. Money, 2014)

## 5 PUBLIC PRAISE AND POPULARITY OF WANT WANT

### 5.1 Want Want In The View of Chinese Public

There are 100 respondents to answer my questionnaire for Chinese common public (appendix 1). I sent 150 questionnaires (appendix 1) to QQ users via QQ mailboxes randomly and I received 100 answers. The questionnaire (appendix 1) includes 12 questions, first 3 questions are associated with respondents' personal information, these questions are helpful for me to judge whether answers are universal; question 4 to question 8 are related to relations between respondents and Want Want's products, the answers of these questions could give the popularity and image of Want Want in Chinese common public; question 9 is about attracting points when people choose snacks, the answers of question 9 could combine with them of questions 11&12; questions 11&12 survey advantages and disadvantages of Want Want, through answers of questions 9&11&12 I could know whether Want Want is suitable for publics' choice points for snacks or not; question 10 is about finding 3 top brands that have the most counters in supermarkets, I could know strong competitors and if Want Want have many counters in supermarkets through answers of question 10.

- Gender, age group and occupation (Answers of questions 1—3 in appendix 1)

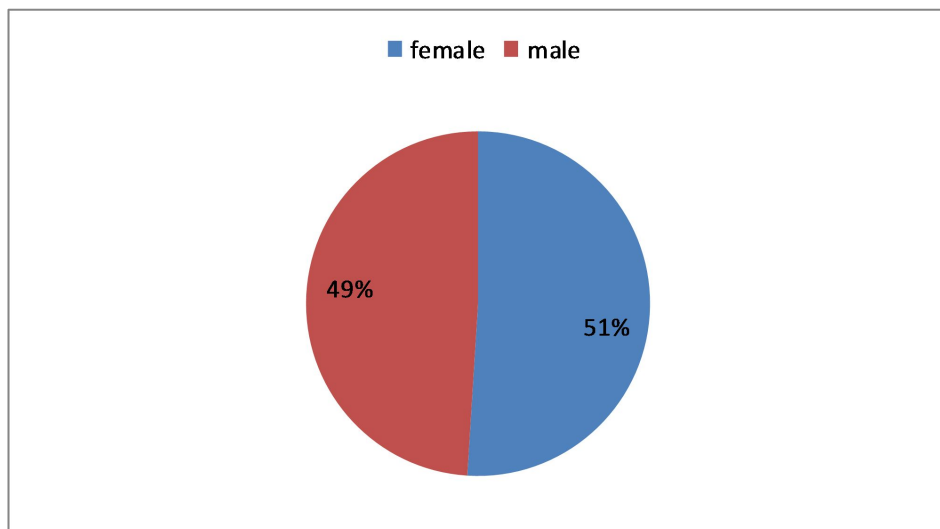


Figure 13 Amounts of respondents in different genders (n=100)

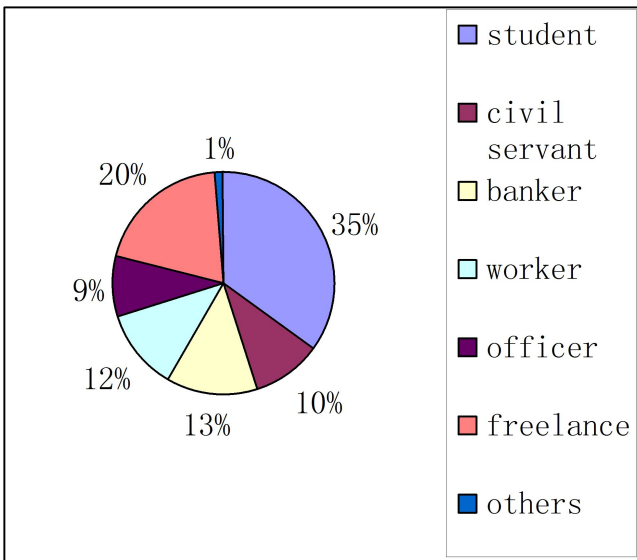


Figure 14 Amounts of respondents in different occupations (n=100)

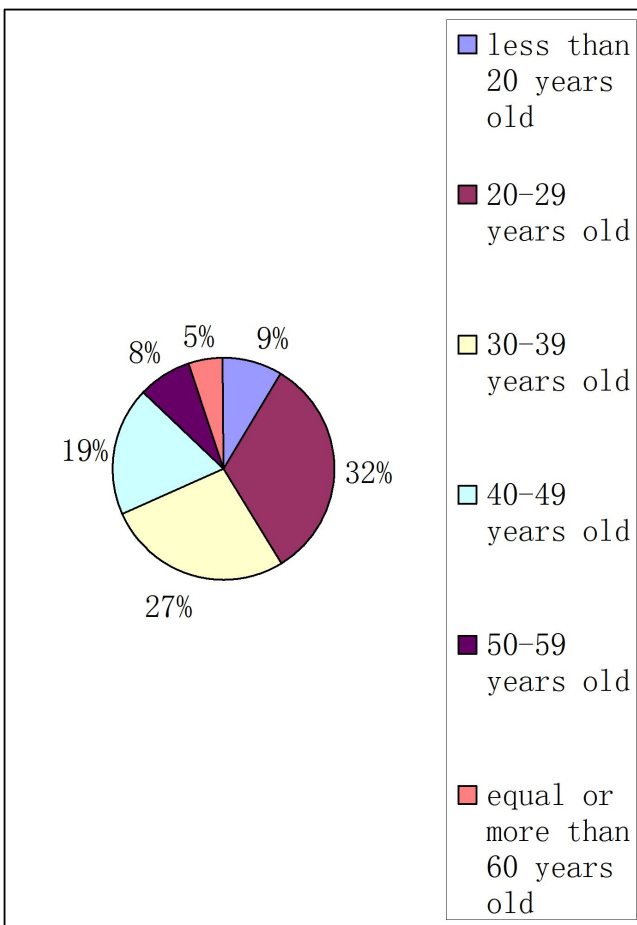


Figure 15 Amounts of respondents in different age groups (n=100)

From above three pie charts, I find that there are 49 males and 51 females in respondents. There are the most respondents locating on age group “20-29 years old”, accounting for 32%. 27% and 19% of respondents belong to age groups “30-39 years old” and “40-49 years old” respectively. The most respondents are students, this group accounts for 35%. Amounts of civil servants, bankers and workers are quite similar. From the results of first 3 questions in my questionnaire for Chinese public (appendix 1), I find that results have universality because amounts of respondents in gender, age and occupation groups have universality and these respondents are not concentrating on just one group. All the answers will be useful for analysis because of universality of results.

- Experience and feeling for Want Want’s products (Answers of questions 4—8 in appendix 1)

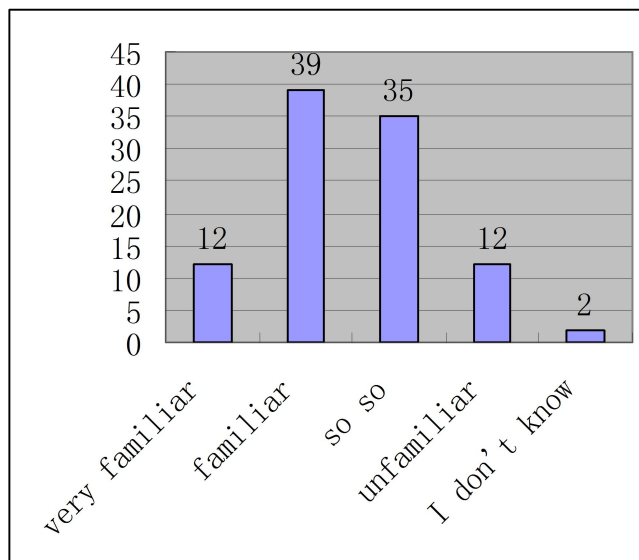


Figure 16 Numbers in each group of respondents who have different familiarity degree for Want Want’s products (n=100)

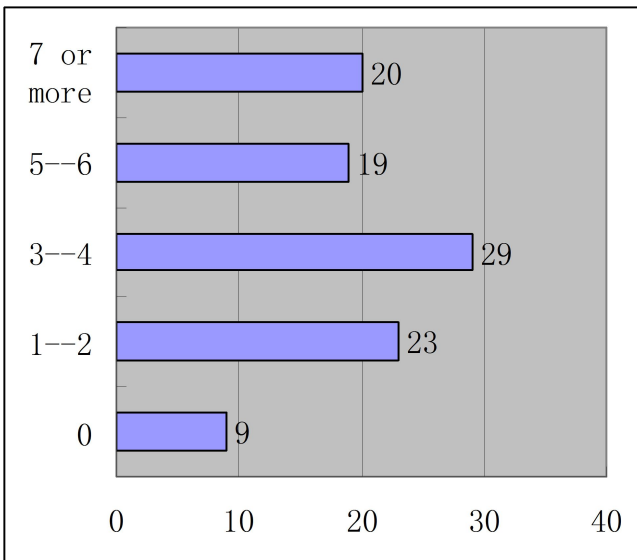


Figure 17 Numbers in each group of people who have different buying times for Want's products in one month (n=100)

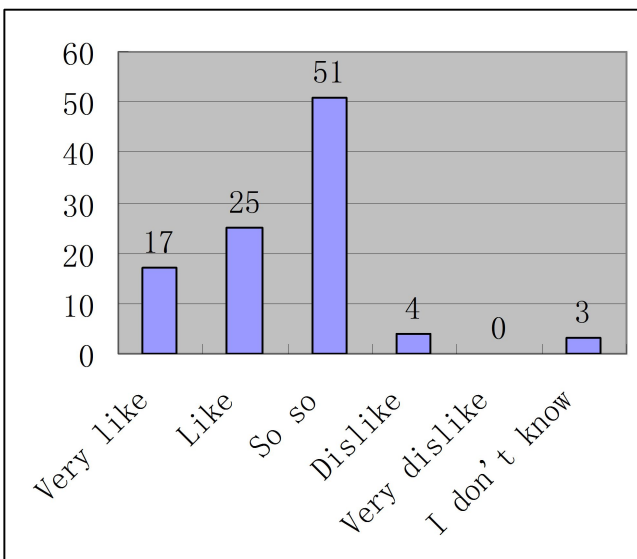


Figure 18 Numbers in each group of people who have different feelings for Want's products (n=100)



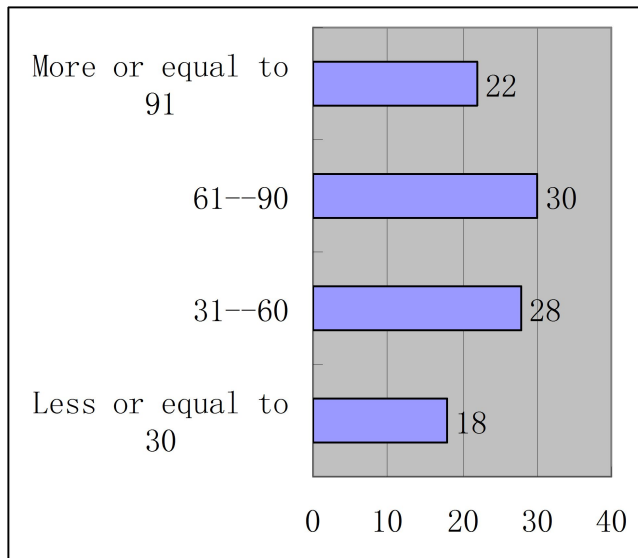


Figure 19 Quantities in each group of respondents who spend different amounts of money on Want Want's products each time averagely (unit: RMB) (n=98)

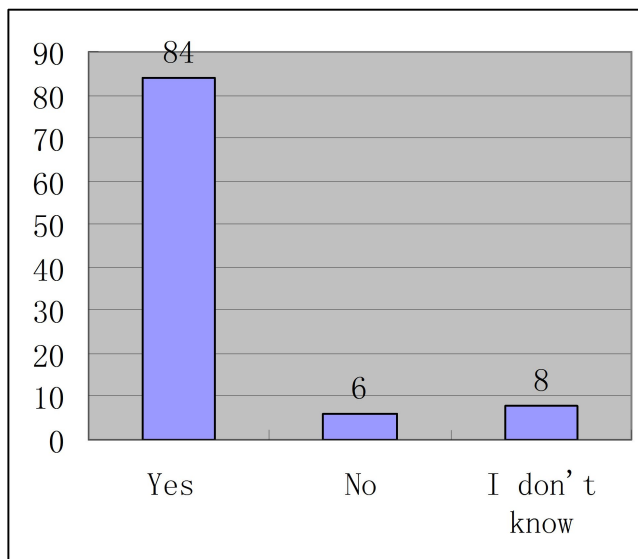


Figure 20 Numbers of respondents of different answers for whether there are many products of Want Want are sold in their surrounding supermarket (n=98)

From Figure 16 I find that the most respondents are familiar with Want Want's products most respondents are familiar with Want Want's products; only 14% of respondents are not familiar or don't know its products. It shows that Want Want is popular for Chinese people. 29% answerers buy Want Want's products 3—4 times in one month; only 9% answers don't buy its products; 23% respondents only buy Want Want's products 1—2 times in one month from data in Figure 17. Want Want could

develop to attract people who don't or buy its products few times. From Figure 18, 51% respondents feel so so for Want Want's products. At the same time, only 7% respondents feel dislike, hate or don't know its products. This shows that Want Want has a developing space for image in public, those people who feel so so are all the potential customers. Most answerers are willing to pay 61—90 RMB each time averagely for Want Want's products, these answerers account for 31% in whole respondents from Figure 19. There are 84% respondents think that many Want Want's products around them, this phenomenon shows that Want Want has many counters in supermarkets; namely Want Want has a quite big market.

- Top 3 snacks brands that have the most counters in around supermarkets' snack food areas of respondents (Answers of question 10 in appendix 1)

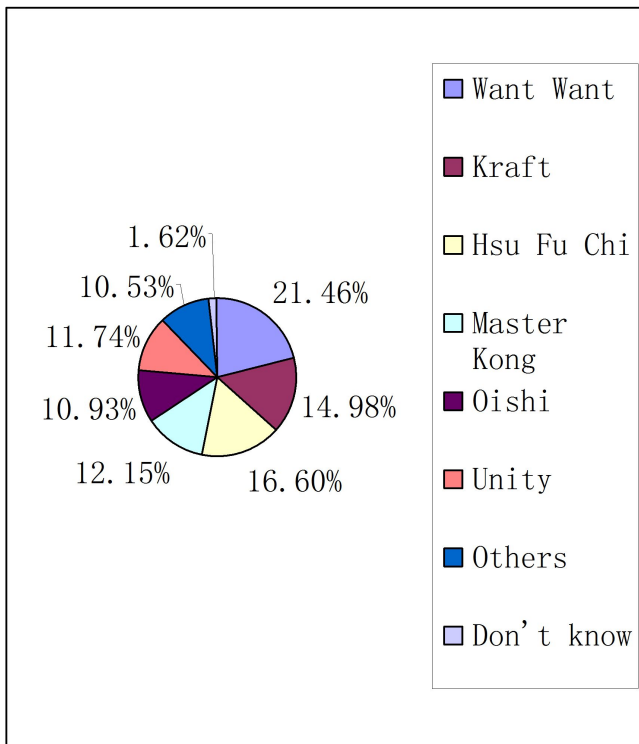


Figure 21 Percentages of each brand in the lists of “Top 3 snacks brands that have the most counters” of respondents (n=94)

From above pie chart I find that Want Want has the most counters in around supermarkets' snack food areas of answerers, answers of “Want Want” account for 21.46%. Next 2 brands are Hsu Fu Chi, which account for 16.60% and 14.98% in the lists of “Top 3 snacks brands that have the most counters” of respondents. Other

snacks brands, such as Master Kong, also have quite big competitiveness with Want Want in counters' amounts. From the answers of question 10 (in appendix 1) I find that Want Want lay on leader position in counters' amounts with some strong competitors (such as Hsu Fu Chi, Kraft and so on). Want Want has a quite big market, it is beneficial for sales volume; and then to be helpful share price of Want Want.

- Attracting points for respondents when they choose snacks, advantages and disadvantages of Want Want (Answers of question 9, 11&12 in appendix 1)

Table 13 Numbers and percentage of each attracting point for respondents when they choose snacks (Docs.google.com, 2014)

Attracting point	Numbers	Percentage
Price	62	28%
Quality	37	17%
Taste	72	33%
Popularity	34	16%
Advertisement	14	6%
Others	0	0%

Table 14 Numbers and percentage of each advantage of Want Want compared with other brands from the view of answerers (Docs.google.com, 2014)

Advantage	Numbers	Percentage
Reasonable price	7	3%
Good quality	18	9%
Attractive package	14	7%
Delicious and various taste	77	38%
Popularity of brand	58	29%
Special and memorable advertisement	24	12%
Not any	3	1%
Others	0	0%

Table 15 Numbers and percentage of each disadvantage of Want Want compared with other brands from the view of answerers (Docs.google.com, 2014)

Disadvantage	Numbers	Percentage
Cheaper price	77	46%
Better quality	22	13%
More attractive package	18	11%
Better taste	14	8%
More innovative advertisement	33	20%
Not any	5	3%
Others	0	0%

From Table 13 I find that answerers concentrate the most on taste, next important attracting point is price. From the point of respondents, good quality and popularity of snack brands have quite similar attractiveness for them. The most significant advantage and disadvantage of Want Want in the view of answerers are delicious and various taste and cheaper price respectively table 14 and table 15. Combining the results from Table 13 to Table 15 I find that Want Want has an advantage in taste and disadvantage in price to affect future sales volume and then influence investing prospect.

## 5.2 Want Want in the view of investors

I made a questionnaire (appendix 2) for investors, this questionnaire includes 12 questions. I sent questionnaire 10 questionnaires to mailboxes of investors randomly according to e-mail addresses in investors' field of Want Want's official website, and then I received 5 answers. Question 1 "How many years pass since your first share investment?" (In appendix 2) in my questionnaire (appendix 2) is searching respondents' association degree with stocks. Questions 2--4 "Have you ever bought the shares of companies, which have similar business field with Want Want?" "What are the companies and how about the situation of investing return?" "Why are you not interested in the stocks of companies in similar business field with Want Want?" (In appendix 2) are about finding respondents' experience with and feeling for shares of Want Want's business field. Questions 5-8 "How many times do you buy products of Want Want in one month?" "How many shares you bought from Want Want?" "How many shares you bought from Want Want?" "Why are you not interested in shares of Want Want?" (In appendix 2) are asked to know experience of respondents with Want Want's shares. Questions 9&10 "What are the advantages of Want Want's

shares compared with other companies' in snack food share market in your opinion?" "What are the disadvantages of Want Want's shares compared with other companies' in snacks stock market from your observation?"(In appendix 2) are about advantages and disadvantages of Want Want's stocks in the view of respondents. Question 11 "What do you think about snacks market's stocks, which stocks have good development momentum in your opinion?"(In appendix 2) is related to the suggestions of respondents for buying which snacks brand's stocks. Question 12 "What do you think about risks when invest in Want Want" (in appendix 2) collects the information of risks when invest in Want Want from the point of answerers.

From the answers of Question 1 "How many years pass since your first share investment?" (in appendix 2), there are two respondents have invested in stock market for over 10 years, another 3 answerers have 3, 5 and 8 years' investment experience respectively. These respondents have quite rich investment experience, their opinions and suggestions have certain reference value.

From answers of questions 2-4 "Have you ever bought the shares of companies, which have similar business field with Want Want?" "What are the companies and how about the situation of investing return?" "Why are you not interested in the stocks of companies in similar business field with Want Want?" (In appendix 2), answerers all have bought shares of companies, which have similar business field with Want Want. Two respondents have bought Kraft's stocks, one of them think investing return is good; the other one feel investing return is just so so. Another two answerers bought shares of Hsu Fu Chi, both of them think that investing return did not achieve expected level. One respondent bought shares of Oishi, he did not get a satisfied investing return. From the answers I find that Kraft's stocks have a quite good performance in investing return from the point of respondents.

From answers of questions 5-8 "How many times do you buy products of Want Want in one month?" "How many shares you bought from Want Want?" "How many shares you bought from Want Want?" "Why are you not interested in shares of Want Want?" (in appendix 2) I find that 4 answerers have bought shares of Want Want, they do not willing to say amounts of shares they bought; but they all answer that Want Want's shares had a investing value in long term. The respondent who has not bought shares of Want Want feels that the investing return from Kraft's shares makes him satisfied; he puts his money into Kraft's stocks. I find useful information is that Want Want is suitable for long-term investment.

From answers of questions 9& 10“What are the advantages of Want Want's shares compared with other companies' in snack food share market in your opinion?” “What are the disadvantages of Want Want's shares compared with other companies' in snacks stock market from your observation?”(In appendix 2) respondents said that Want Want’s share price kept increase momentum until 2013, share price went down a little in 2014 because the rise of raw materials’ price. They said that price of raw materials will decrease according to export’s forecast in the latter half of 2014, so they estimated that share price of Want Want will increase in the latter half of 2014. They think that stocks’ prices of Want Want are reliable and stocks have a developing prospect. But Want Want relies much on price of materials; this leads the restrictions for Want Want’s performance in share market.

The answers of question 11“What do you think about snacks market's stocks, which stocks have good development momentum in your opinion?”(in appendix 2) said that Want Want’s shares have a good development momentum in long-term and the shares of Unity are suitable for short-term investment. In the replies of question 12“What do you think about risks when invest in Want Want” (in appendix 2), answerers think that the price increase of materials in 2014, high evaluation value of Want Want’s shares are the risks when invest in Want Want.

Combining the replies of these 5 investors, Want Want is suitable for long-term investment; Kraft and Unity have certain investment value.

## 6 CONCLUSIONS AND SUGGESTIONS

**With the improvement of Chinese people living level, the demand for snacks increases continuously and it has the momentum to keep increasing quickly. But at the same time, competition becomes fiercer. Kraft became the biggest brand in snacks field after buying many international snack food factories. This phenomenon gave more space for domestic companies because international competitors became from some to one. Want Want, Hsu Fu Chi, Mater Kong and some other scaling domestic companies got better development chances. This phenomenon is a positive factor when consider whether invest in Want Want or not.**

**Want Want had some advantages from angle of net profit ratio. But from point of gross margin, Want Want was not as good as other companies. Hsu Fu Chi was a powerful competitor of Want Want, the comprehensive strength of Hsu Fu Chi was equaled by Want Want from 2006 to 2009. The strong competitive strength of Want Want in net profit ratio leads the rise of share price from 2008 to 2009.**

All the products of Want Want developed and performed well and stably in their role in 2010, it showed that Want Want's financial performance in market was good in this year. The good performance of financial performance brought the rise of share price in 2010. From 2010 to 2013, Want Want kept developing momentum in financial performance. This situation ensured the increase of share price from 2010 to 2013. But the Spring Festival in 2013 was quite late and festival in 2014 was quite early, this caused that some sales in 2014 located in 2013's sales. The performance in 2014 may had a decrease compared with that in 2013. Share price of Want Want kept increasing from 2008 to 2013 and there was a big increase range from 2012 to 2013. But in first half of 2014, share price of Want Want had a small descend.

Want Want is popular and it has big market, Want Want has an advantage in taste and disadvantage in price to affect future sales volume and then influence investing prospect. The acceptance of taste of Want Want's products ensures its performance in market. But there is a risk for investors because many people feel dissatisfied with price of Want Want's products. From the view of investors, they think that Want Want is suitable for long-term investment.

I think that the increase trend of share price from 2008 to 2010 is positive factor; but Want Want's gross margin relies much on price of raw materials, price of Want

Want's products are quite high for public, the fluctuation of materials' price and high price of products are risks for investors. I suggest that people could buy Want Want's shares in first half of 2014 in low price and investment could be long-term.



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Appendices

Appendix 1 Questionnaire for Chinese common public

How much do you know about Want Want?

Dear Lady or Gentleman:

I am a bachelor student of Savonia University of Applied Sciences, my major is International Business. I am making a research in investing field; I am looking forward to your support and reply.

This questionnaire is to know the popularity of Want Want, the popularity could be one of bases when I consider whether investing in Want Want or not. The respondents are common Chinese public, questionnaires are sent randomly via QQ mailboxes; I am very happy that questionnaire could send to you. This questionnaire is just the base of my thesis; I hope that you could answer questions without scruple.

Thank you very much for your attention and support, I am sorry that this questionnaire wastes your precious time.

Bachelor Student Hu Dandan, International Business, Savonia University of Applied Sciences (2012th)

16.03.2014

- 1 What is your gender? (single option) (This question is to know popularity of Want Want for people in different genders)
  - Male
  - Female
  
- 2 What is your age group? (single option) (This question is to know popularity of Want Want for people in different age groups.)
  - Less than 20 years old
  - 20-29 years old
  - 30-39 years old
  - 40-49 years old
  - 50-59 years old
  - Equal or more than 60 years old
  
- 3 What is your occupation? (single option) (This question is to know popularity of Want Want for people in different occupations.)
  - Student
  - civil servant
  - banker
  - worker
  - officer
  - Freelance
  - Others
  
- 4 How much do you know about products of Want Want? (single option) (This question is to know your feeling for Want Want.)
  - Very Familiar
  - Familiar
  - So so
  - Unfamiliar

- I don't know
- 5 How many times do you buy products of Want Want in one month? (single option) (This question is to know your buying times for Want Want's products.)
- 0
  - 1-2
  - 3-4
  - 5-6
  - 7 or more
- 6 Do you like its products? (This is to know your feeling for its products.)
- Very like
  - Like
  - So so
  - Dislike
  - Very dislike
  - I don't know
- 7 How much money do you spend every time when you buy Want Want's product averagely? (RMB) (single option) (This is to know your costs for Want Want's products.)
- Less or equal to 30
  - 31-60
  - 61-90
  - more or equal to 91
- 8 In the supermarkets around you, are there many products of Want Want are sold? (single option)
- Yes
  - No
  - I don't know
- 9 What are the main attracting points when you choose snacks? (Multiple options)
- Price
  - Quality
  - Package
  - Taste
  - Popularity
  - Advertisement
  - Others
- 10 What are the top 3 brands, which have the most counters in snack food areas in supermarkets from your observation? (Write 3 names of snacks, which are popular in your opinion. This question is to know some good options in snacks field when I make investment suggestions.)
- 11 What are the advantages of Want Want compared with other brands in same business field in your opinion? (Multiple options)
- Reasonable price
  - Good quality
  - Attractive package
  - Delicious and various taste
  - Popularity of brand
  - Special and memorable advertisement
  - Not any
  - Others

- 12 What are the factors that Want Want should improve in snacks field in your opinion? (Multiple options)
- Cheaper price
  - Better quality
  - More attractive package
  - Better taste
  - More innovative advertisement
  - Not any
  - Others

## Appendix 2 Questionnaire for investors

Do you know Want Want?

Dear Lady or Gentleman:

I am a bachelor student of Savonia University of Applied Sciences, my major is International Business. I am making a research in investing field, I am looking forward to your support and reply.

The questionnaire is to know the investing value of Want Want from investors' view, answers could be one of bases when I consider whether investing in Want Want or not. The respondents are investors who put mailbox information on website, it is an honour to have a chance to contact you via questionnaire. This questionnaire is just the base of my thesis, I hope that you could answer questions without scruple.

Thank you very much for your attention and support, I am sorry that this questionnaire wastes your precious time.

Bachelor Student Hu Dandan, International Business, Savonia University of Applied Sciences (2012th)

16.03.2014

1. How many years pass since your first share investment? (About your association degree with stocks)
2. Have you ever bought the shares of companies, which have similar business field with Want Want? If you answer yes, please turn to question 3; if you answer no, please turn to question 4.
  - Yes
  - No
3. What are the companies and how about the situation of investing return? (About your investing experience with Want Want's business field)
4. Why are you not interested in the stocks of companies in similar business field with Want Want? (Feeling for shares in Want Want's business field)
5. Have you ever bought the shares of Want Want? If you answer yes, please turn to question 6 & 7; if you answer no, please turn to question 8.
  - Yes
  - No
6. How many shares you bought from Want Want? (About your investing experience with Want Want)
7. How about the situation of investing return? (About your investing experience with Want Want)
8. Why are you not interested in shares of Want Want? (Feeling for Want Want's shares)
9. What are the advantages of Want Want's shares compared with other companies' in snack food share market in your opinion?



10. What are the disadvantages of Want Want's shares compared with other companies' in snacks stock market from your observation?
11. What do you think about snacks market's stocks, which stocks have good development momentum in your opinion?
12. What do you think about the risks when invest in Want Want? (Influencing factors for share price of Want Want)