The following is the text of a report set out on pages IA-1 to IA-126, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF MINISO GROUP HOLDING LIMITED, MERRILL LYNCH (ASIA PACIFIC) LIMITED, HAITONG INTERNATIONAL CAPITAL LIMITED AND UBS SECURITIES HONG KONG LIMITED

Introduction

We report on the historical financial information of MINISO Group Holding Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages IA-4 to IA-126, which comprises the consolidated statements of financial position of the Group as at June 30, 2019, 2020 and 2021 and December 31, 2021, the statements of financial position of the Company as at June 30, 2020 and 2021 and December 31, 2021 and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended June 30, 2019, 2020 and 2021 and the six months ended December 31, 2021 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages IA-4 to IA-126 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated June 30, 2022 (the "Prospectus") in connection with the listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified

Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's financial position as at June 30, 2019, 2020 and 2021 and December 31, 2021, the Company's financial position as at June 30, 2020 and 2021 and December 31, 2021 and of the Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended December 31, 2020 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Historical Financial Statements as defined on page IA-4 have been made.

Dividends

We refer to Note 31(e) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
June 30, 2022

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Historical Financial Information in this report was prepared by the directors of the Company based on previously issued consolidated financial statements of the Group as of and for the years ended June 30, 2019, 2020 and 2021 audited by KPMG Huazhen LLP in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB") relating to the financial statements, and the unaudited condensed financial information of the Group for the six months ended December 31, 2021 (collectively referred as the "Historical Financial Statements"), after making additional disclosures for the purpose of this report.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Expressed in thousands of Renminbi, except for per share data)

		For the year ended June 30,			For the six months ended December 31,	
	Note	**2019**	**2020**	**2021**	**2020**	**2021**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(unaudited)	
Continuing operations						
Revenue	*6*	9,394,911	8,978,986	9,071,659	4,369,860	5,426,908
Cost of sales	*8*	(6,883,931)	(6,246,488)	(6,640,973)	(3,204,716)	(3,835,566)
Gross profit		2,510,980	2,732,498	2,430,686	1,165,144	1,591,342
Other income	*7*	10,468	37,208	52,140	43,804	18,586
Selling and distribution expenses	*8*	(818,318)	(1,190,477)	(1,206,782)	(627,492)	(725,622)
General and administrative expenses	*8*	(593,205)	(796,435)	(810,829)	(441,163)	(432,696)
Other net income/(loss)	*9*	24,423	45,997	(40,407)	(70,755)	45,964
Credit loss on trade and other receivables		(90,124)	(25,366)	(20,832)	(17,387)	(19,091)
Impairment loss on non-current assets		(27,542)	(36,844)	(2,941)	–	(9,536)
Operating profit		1,016,682	766,581	401,035	52,151	468,947
Finance income		7,311	25,608	40,433	23,044	26,437
Finance costs		(25,209)	(31,338)	(28,362)	(13,860)	(17,266)
Net finance (costs)/income	*10*	(17,898)	(5,730)	12,071	9,184	9,171
Fair value changes of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights	*30*	(709,780)	(680,033)	(1,625,287)	(1,625,287)	–
Share of loss of an equity-accounted investee, net of tax		–	–	(4,011)	–	(8,162)
Profit/(loss) before taxation		289,004	80,818	(1,216,192)	(1,563,952)	469,956
Income tax expense	*11*	(279,583)	(210,949)	(213,255)	(91,615)	(131,338)
Profit/(loss) for the year/period from continuing operations		9,421	(130,131)	(1,429,447)	(1,655,567)	338,618
Discontinued operations						
Loss for the year/period from discontinued operations, net of tax	*5*	(303,830)	(130,045)	–	–	–
(Loss)/profit for the year/period		(294,409)	(260,176)	(1,429,447)	(1,655,567)	338,618

		For the year ended June 30,			For the six months ended December 31,	
	Note	**2019**	**2020**	**2021**	**2020**	**2021**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(unaudited)	
Attributable to:						
Equity shareholders of the Company		(290,647)	(262,267)	(1,415,010)	(1,651,857)	336,779
– Continuing operations		13,183	(132,222)	(1,415,010)	(1,651,857)	336,779
– Discontinued operations		(303,830)	(130,045)	–	–	–
Non-controlling interests		(3,762)	2,091	(14,437)	(3,710)	1,839
– Continuing operations		(3,762)	2,091	(14,437)	(3,710)	1,839
(Loss)/profit for the year/period		(294,409)	(260,176)	(1,429,447)	(1,655,567)	338,618
(Loss)/earnings per share						
Basic (loss)/earnings per share (RMB)	*12*	(0.32)	(0.26)	(1.18)	(1.52)	0.28
Diluted (loss)/earnings per share (RMB)	*12*	(0.32)	(0.26)	(1.18)	(1.52)	0.28
Earnings/(loss) per share – Continuing operations						
Basic earnings/(loss) per share (RMB)	*12*	0.01	(0.12)	(1.18)	(1.52)	0.28
Diluted earnings/(loss) per share (RMB)	*12*	0.01	(0.12)	(1.18)	(1.52)	0.28

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in thousands of Renminbi)

	Note	For the year ended June 30,			For the six months ended December 31,	
		2019	2020	2021	2020	2021
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(unaudited)	
(Loss)/profit for the year/period		(294,409)	(260,176)	(1,429,447)	(1,655,567)	338,618
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of financial statements of foreign operations	*13*	(4,834)	6,361	(16,548)	(47,773)	9,177
Other comprehensive (loss)/income for the year/period		(4,834)	6,361	(16,548)	(47,773)	9,177
Total comprehensive (loss)/income for the year/period		(299,243)	(253,815)	(1,445,995)	(1,703,340)	347,795
Attributable to:						
Equity shareholders of the Company		(296,062)	(256,583)	(1,429,621)	(1,698,955)	345,545
– Continuing operations		10,531	(129,026)	(1,429,621)	(1,698,955)	345,545
– Discontinued operations		(306,593)	(127,557)	–	–	–
Non-controlling interests		(3,181)	2,768	(16,374)	(4,385)	2,250
– Continuing operations		(3,181)	2,768	(16,374)	(4,385)	2,250
Total comprehensive (loss)/income for the year/period		(299,243)	(253,815)	(1,445,995)	(1,703,340)	347,795

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of Renminbi)

	Note	As at June 30, 2019	As at June 30, 2020	As at June 30, 2021	As at December 31, 2021
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS					
Non-current assets					
Property, plant and equipment	*14*	115,845	88,062	76,316	376,021
Right-of-use assets	*15*	460,868	502,867	689,887	2,391,803
Intangible assets	*16*	49,876	69,091	61,005	53,319
Goodwill	*17*	–	–	19,640	19,640
Deferred tax assets	*11(d)*	87,807	183,520	168,552	161,018
Prepayments	*18*	–	6,112	138,481	203,390
Interest in an equity-accounted investee	*19*	–	–	352,062	–
		714,396	849,652	1,505,943	3,205,191
Current assets					
Other investments	*20*	356,265	–	102,968	208,289
Inventories	*21*	1,308,957	1,395,674	1,496,061	1,360,994
Trade and other receivables	*22*	830,751	729,889	824,725	1,113,506
Cash and cash equivalents	*23*	1,546,280	2,853,980	6,771,653	5,151,456
Restricted cash	*24*	8,917	7,056	3,680	7,347
		4,051,170	4,986,599	9,199,087	7,841,592
Assets held for sale	*5*	460,549	–	–	–
		4,511,719	4,986,599	9,199,087	7,841,592
Total assets		5,226,115	5,836,251	10,705,030	11,046,783
EQUITY					
Share capital	*31(a)*	–	69	92	92
Additional paid-in capital	*31(a)*	141,044	162,373	8,289,160	7,982,522
Other reserves	*31(b)*	259,923	625,984	928,005	999,697
Accumulated losses		(525,756)	(1,125,055)	(2,558,291)	(2,245,972)
(Deficit)/equity attributable to equity shareholders of the Company		(124,789)	(336,629)	6,658,966	6,736,339
Non-controlling interests		10,815	13,583	(6,812)	(4,562)
Total (deficit)/equity		(113,974)	(323,046)	6,652,154	6,731,777

	Note	As at June 30, 2019	As at June 30, 2020	As at June 30, 2021	As at December 31, 2021
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
LIABILITIES					
Non-current liabilities					
Contract liabilities	*6*	77,673	74,226	59,947	53,572
Loans and borrowings	*26*	5,310	15,207	6,925	6,369
Lease liabilities	*28*	309,833	378,894	483,144	411,304
Deferred income	*29*	–	–	20,005	16,729
Paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights	*30*	1,701,294	2,381,327	–	–
		2,094,110	2,849,654	570,021	487,974
Current liabilities					
Loans and borrowings	*26*	2,750	401,182	13,669	5,182
Trade and other payables	*27*	2,363,739	2,419,795	2,809,182	3,189,086
Contract liabilities	*6*	243,873	218,287	266,919	276,537
Lease liabilities	*28*	186,737	224,080	321,268	268,425
Deferred income	*29*	–	–	6,060	5,980
Current taxation		84,216	46,299	65,757	81,822
		2,881,315	3,309,643	3,482,855	3,827,032
Liabilities directly associated with the assets held for sale	*5*	364,664	–	–	–
		3,245,979	3,309,643	3,482,855	3,827,032
Total liabilities		5,340,089	6,159,297	4,052,876	4,315,006
Total equity and liabilities		5,226,115	5,836,251	10,705,030	11,046,783

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in thousands of Renminbi)

	Note	As at June 30,		As at December 31,
		2020	2021	2021
		RMB'000	*RMB'000*	*RMB'000*
ASSETS				
Non-current assets				
Interest in an equity-accounted investee	*19*	–	352,062	–
Investments in subsidiaries				
– Cost-accounted investments in subsidiaries		–*	–*	2,034,450
– Amounts due from subsidiaries		988,252	3,887,724	2,349,220
		988,252	4,239,786	4,383,670
Current assets				
Other receivables		7,082	3,031	21,056
Cash and cash equivalents	*23*	153,889	925,638	402,937
		160,971	928,669	423,993
Total assets		1,149,223	5,168,455	4,807,663
EQUITY				
Share capital	*31(a)*	69	92	92
Additional paid-in capital	*31(a)*	162,373	8,289,160	7,982,522
Other reserves		(1,547,333)	(1,721,689)	(1,773,450)
Retained earnings/(accumulated losses)		152,787	(1,428,887)	(1,427,925)
Total (deficit)/equity		(1,232,104)	5,138,676	4,781,239
LIABILITIES				
Non-current liabilities				
Redeemable shares with other preferential rights	*30*	2,381,327	–	–
Deferred income	*29*	–	20,005	16,729
		2,381,327	20,005	16,729
Current liabilities				
Other payables		–	3,714	3,715
Deferred income	*29*	–	6,060	5,980
		–	9,774	9,695
Total liabilities		2,381,327	29,779	26,424
Total equity and liabilities		1,149,223	5,168,455	4,807,663

* The amount was less than RMB1,000.

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in thousands of Renminbi)

	Note	Share capital	Additional paid-in capital	Merger reserve	Treasury shares	Share-based payment reserve	Translation reserve	PRC statutory reserve	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity/ (deficit)
		Attributable to equity shareholders of the Company										
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 31(a)	*Note 31(a)*	*Note 31(b)(i)*	*Note 31(b)(v)*	*Note 31(b)(iii)*	*Note 31(b)(ii)*	*Note 31(b)(iv)*				
Balance at July 1, 2018		–	370,272	–	–	–	(5,664)	52,141	146,336	563,085	1,528	564,613
Changes in equity for the year ended June 30, 2019												
Loss for the year		–	–	–	–	–	–	–	(290,647)	(290,647)	(3,762)	(294,409)
Other comprehensive (loss)/income for the year		–	–	–	–	–	(5,415)	–	–	(5,415)	581	(4,834)
Total comprehensive loss for the year		–	–	–	–	–	(5,415)	–	(290,647)	(296,062)	(3,181)	(299,243)
Capital injection from shareholders		–	110,851	–	–	–	–	–	–	110,851	–	110,851
Consolidation of special purpose vehicles	*31(b)(v)*	–	8,694	–	(8,694)	–	–	–	–	–	–	–
Acquisition of non-controlling interest		–	–	(10,956)	–	–	–	–	–	(10,956)	6,687	(4,269)
Liabilities waived by shareholders	*25(d)*	–	13,489	–	–	–	–	–	–	13,489	5,781	19,270
Business combination under common control	*31(b)(i)*	–	(262,262)	128,868	–	–	–	–	–	(133,394)	–	(133,394)
Deemed distribution	*31(c)*	–	(100,000)	–	–	–	–	(37,387)	(356,473)	(493,860)	–	(493,860)
Equity settled share-based transactions	*31(b)(iii)*	–	–	–	–	122,058	–	–	–	122,058	–	122,058
Appropriation to statutory reserve	*31(b)(iv)*	–	–	–	–	–	–	24,972	(24,972)	–	–	–
Balance at June 30, 2019		–	141,044	117,912	(8,694)	122,058	(11,079)	39,726	(525,756)	(124,789)	10,815	(113,974)

The accompanying notes form part of the Historical Financial Information.

	Note	Attributable to equity shareholders of the Company										
		Share capital	Additional paid-in capital	Merger reserve	Treasury shares	Share-based payment reserve	Translation reserve	PRC statutory reserve	Accumulated losses	Total	Non-controlling interests	Total (deficit) /equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 31(a)	*Note 31(a)*	*Note 31(b)(i)*	*Note 31(b)(v)*	*Note 31(b)(iii)*	*Note 31(b)(ii)*	*Note 31(b)(iv)*				
Balance at July 1, 2019		–	141,044	117,912	(8,694)	122,058	(11,079)	39,726	(525,756)	(124,789)	10,815	(113,974)
Changes in equity for the year ended June 30, 2020												
Loss for the year		–	–	–	–	–	–	–	(262,267)	(262,267)	2,091	(260,176)
Other comprehensive income for the year		–	–	–	–	–	5,684	–	–	5,684	677	6,361
Total comprehensive (loss)/income for the year		–	–	–	–	–	5,684	–	(262,267)	(256,583)	2,768	(253,815)
Issuance of ordinary shares		69	10,630	–	–	–	–	–	–	10,699	–	10,699
Consolidation of special purpose vehicles	*31(b)(v)*	–	10,699	–	(10,699)	–	–	–	–	–	–	–
Equity settled share-based transactions	*31(b)(iii)*	–	–	–	–	364,380	–	–	–	364,380	–	364,380
Dividend declared	*31(e)*	–	–	–	–	–	–	–	(330,336)	(330,336)	–	(330,336)
Appropriation to statutory reserve	*31(b)(iv)*	–	–	–	–	–	–	6,696	(6,696)	–	–	–
Balance at June 30, 2020		69	162,373	117,912	(19,393)	486,438	(5,395)	46,422	(1,125,055)	(336,629)	13,583	(323,046)

The accompanying notes form part of the Historical Financial Information.

	Note	Attributable to equity shareholders of the Company										
		Share capital	**Additional paid-in capital**	**Merger reserve**	**Treasury shares**	**Share-based payment reserve**	**Translation reserve**	**PRC statutory reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total (deficit) /equity**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 31(a)	*Note 31(a)*	*Note 31(b)(i)*	*Note 31(b)(v)*	*Note 31(b)(iii)*	*Note 31(b)(ii)*	*Note 31(b)(iv)*				
Balance at July 1, 2020		69	162,373	117,912	(19,393)	486,438	(5,395)	46,422	(1,125,055)	(336,629)	13,583	(323,046)
Changes in equity for the year ended June 30, 2021												
Loss for the year		–	–	–	–	–	–	–	(1,415,010)	(1,415,010)	(14,437)	(1,429,447)
Other comprehensive loss for the year		–	–	–	–	–	(14,611)	–	–	(14,611)	(1,937)	(16,548)
Total comprehensive loss for the year		–	–	–	–	–	(14,611)	–	(1,415,010)	(1,429,621)	(16,374)	(1,445,995)
Capital injection from shareholders		1	1,193	–	–	–	–	–	–	1,194	–	1,194
Consolidation of special purpose vehicles	*31(b)(v)*	–	973	–	(973)	–	–	–	–	–	–	–
Issuance of ordinary shares relating to initial public offering and exercise of the over-allotment option, net of underwriting commissions and other issuance costs	*31(a)(iii)*	9	4,178,851	–	–	–	–	–	–	4,178,860	–	4,178,860
Release of ordinary shares from share award scheme	*31(a)(v)*	5	(18,065)	–	18,060	–	–	–	–	–	–	–
Conversion of Series A preferred shares into Class A ordinary shares	*31(a)(iv)*	8	3,963,835	–	–	–	–	–	–	3,963,843	–	3,963,843
Equity settled share-based transactions	*31(b)(iii)*	–	–	–	–	281,319	–	–	–	281,319	–	281,319
Appropriation to statutory reserve	*31(b)(iv)*	–	–	–	–	–	–	18,226	(18,226)	–	–	–
Acquisition of a subsidiary with non-controlling interests		–	–	–	–	–	–	–	–	–	(4,021)	(4,021)
Balance at June 30, 2021		92	8,289,160	117,912	(2,306)	767,757	(20,006)	64,648	(2,558,291)	6,658,966	(6,812)	6,652,154

The accompanying notes form part of the Historical Financial Information.

	Note	Attributable to equity shareholders of the Company										
		Share capital	Additional paid-in capital	Merger reserve	Treasury shares	Share-based payment reserve	Translation reserve	PRC statutory reserve	Accumulated losses	Total	Non-controlling interests	Total (deficit) /equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 31(a)	*Note 31(a)*	*Note 31(b)(i)*	*Note 31(b)(v)*	*Note 31(b)(iii)*	*Note 31(b)(ii)*	*Note 31(b)(iv)*				
Balance at July 1, 2020		69	162,373	117,912	(19,393)	486,438	(5,395)	46,422	(1,125,055)	(336,629)	13,583	(323,046)
Changes in equity for the six months ended December 31, 2020 (unaudited)												
Loss for the period		–	–	–	–	–	–	–	(1,651,857)	(1,651,857)	(3,710)	(1,655,567)
Other comprehensive loss for the period		–	–	–	–	–	(47,098)	–	–	(47,098)	(675)	(47,773)
Total comprehensive loss for the period		–	–	–	–	–	(47,098)	–	(1,651,857)	(1,698,955)	(4,385)	(1,703,340)
Capital injection from shareholders		1	1,193	–	–	–	–	–	–	1,194	–	1,194
Consolidation of special purpose vehicles	*31(b)(v)*	–	973	–	(973)	–	–	–	–	–	–	–
Issuance of ordinary shares relating to initial public offering and exercise of the over-allotment option, net of underwriting commissions and other issuance costs	*31(a)(iii)*	9	4,178,851	–	–	–	–	–	–	4,178,860	–	4,178,860
Release of ordinary shares from share award scheme	*31(a)(v)*	5	(18,065)	–	18,060	–	–	–	–	–	–	–
Conversion of Series A preferred shares into Class A ordinary shares	*31(a)(iv)*	8	3,963,835	–	–	–	–	–	–	3,963,843	–	3,963,843
Equity settled share-based transactions	*31(b)(iii)*	–	–	–	–	216,377	–	–	–	216,377	–	216,377
Appropriation to statutory reserve	*31(b)(iv)*	–	–	–	–	–	–	17,753	(17,753)	–	–	–
Balance at December 31, 2020 (unaudited)		92	8,289,160	117,912	(2,306)	702,815	(52,493)	64,175	(2,794,665)	6,324,690	9,198	6,333,888

The accompanying notes form part of the Historical Financial Information.

	Note	Share capital	Additional paid-in capital	Merger reserve	Treasury shares	Share-based payment reserve	Translation reserve	PRC statutory reserve	Accumulated losses	Total	Non-controlling interests	Total (deficit) /equity
		Attributable to equity shareholders of the Company										
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		Note 31(a)	Note 31(a)	Note 31(b)(i)	Note 31(b)(v)	Note 31(b)(iii)	Note 31(b)(ii)	Note 31(b)(iv)				
Balance at July 1, 2021		92	8,289,160	117,912	(2,306)	767,757	(20,006)	64,648	(2,558,291)	6,658,966	(6,812)	6,652,154
Changes in equity for the six months ended December 31, 2021												
Profit for the period		–	–	–	–	–	–	–	336,779	336,779	1,839	338,618
Other comprehensive income for the period		–	–	–	–	–	8,766	–	–	8,766	411	9,177
Total comprehensive income for the period		–	–	–	–	–	8,766	–	336,779	345,545	2,250	347,795
Dividend declared	31(e)	–	(306,255)	–	–	–	–	–	–	(306,255)	–	(306,255)
Exercise of options	31(a)(vi)	–	287	–	–	–	–	–	–	287	–	287
Release of ordinary shares from share award scheme	31(a)(vi)	–	(670)	–	670	–	–	–	–	–	–	–
Repurchase of shares	31(b)(v)	–	–	–	(12,604)	–	–	–	–	(12,604)	–	(12,604)
Equity settled share-based transactions	31(b)(iii)	–	–	–	–	50,400	–	–	–	50,400	–	50,400
Appropriation to statutory reserve	31(b)(iv)	–	–	–	–	–	–	24,460	(24,460)	–	–	–
Balance at December 31, 2021		92	7,982,522	117,912	(14,240)	818,157	(11,240)	89,108	(2,245,972)	6,736,339	(4,562)	6,731,777

* The amount was less than RMB1,000.

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of Renminbi)

	Note	For the year ended June 30,			For the six months ended December 31,	
		2019	2020	2021	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Cash flows from operating activities						
Cash generated from operations	25(a)	1,660,644	1,236,985	1,111,031	892,872	840,842
Income tax paid		(299,987)	(342,438)	(194,711)	(86,449)	(109,101)
Cashflows from discontinued operations	5(c)	(322,186)	(68,063)	–	–	–
Net cash from operating activities		1,038,471	826,484	916,320	806,423	731,741
Cash flows from investing activities						
Payment for purchase of property, plant and equipment and intangible assets		(116,124)	(56,974)	(180,279)	(29,108)	(228,585)
Payment for acquisition of land use right		–	–	–	–	(891,428)
Proceeds from disposal of property, plant and equipment and intangible assets		–	–	4,323	3,324	–
Payment for purchase of other investments		(956,800)	(3,821,580)	(28,887,790)	(10,178,770)	(9,213,034)
Proceeds from disposal of other investments		602,000	4,176,380	28,787,790	10,078,770	9,113,034
Interest income		7,311	25,608	40,433	23,044	26,437
Investment income from other investments		1,348	26,387	66,837	14,965	40,446
Cash advances to a related party		(9,508)	(5,205)	–	–	–
Proceeds from repayment from related parties		–	–	14,713	14,713	–
Cash advances to the controlling shareholder		–	(101,462)	–	–	–
Proceeds from repayment from the controlling shareholder		269,934	297,105	–	–	–
Payments for investment in an equity-accounted investee		–	–	(356,000)	(355,927)	–
Acquisition of a subsidiary, net of cash acquired	33	–	–	(8,824)	–	(683,483)
Loans and borrowings provided to third parties		(13,151)	(212)	–	–	–
Proceeds from repayment of loans and borrowings to third parties		27,737	5,437	–	–	–
Cash disposed in connection with disposal of discontinued operations	5(d)	–	(75,552)	–	–	–
Cashflows from discontinued operations	5(c)	(23,662)	(7,117)	–	–	–
Net cash (used in)/from investing activities		(210,915)	462,815	(518,797)	(428,989)	(1,836,613)

	Note	For the year ended June 30, 2019	2020	2021	For the six months ended December 31, 2020	2021
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(unaudited)	
Cash flows from financing activities						
Proceeds from the issue of paid-in capital subject to redemption and other preferential rights	*25(b)*	991,514	–	–	–	–
Proceeds from capital injection from shareholders, subscription of restricted shares and exercise of options		86,592	9,150	2,795	2,619	287
Proceeds from initial public offering and exercise of the over-allotment option, net of underwriting commissions and other issuance costs		–	–	4,178,860	4,178,860	–
Proceeds from loans and borrowings	*25(b)*	1,375	410,734	313	–	–
Repayment of loans and borrowings	*25(b)*	(14,795)	(2,889)	(416,588)	(400,267)	(503)
Repayment to the controlling shareholder		–	–	(11,946)	–	–
Payment for acquisition of non-controlling interest		–	(4,269)	–	–	–
Payments for acquisition of subsidiaries under common control	*25(b)*	(122,923)	(10,471)	–	–	–
Payment of capital element and interest element of lease liabilities	*25(b)*	(166,781)	(193,827)	(215,762)	(140,082)	(163,716)
Payments for repurchase of shares		–	–	–	–	(12,604)
Prepayment for repurchase of shares		–	–	–	–	(13,042)
Interest paid	*25(b)*	(1,383)	(6,266)	(1,488)	(1,488)	(881)
Dividends paid	*31(e)*	–	(330,336)	–	–	(306,255)
Cashflows from discontinued operations	*5(c)*	(153,741)	10,468	–	–	–
Net cash from/(used in) financing activities		619,858	(117,706)	3,536,184	3,639,642	(496,714)
Net increase/(decrease) in cash and cash equivalents		1,447,414	1,171,593	3,933,707	4,017,076	(1,601,586)
Cash and cash equivalents at the beginning of the year/period		228,106	1,686,218	2,853,980	2,853,980	6,771,653
Effect of movements in exchange rates on cash held		10,698	(3,831)	(16,034)	(30,582)	(18,611)
Cash and cash equivalents at the end of the year/period	23	1,686,218	2,853,980	6,771,653	6,840,474	5,151,456

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION AND BASIS OF PREPARATION

1.1 General information

MINISO Group Holding Limited (the "Company") was incorporated in the Cayman Islands on January 7, 2020, as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company completed its initial public offering ("IPO") on October 15, 2020 and the Company's American Depositary Shares ("ADSs") have been listed on the New York Stock Exchange since then. Each ADS of the Company represents four ordinary shares.

The Company and its subsidiaries (together, the "Group") are principally engaged in the retail and wholesale of lifestyle and pop toy products across the People's Republic of China (the "PRC") and other countries in Asia, America, and Europe, etc. The Company does not conduct any substantive operations of its own but conducts its primary business operations through its subsidiaries.

1.2 Reorganization and basis of presentation

As discussed in Note 1.1, the Group is engaged in the retail and wholesale of lifestyle products in the PRC (the "China Business") and other countries in Asia, America, and Europe, etc. (the "Overseas Business"). The China Business together with the Overseas Business are referred to as the "Relevant Businesses". To rationalize the corporate structure and in preparation for the Company's IPO, the Group underwent a corporate reorganization (the "Reorganization") to succeed all of the Relevant Businesses. Prior to the Reorganization, the Relevant Businesses were conducted through a number of entities as to which there was no single holding entity but were separately owned by entities directly or indirectly controlled by Mr. Ye Guofu and his spouse Ms. Yang Yunyun (the "Controlling Shareholders").

The Reorganization principally involved the following steps:

(a) Reorganization of the China Business

The China Business was historically conducted through various entities, including MINISO Corporation (the "Predecessor Entity"), two subsidiaries of the Predecessor Entity, and some other entities (the "Other Entities"). These entities did not have a single holding entity but were separately owned by entities directly or indirectly controlled by the Controlling Shareholders.

(i) On October 18, 2017, the Controlling Shareholders and Mr. Li Minxin (the "Founders") established MINISO (Guangzhou) Co., Ltd. ("MINISO Guangzhou"), which later became one of the main operating subsidiaries and an investment holding entity of the Group in mainland China. MINISO Guangzhou established certain domestic subsidiaries subsequently.

(ii) Starting from November 2017 through November 2018, the business which was originally conducted by the Predecessor Entity and the related assets and liabilities were gradually transferred to MINISO Guangzhou and its subsidiaries. During the same period, MINISO Guangzhou also acquired the two subsidiaries of the Predecessor Entity and 100% equity interests in the Other Entities.

(iii) On December 1, 2018, the reorganization of the China Business had been completed and the remaining assets and liabilities of the Predecessor Entity upon the completion of the reorganization (see below) were treated as deemed distribution to the equity shareholders at historical cost basis and were not included in the Group's Historical Financial Information since then.

	As of December 1, 2018
	RMB'000
Assets	
Current assets	
Amounts due from the controlling shareholder	501,799
Other receivables	9,392
Non-current assets	
Intangible assets	916
Total assets	512,107
Liabilities	
Other payables	12,950
Current taxation	5,297
Total liabilities	18,247
Net assets distributed in connection with the Reorganization	493,860

(b) Reorganization of the Overseas Business

The Overseas Business was historically conducted through certain overseas entities as to which there was no single holding entity but which were separately owned by entities directly or indirectly controlled by the Controlling Shareholders (together, the "Overseas Entities").

(i) On January 23, 2018, MINISO Hong Kong Limited ("MINISO HK") was incorporated in Hong Kong as a wholly owned subsidiary of MINISO Guangzhou, which was mainly engaged in product sales to overseas distributors.

(ii) During the period from July 2018 to December 2018, MINISO HK acquired the equity interests of the Overseas Entities at an aggregate consideration of approximately RMB133,394,000. Since then, MINISO HK became an intermediate holding company of the subsidiaries conducting the Overseas Business and MINISO Guangzhou became the ultimate holding company of the Group.

(c) Establishment of offshore holding structure

(i) On January 7, 2020, the Company was incorporated in the Cayman Islands.

(ii) On January 16, 2020 and January 26, 2020, MINISO Universal Holding Limited and MINISO Development Hong Kong Limited ("MINISO Development HK") were incorporated in the British Virgin Islands ("BVI") and Hong Kong, and were directly or indirectly owned by the Company.

(iii) On March 18, 2020, MINISO Development HK acquired 100% of equity interests in MINISO Guangzhou and became an intermediate offshore holding company of the Group's operations in mainland China.

Upon completion of the above steps of Reorganization in March 2020, the Company became the holding company of the companies now comprising the Group. All companies now comprising the Group and the Predecessor Entity that took part in the Reorganization were under the common control by the Controlling Shareholders before and after the Reorganization. The control was not transitory and consequently, there was a continuation of the risks and benefits to the Controlling Shareholders. The Reorganization of the China Business and the Overseas Business was treated as business combination under common control. The establishment of offshore holding structure was treated as a recapitalization of the operating entity. The Historical Financial Information has been prepared in a manner similar to a pooling of interest as if the Relevant Businesses had been always operated by the companies now comprising the Group and the Reorganization had been completed at the beginning of the reporting periods. The assets and liabilities included in the Historical Financial Information were recognized and measured at the historical costs from the perspective of the Controlling Shareholders.

The consolidated statements of profit or loss, profit or loss and other comprehensive income, cash flows and changes in equity for the year ended June 30, 2019 included the results and operations of the Predecessor Entity and the companies now comprising the Group. The consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of cash flows and the consolidated statements of changes in equity for the years ended June 30, 2020 and 2021 and the six months ended December 31, 2021 included the results and operations of the companies now comprising the Group. The consolidated statements of financial position as of June 30, 2019, 2020 and 2021 and December 31, 2021 included the financial position of the companies now comprising the Group.

Since the Company did not exist prior to June 30, 2019, the Company's consolidated results of operations for the year ended June 30, 2019 represent the continuation of the combined financial statements of the Predecessor Entity and the companies now comprising the Group.

(d) Discontinued operations

As part of the Reorganization, in May 2019, the board of directors approved a plan to dispose the NOME Business, Minihome Business, MINISO African Business and MINISO German Business within one year. These discontinued operations were disposed of during the period from December 2019 to April 2020. See Note 5 for details.

1.3 Subsidiaries

Set out below was a list of the Company's principal subsidiaries as at December 31, 2021:

Company name	Date and place of incorporation/ establishment	Registered/ issued and paid-up capital	Group's effective interest (direct or indirect)	Principal activities
MINISO Universal Holding Limited *(a)*	January 16, 2020 BVI	USD1.00/-	100%	Investment holding
MINISO Global Holding Limited *(a)*	January 16, 2020 BVI	USD1.00/-	100%	Investment holding
MINISO Development HK *(b)*	February 26, 2020 Hong Kong	HKD10,000/-	100%	Investment holding and wholesale of lifestyle products
MINISO Investment Hong Kong Limited *(b)*	November 13, 2017 Hong Kong	HKD80,100,000/ HKD80,100,000	100%	Investment holding

Company name	Date and place of incorporation/ establishment	Registered/ issued and paid-up capital	Group's effective interest (direct or indirect)	Principal activities
MINISO HK *(b)*	January 23, 2018 Hong Kong	HKD350,000,000/ HKD307,425,500	100%	Wholesale of lifestyle products
MINISO Guangzhou *(a)(c)(d)* 名創優品(廣州)有限責任公司	October 18, 2017 PRC	RMB146,862,372/ RMB139,693,019	100%	Wholesale and retail of lifestyle products
MINISO (Hengqin) Enterprise Management Co., Ltd. *(a)(c)(d)* 名創優品(橫琴)企業管理有限公司	December 12, 2017 PRC	RMB10,000,000/-	100%	Brand licensing
MINISO International (Guangzhou) Co., Ltd. *(a)(c)(e)* 名創優品國際(廣州)有限公司	May 16, 2017 PRC	RMB65,000,000/ RMB65,000,000	100%	Wholesale of lifestyle products
MINISO Youxuan Technology (Guangzhou) Co., Ltd. *(a)(c)(d)* 名創優選科技(廣州)有限公司	August 15, 2017 PRC	RMB10,000,000/ RMB5,000,000	100%	Online sales of lifestyle products
PT. MINISO Lifestyle Trading Indonesia *(f)*	January 11, 2017 Indonesia	IDR53,289,350,000/ IDR53,289,350,000	67%	Wholesale and retail of lifestyle products
MINISO Life Style Private Limited *(g)*	June 22, 2017 India	INR669,540,570/ INR669,540,570	100%	Wholesale and retail of lifestyle products
USA MINISO Depot Inc. *(a)*	August 12, 2016 United States	USD19,737,961/ USD19,737,961	100%	Wholesale and retail of lifestyle products
MIHK Management Inc. *(a)*	October 17, 2018 Canada	CAD100/CAD100	100%	Wholesale and retail of lifestyle products
TOP TOY (Guangdong) Cultural Creativity Co., Ltd. (Formerly known as TOP TOY (Guangdong) Technology Co., Ltd.) *(a)(c)* 那是家大潮玩(廣東)文化創意有限公司	September 7, 2020 PRC	RMB5,000,000/-	100%	Wholesale and retail of pop toy products
Mingyou Industrial Investment (Guangzhou) Co., Ltd. *(a)(c)* 名優產業投資(廣州)有限公司	October 13, 2020 PRC	RMB2,300,000,000/ RMB2,084,013,300	100%	Development of headquarter building

Notes:

(a) These entities were not subject to statutory audit requirement under the relevant rules and regulations in the jurisdiction of incorporation.

(b) The statutory financial statements of these entities for the years ended December 31, 2018, 2019 and 2020 were prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"). The statutory financial statements were audited by WWC Professional Corporation Limited. Since MINISO Development HK was incorporated in 2020, no statutory financial statements were issued for the years ended December 31, 2018 and 2019. As of the date of this report, the statutory financial statements of these entities for the year ended December 31, 2021 were not yet issued.

(c) These entities were established in the PRC. The official names of these entities are in Chinese. The English names are for identification purpose only.

(d) These entities voluntarily prepared their financial statements for the years ended December 31, 2018, 2019, 2020 and 2021 in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the "PRC GAAP"). The financial statements were audited by Jonten Certified Public Accountants LLP Guangdong Branch (中天運會計師事務所(特殊普通合夥)廣東分所).

(e) This entity voluntarily prepared its financial statements for the years ended December 31, 2018, 2019, 2020 and 2021 in accordance with the PRC GAAP. The financial statements were audited by Guangzhou Huaguang Certified Public Accountants (廣州華廣會計師事務所(普通合夥)).

(f) The statutory financial statements of this entity for the years ended December 31, 2019 and 2020 were prepared in accordance with the Financial Accounting Standards in Indonesia, which include statements and interpretations issued by the Financial Accounting Standards Board established by the Indonesian Institute of Accountants which includes Statements and Interpretations issued by the Indonesian Financial Accounting Standards Board, Indonesian Institute of Accountants and were audited by Iwan Siswandi M.Ak. As of the date of this report, the statutory financial statements of this entity for the year ended December 31, 2021 were not yet issued.

(g) The statutory financial statements of this entity for the years ended March 31, 2019, 2020 and 2021 were prepared in accordance with the applicable accounting principles in India, and the applicable accounting standards notified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The statutory financial statements for the year ended March 31, 2019 were audited by Jain Kappor & Associates Chartered Accountants. The statutory financial statements for the years ended March 31, 2020 and 2021 were audited by Sharma Arun & Co. Chartered Accountants.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The Group has adopted June 30 as its financial year end date.

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

Significant accounting policies adopted by the Group are disclosed below. The Group has consistently applied these accounting policies throughout the Relevant Periods presented in the Historical Financial Information, unless otherwise stated.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of measurement

The measurement basis used in the preparation of the financial statements is the historical cost basis except that other investments and paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights are stated at their fair value as explained in Note 2(m), Note 2(o) and Note 2(p).

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see Note 2(x)).

(c) Changes in accounting policies

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRSs that are effective for the annual accounting periods beginning on or after January 1, 2018, including IFRS 9, Financial Instruments and IFRS 15, Revenue from contracts with customers, consistently throughout the reporting periods. IFRS 16, Leases, was effective for the annual accounting periods beginning on or after January 1, 2019 and earlier application is permitted for entities that adopt IFRS 15 on or before the date of initial application of IFRS 16. IFRIC 23, Uncertainty over Income Tax Treatment was effective for the accounting period beginning on or after January 1, 2019 and earlier application is permitted. The Group has elected to early adopt IFRS 16 and IFRIC 23 which have been applied consistently throughout the Relevant Periods presented.

Amendment to IFRS 16, Leases, COVID-19-Related Rent Concessions (the "Amendment"), was effective for the accounting periods beginning on or after June 1, 2020 and earlier application is permitted, including in financial statements not authorized for issue at May 28, 2020. The Group has elected to early adopt the Amendment and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the year ended June 30, 2020. Consequently, rent concessions received have been accounted for as negative variable lease payments recognized in profit or loss in the year ended June 30, 2020 in which the event or condition that triggers those payments occurred. One of these conditions required the reduction in lease payments affect only payments originally due on or before a specified time limit of June 30, 2021. There is no impact on the opening balance of equity at July 1, 2019.

Amendment to IFRS 16, Leases, COVID-19-Related Rent Concessions beyond June 30, 2021 (the "2021 Amendment") extends the time limit of the above amendment from June 30, 2021 to June 30, 2022. The 2021 Amendment was effective for the accounting periods beginning on or after April 1, 2021 and earlier application is permitted. The Group has elected to early adopt the 2021 Amendment during the year ended June 30, 2021.

The Group has also applied the following amendments to IFRSs issued by the IASB to these financial statements that are first effective for the current accounting period of the Group during the year ended June 30, 2021:

- Amendments to *References to conceptual framework in IFRS standards*
- Amendments to IFRS 3, *Definition of a business*
- Amendments to IAS 1 and IAS 8, *Definition of material*
- Amendments to IFRS 9, IAS 39 and IFRS 7, *Interest rate benchmark reform*
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, *Interest rate benchmark reform – Phase 2*

The adoption of the above amendments to IFRSs did not have a material impact on the Historical Financial Information of the Group.

The new and revised IFRSs issued by the IASB which are not yet effective for the Relevant Periods are set out in Note 39.

(d) Basis of consolidation

(i) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases. Intra-group balances, transactions and cash flows and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the Historical Financial Information. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Non-controlling interests are measured initially at their proportionate share of the subsidiary's net identifiable assets at the date of acquisition.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(h)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale) (see Note 2(x)).

(ii) Interest in an equity-accounted investee

The Group's interest in an equity-accounted investee comprises interest in an associate.

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the Historical Financial Information under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) (see Note 2(x)). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (Note 2(h)(ii)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post- acquisition, post-tax results of the investees and any impairment losses for the year are recognized in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognized in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see Note 2(h)(i)).

In the Company's statement of financial position, investment in an associate is stated at cost less impairment losses (see Note 2(h)(ii)), unless classified as held for sale (or included in a disposal group that is classified as held for sale) (see Note 2(x)).

(iii) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognized immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 2(h)(ii)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(iv) Business combinations

Except for the business combinations under common control as stated below, the Group accounts of business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 2(d)(i)). In determining whether a particular set of activities and assets is a business, the Group assess whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset of group of similar identifiable assets.

Business combinations involving entities under common control

The Historical Financial Information incorporates the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the Controlling Shareholders.

The assets and liabilities of the combining entities or businesses are consolidated at the carrying amounts previously recognized from the perspective of Controlling Shareholders.

The consolidated statements of profit or loss and profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the Historical Financial Information are presented as if the entities or businesses had been consolidated at the earliest balance sheet date presented or when they first came under common control, whichever is later.

Differences between the total consideration paid and the capital of the entities acquired under common control are presented as merger reserve.

(v) Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

When acquiring assets by obtaining a controlling interest in a legal entity that does not constitute a business as a step acquisition, the previously held equity interest is included as part of the cost of the acquisition and is not remeasured.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (see Note 2(h)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labor, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

No depreciation is provided in respect of the construction in progress.

The estimated useful lives of property, plant and equipment are as follows:

Apartments	30 years
Leasehold improvements	Over the shorter of lease term or the estimated useful lives of the assets
Office equipment	2 – 5 years
Store operating equipment	2 – 5 years
Motor vehicles	3 – 5 years
Moulds	1 – 2 year

Amortization methods, useful lives and residual values, if any, are reviewed at each reporting date and adjusted if appropriate.

(f) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortization (where the estimated useful life is finite) and accumulated impairment losses (see Note 2(h)(ii)).

Amortization is calculated to write off the cost of intangible assets with finite useful lives using straight-line method over their estimated useful lives and is generally recognized in profit or loss. Their estimated useful lives of intangible assets are as follows:

Software	5 years

Amortization methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

(g) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily staff apartments with lease term of less than 12 months. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalized are recognized as an expense on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii)). Depreciation is calculated to write off the cost of items of right-of-use assets, using the straight-line method over the unexpired lease term.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognized the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

The Group presents right-of-use assets and presents lease liabilities separately in the consolidated statements of financial position.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets measured at amortized cost (including cash and cash equivalents, restricted cash, trade and other receivables).

Other investments – financial assets measured at fair value through profit or loss are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognizes a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or (ii) the financial asset is 30 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;

- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognized in accordance with Note 2(u)(iv) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortized cost (i.e., the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it is becoming probable that the borrower will enter into bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognized no longer exists or may have decreased:

- property, plant and equipment;

- right-of-use assets;
- intangible assets;
- goodwill;
- interest in an equity-accounted investee; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

  The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

  An impairment loss is recognized in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated to reduce the carrying amount of assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

  An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount of an asset.

  A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior periods. Reversals of impairment losses are credited to profit or loss in the periods in which the reversals are recognized.

(i) Inventories

Inventories are finished goods which are held for sale, including the products placed at franchisees' stores, and low value consumables to be consumed in the ordinary course of business.

Inventories are carried at the lower of cost and net realizable value.

Cost of inventories is calculated using the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

The amount of any write-down of inventories to net realizable value is recognized as an expense in the period the write-down occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Loss of inventories is recognized as an expense in the period the loss occurs. For the products placed at franchisees' stores, the Group bears inventory loss up to a pre-determined loss rate as agreed with franchisees. The Group requires compensations from franchisees for the inventory losses in excess of the pre-determined loss rate.

(j) Contract liabilities

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see Note 2(u)). A contract liability would also be recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized (see Note 2(k)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(u)).

(k) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognized before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortized cost using the effective interest method less allowance for credit losses (see Note 2(h)(i)).

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in Note 2(h)(i).

(m) Other investments

Other investments are classified as measured at fair value through profit or loss (FVPL). Changes in the fair value of the investments are recognized in profit or loss.

(n) Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new shares are recognized in equity as a deduction, net of tax, from the proceeds.

Paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights are classified as liabilities (see Note 2(p)).

(p) Paid-in capital subject to redemption and other preferential rights/Redeemable shares with other preferential rights

Paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights are redeemable at the request of the holders upon the occurrence of certain redemption events as agreed in the corresponding shareholders' agreement.

Paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights are classified as financial liabilities at fair value through profit or loss. Any transaction costs are recognized as finance costs in the consolidated statements of profit or loss.

Subsequent to initial recognition, the paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights are carried at fair value with changes in fair value recognized in the consolidated statements of profit or loss.

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with the Group's accounting policy for borrowing costs (see Note 2(w)).

(r) Employee benefits

(i) Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Contributions to defined contribution plans

Pursuant to the relevant laws and regulations of the PRC, the Group's subsidiaries in mainland China participate in a defined contribution of basic pension insurance in the social insurance system established and managed by government organizations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions are recognized as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance (the "MPF Scheme") for all employees in Hong Kong, which is a defined contribution retirement scheme. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income. Contributions to the plan vest immediately. There are no forfeited contributions for the MPF Scheme as the contributions are fully vested to the employees upon payment to the scheme. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

The Group participates in various defined contribution retirement benefit plans which are available to all other overseas subsidiaries. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a fund and the Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The Group's contributions to the defined contribution plans are expensed as incurred.

(iii) Share-based payments

The Group operates certain equity-settled share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments of the Group.

The fair value of share awards granted to employees is recognized as an employee cost with a corresponding increase in the share-based payment reserve. The fair value is measured at grant date, taking into account the terms and conditions upon which the shares or share options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares or share options, the total estimated fair value of the shares or share options is spread over the vesting period, taking into account the probability that the shares or share options will vest.

During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognized in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of shares that vest (with a corresponding adjustment to equity). For shares granted, the equity amount is transferred from share-based payment reserve to share premium.

If new equity instruments are granted to the employee and, on the date when those new equity instruments are granted, the entity identifies the new equity instruments granted as replacement equity instruments for the cancelled equity instruments, the entity shall account for the granting of replacement equity instruments in the same way as a modification of the original grant of equity instruments.

At the date the replacement awards are granted, the entity accounts for any incremental fair value in addition to the grant-date fair value of the original award. The incremental fair value is the difference between the fair value of the replacement award and the net fair value of the cancelled award, both measured at the date on which the replacement award is issued. The net fair value is the fair value of the cancelled award measured immediately before the cancellation, less any payment made to the employees on cancellation.

The Group recognizes the effects of modifications that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee. If the Group modifies the terms or conditions of the share awards granted without reducing the number of equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the Group nevertheless continues to recognize as a minimum the original grant date fair value of the equity instruments granted (unless those equity instruments are forfeited) as if that modification had not occurred.

(iv) Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognizes restructuring costs involving the payment of termination benefits.

(s) Income tax

Income tax for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognized in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of each reporting period, and any adjustment to tax payable in respect of previous periods. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. Deferred tax is not recognized for:

- temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss); and

- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, the future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilized. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Additional income taxes that arise from the distribution of dividends are recognized when the liability to pay the related dividends is recognized.

Deferred tax assets and deferred tax liabilities are offset if all of the following conditions are met:

- the taxable entity has a legally enforceable right to set off current tax assets against current tax liabilities;
- they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(t) Provisions and contingent liabilities

Provisions are recognized when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of products and the provision of services.

Revenue is recognized when control over the product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled in exchange for the satisfaction of a specific performance obligation, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any sales rebates and sales return.

The Group allocates the transaction price expected to be received from franchisees or distributors to different performance obligations based on their relative standalone selling prices. In particular, the consideration in arrangements with franchisees and distributors includes sales-based amounts. Such sales-based amounts are excluded from the transaction price until the sales by franchisees have occurred and would be allocated entirely to the franchise/distributor license fees as they relate entirely to the Group's promise to provide franchisees/distributors access to the Group's brand name and trademarks.

The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for the effects of any significant financing component if the expected period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sales of products

Retail sales in self-operated stores

Revenue from retail sales to customers in self-operated stores is recognized at the point when the end customer takes possession of and pays for the products.

Product sales to franchisees

The Group has entered into a series of agreements with certain franchisees, primarily in the PRC and Indonesia, which mainly include a license agreement and a sales agreement (collectively "Franchise Agreements"), whereby the franchisees are licensed to operate the franchised stores and are authorized to sell, in their own retail stores, the products that they have purchased from the Group. Revenue from sales to these franchisees is recognized at the point when they obtain the legal title of the product and become obliged to pay for the products, which is when the franchisees sell the product to their customers in the franchisees' stores.

For product sales to franchisees, the Group has determined that the franchisees are the customers of the Group. The franchisees operate retail stores at their own chosen locations under the framework set out under the Franchise Agreements. At inception of the franchise arrangement, franchisees are required to place a deposit with the Group which covers the estimated maximum value of merchandise that their stores may hold throughout the franchise period, and this amount is reviewed upon renewal of the franchisee arrangement. The deposit is refundable at the expiry of the Franchise Agreement, provided that the franchisees have no remaining merchandise unsold and have settled other balances with the Group.

The franchisees employ and manage their own staff to operate the stores and serve their customers (i.e. end consumers who visit the stores), and bear the costs associated with the operation. The franchisees' retail stores generally carry a wide range of merchandise that they exercise discretion to select from the Group's array of product categories.

The franchisees are responsible for the placement, physical custody and condition of the merchandise that they have selected after the deliveries are accepted in stores. They also control the physical access to merchandise in possession through their operation of the retail stores. In general, the Group does not have any obligation or practice to accept any return of unsold products, except for rare cases such as a latent defect subject to a product recall or certain limited seasonal items that have passed their sales season.

The franchisees have the right to price their merchandise within a specified range of the recommended retail price set by the Group. They also have the ability to carry out discretionary promotional campaigns for their stores or decide whether to participate in a promotional campaign launched by the Group. The franchisees can offer more discounts on selected items beyond the range specified in discretionary promotional campaigns, and will have to bear a substantial portion of reduced margin from lowering the sales price for such campaigns.

Sales to offline distributors

The Group has entered into a series of agreements with certain offline distributors, primarily overseas, which mainly include a master license agreement and a sales agreement, whereby the distributors are authorized to sub-license the operation of franchised stores in its authorized territory and sell the products that they have purchased from the Group to the franchised stores in its authorized territory. Revenue from sales of products to these distributors is recognized at the point when the products have been shipped from or delivered to the specific locations according to the detailed agreement between the Group and distributors. Revenue is recognized based on the contract price, net of sales rebates.

Online sales

Revenue from online sales to customers, which are conducted through the Group's own mobile applications and self-operated online stores on third-party e-commerce platforms, is recognized at the point when the products are delivered to customers. The Group has also entered into agreements with certain online distributors, who are authorized to sell products to customers through their online stores on various major e-commerce platforms. Revenue is recognized when control of the goods has transferred according to respective agreed terms of delivery, which is at the point in time when the distributor obtains control of the distinct good.

(ii) License fees, sales-based royalties and sales-based management and consultation service fees

Franchisees and distributors are required to provide non-refundable upfront payments in exchange for the franchise right or sub-license right, which represent primarily their right to access the Group's brand name and trademarks. In addition, franchisees are also required to pay sales-based royalties and sales-based management and consultation services fees for such access. The fixed component of such royalties is recognized as revenue over the estimated license period, while the sales-based component is recognized as revenue when the related sales occur.

(iii) Customer loyalty program

The Group has launched spend-based customer loyalty programs for MINISO and TOP TOY brand in the PRC, under which loyalty points are rewarded to end customers at a rate of 1 point per RMB1 spent in MINISO stores or 1 to 1.4 points per RMB1 spent in TOP TOY stores in the PRC based on the level of TOP TOY membership. The stores include self-operated stores and franchised stores operated by franchisees participating in the program, and through MINISO and TOP TOY WeChat Mini Programs. Each 100 points of MINISO brand or each 20 points of TOP TOY brand is redeemable for a cash value of RMB1 on future purchases when certain criteria are met. Transaction price is allocated to the product(s) and the loyalty points are rewarded on a relative standalone selling price basis. Revenue associated with the price allocation of loyalty points rewarded is deferred and a corresponding liability is established in contract liabilities.

(iv) Interest income

Interest income is recognized as it accrues using the effective interest method.

(v) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognized as other income in profit or loss based on the timing of when the related costs for which the grants are intended to compensate are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(v) Translation of foreign currencies

(i) Functional and presentation currency

Item included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (the "functional currency"). As the major operations of the Group are within the PRC, the Group presents its Historical Financial Information in Renminbi ("RMB"). All values are rounded to the nearest thousand except when otherwise indicated.

(ii) Transactions and balances

Foreign currency transactions during the year are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the end of each reporting period. Exchange gains and losses are recognized in profit or loss and presented within other net income.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated at the exchange rate at the date when the fair value was determined.

(iii) Foreign operations

The results of foreign operations are translated into RMB at the exchange rates approximating the exchange rates at the dates of the transactions. Statement of financial position items are translated into RMB at the exchange rates at the end of each reporting period. The resulting exchange differences are recognized in other comprehensive income and accumulated separately in equity in the translation reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences in the translation reserve relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognized.

(w) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(x) Assets held for sale and discontinued operations

(i) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. A disposal group is a group of assets to be disposed off together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to the assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, property, plant and equipment, right-of-use assets and intangible assets are no longer amortized or depreciated.

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents:

- a separate major line of business or geographical area of operations;
- or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of when the entity entering into a binding sale agreement or when the board of directors approving and announcing a formal disposal plan.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss, which comprises:

- the post-tax profit or loss of the discontinued operations; and

- the post-tax gain or loss recognized on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operations.

(y) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 2(u)(i) – product sales to franchisees: whether revenue from product sales to franchisees is recognized at the point when the franchisees sell the product to their customers in the franchisees' stores

- Note 2(u)(ii) – license fees, sales-based royalties and sales-based management and consultation services fees: whether revenue is recognized over time

Note 34 contains information about the assumptions and their risk factors relating to measurement of ECL allowance for trade receivables and fair value of financial instruments. Other significant sources of estimation uncertainty are as follows:

(a) Write down of inventories

The Group determines the write-down for obsolescence of inventories. Write-down of inventories is recorded when estimated net realizable value is less than cost. In determining write-down of inventories, the Group considers factors such as inventory aging, forecasted product demands, historical pricing trends and anticipated pricing strategies. It could change significantly as a result of change in the product demands and pricing strategies due to change in market condition.

(b) Impairments of property, plant and equipment and right-of-use assets

In considering the impairment losses that may be required for certain property, plant and equipment, and right-of-use assets, recoverable amount of these assets needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to items such as level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as revenue and operating costs.

(c) Impairments of goodwill

Goodwill is tested by the Group annually in accordance with the accounting policy stated in Note 2(d)(iii). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The value-in-use calculations primarily use cash flow projections based on financial budgets approved by the Board of Directors. There are a number of assumptions and estimates involved in the preparation of future cash flow forecasts. Key assumptions include the expected growth rates and selection of discount rates to reflect the risks involved.

(d) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses and other deductible temporary differences carried forward are recognized and measured based on the expected manner of realization or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the end of the reporting periods. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and requires significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognized and hence the net profit in future years.

(e) Share-based compensation

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is estimated using a model which requires the determination of the appropriate inputs. The Group has to estimate the forfeiture rate in order to determine the amount of share-based compensation expenses charged to the statement of profit or loss. The Group also has to estimate the actual vesting periods of the share awards which is variable and subject to an estimate of when a qualified initial public offering of the Group will incur. The assumptions and models used for estimating the fair value of share-based payment transactions are disclosed in Note 32.

(f) Determining the lease term

As explained in policy Note 2(g), the lease liability is initially recognized at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favorable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognized in future years.

(g) Fair value measurement of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights

The paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights are not traded in an active market and the respective fair value is determined by using valuation techniques. The Group has used the discounted cash flow method to determine the underlying equity value and adopted equity allocation model to determine the fair value of the paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights. Key assumptions, such as weighted average cost of capital, risk-free interest rate, lack of marketability discount and volatility are disclosed in Note 30. Considerable judgement is required to interpret market data used in the valuation techniques. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

(h) Depreciation and amortization

Property, plant and equipment, right-of-use assets and intangible assets, are depreciated or amortized on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting periods. The useful lives are based on the Group's historical experience with similar assets. The depreciation and amortization expenses for future periods are adjusted if there are material changes from previous estimates.

4 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organized by a mixture of both brands and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the four reportable segments during the years ended June 30, 2019 and 2020, namely (i) MINISO brand (excluding Africa and Germany), (ii) MINISO brand in Africa and Germany, (iii) NOME brand, and (iv) Minihome brand. The operations of the MINISO brand in Africa and Germany and the NOME brand and Minihome brand were discontinued and disposed of by the Group as of June 30, 2020. During the year ended June 30, 2021, the Group developed a new brand namely TOP TOY and included it as one of the reportable segments. Therefore, the Group had two reporting segments of MINISO brand and TOP TOY brand as of and for the year ended June 30, 2021 and the six months ended December 31, 2021.

No other operating segments have been aggregated to these reportable segments, but have been aggregated and presented as "other segment". Business included as other segment did not meet the quantitative thresholds for reportable segments for the Relevant Periods. The segment information is as follows:

Reportable segments	Operations
MINISO brand (excluding Africa and Germany)	Design, buying and sale of lifestyle products
MINISO brand in Africa and Germany*	Design, buying and sale of lifestyle products
NOME brand*	Design, buying and sale of clothing products and other household items
Minihome brand*	Design, buying and sale of furniture and other household items
TOP TOY brand	Design, buying and sale of pop toys

Note:

* Businesses of NOME and Minihome brands and MINISO brand in Africa and Germany are classified as discontinued operations for the years ended June 30, 2019 and 2020, and had been disposed of by the Group as of June 30, 2020. See Note 5 "Discontinued operations and assets and liabilities held for sale" for details.

(i) Segment results, assets and liabilities

Information related to each reportable segment is set out below. Segment profit/(loss) before taxation is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments.

	As at and for the year ended June 30, 2019						
	Reportable segments					Other segment	Total
	MINISO brand (excluding Africa and Germany)	MINISO brand in Africa and Germany (discontinued)*	NOME brand (discontinued)*	Minihome brand (discontinued)*	Total reportable segments		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
External revenues	9,143,883	159,764	307,173	31,140	9,641,960	251,028	9,892,988
Inter-segment revenue	35,200	3,202	47,849	–	86,251	5,199	91,450
Segment revenue	9,179,083	162,966	355,022	31,140	9,728,211	256,227	9,984,438
Segment profit/(loss) before taxation	962,382	(69,620)	(148,449)	(79,007)	665,306	36,402	701,708
Finance income	7,210	743	156	18	8,127	101	8,228
Finance costs	(25,198)	(5,572)	(123)	–	(30,893)	(11)	(30,904)
Depreciation and amortization	(191,627)	(4,350)	(1,836)	(3,947)	(201,760)	(151)	(201,911)
Other material non-cash items:							
– credit loss on trade and other receivables	(90,124)	(2)	(35,469)	–	(125,595)	–	(125,595)
– impairment loss on non-current assets	(27,542)	(33,269)	(11,835)	(10,301)	(82,947)	–	(82,947)
Segment assets	4,683,456	201,644	226,463	32,442	5,144,005	82,110	5,226,115
Segment liabilities	3,220,982	134,729	224,262	5,673	3,585,646	53,149	3,638,795

	As at and for the year ended June 30, 2020						
	Reportable segments					Other segment	Total
	MINISO brand (excluding Africa and Germany)	MINISO brand in Africa and Germany (discontinued)*	NOME brand (discontinued)*	Minihome brand (discontinued)*	Total reportable segments		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
External revenues	8,721,620	80,746	187,046	15,154	9,004,566	257,366	9,261,932
Inter-segment revenue	40,887	–	6,380	–	47,267	50	47,317
Segment revenue	8,762,507	80,746	193,426	15,154	9,051,833	257,416	9,309,249
Segment profit/(loss) before taxation	716,759	(29,884)	(98,308)	(12,648)	575,919	44,092	620,011
Finance income	24,842	92	250	5	25,189	766	25,955
Finance costs	(31,273)	(1,616)	(108)	–	(32,997)	(65)	(33,062)
Depreciation and amortization	(268,359)	–	(828)	(1,830)	(271,017)	(310)	(271,327)
Other material non-cash items:							
– credit loss on trade and other receivables	(25,357)	–	(43,470)	–	(68,827)	(9)	(68,836)
– impairment loss on non-current assets	(36,844)	–	(1,059)	(3,156)	(41,059)	–	(41,059)
Segment assets	5,727,281	–	–	–	5,727,281	108,970	5,836,251
Segment liabilities	3,732,134	–	–	–	3,732,134	45,836	3,777,970

	As at and for the year ended June 30, 2021				
	Reportable segments			Other segment	Total
	MINISO brand	TOP TOY brand	Total reportable segments		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
External revenues	8,735,947	98,241	8,834,188	237,471	9,071,659
Inter-segment revenue	1,978	5,832	7,810	115,701	123,511
Segment revenue	8,737,925	104,073	8,841,998	353,172	9,195,170
Segment profit/(loss) before taxation	378,926	(24,376)	354,550	58,556	413,106
Finance income	38,858	9	38,867	1,566	40,433
Finance costs	(26,324)	(2,021)	(28,345)	(17)	(28,362)
Depreciation and amortization	(252,721)	(11,229)	(263,950)	(1,069)	(265,019)
Other material non-cash items:					
– credit loss on trade and other receivables	(20,208)	(607)	(20,815)	(17)	(20,832)
– impairment loss on non-current assets	(1,850)	(1,091)	(2,941)	–	(2,941)
Segment assets	9,873,002	315,038	10,188,040	164,928	10,352,968
Segment liabilities	3,662,661	333,096	3,995,757	57,119	4,052,876

	As at and for the six months ended December 31, 2020 (unaudited)				
	Reportable segments			Other segment	Total
	MINISO brand	TOP TOY brand	Total reportable segments		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
External revenues	4,237,663	2,617	4,240,280	129,580	4,369,860
Inter-segment revenue	–	–	–	30,474	30,474
Segment revenue	4,237,663	2,617	4,240,280	160,054	4,400,334
Segment profit/(loss) before taxation	39,401	(2,667)	36,734	24,601	61,335
Finance income	22,449	1	22,450	594	23,044
Finance costs	(13,437)	(413)	(13,850)	(10)	(13,860)
Depreciation and amortization	(123,249)	(1,956)	(125,205)	(178)	(125,383)
Other material non-cash items:					
– credit loss on trade and other receivables	(17,397)	(5)	(17,402)	15	(17,387)
– impairment loss on non-current assets	–	–	–	–	–
Segment assets	9,684,209	85,413	9,769,622	181,285	9,950,907
Segment liabilities	3,786,289	87,417	3,873,706	99,313	3,973,019

	As at and for the six months ended December 31, 2021				
	Reportable segments			Other segment	Total
	MINISO brand	TOP TOY brand	Total reportable segments		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
External revenues	5,074,106	240,328	5,314,434	112,474	5,426,908
Inter-segment revenue	–	–	–	81,600	81,600
Segment revenue	5,074,106	240,328	5,314,434	194,074	5,508,508
Segment profit/(loss) before taxation	527,792	(65,062)	462,730	27,808	490,538
Finance income	24,527	25	24,552	1,626	26,178
Finance costs	(13,623)	(3,634)	(17,257)	(9)	(17,266)
Depreciation and amortization	(166,002)	(5,235)	(171,237)	(279)	(171,516)
Other material non-cash items:					
– credit loss on trade and other receivables	(17,567)	(1,498)	(19,065)	(26)	(19,091)
– impairment loss on non-current assets	(6,072)	(3,464)	(9,536)	–	(9,536)
Segment assets	8,031,709	500,871	8,532,580	179,021	8,711,601
Segment liabilities	3,633,069	567,821	4,200,890	50,319	4,251,209

Note:

* See Note 5 "Discontinued operations and assets and liabilities held for sale" for details.

(ii) Reconciliations of information on reportable segments to the amounts reported in the Historical Financial Information

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
i. Revenue					
Total revenue for reportable segments	9,728,211	9,051,833	8,841,998	4,240,280	5,314,434
Revenue for other segment	256,227	257,416	353,172	160,054	194,074
Elimination of inter-segment revenue	(91,450)	(47,317)	(123,511)	(30,474)	(81,600)
Elimination of discontinued operations	(498,077)	(282,946)	–	–	–
Consolidated revenue	9,394,911	8,978,986	9,071,659	4,369,860	5,426,908
ii. Profit/(loss) before taxation					
Total profit before taxation for reportable segments	665,306	575,919	354,550	36,734	462,730
Profit before taxation for other segment	36,402	44,092	58,556	24,601	27,808
Elimination of discontinued operations	297,076	140,840	–	–	–
Unallocated amounts:					
– Fair value changes of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights	(709,780)	(680,033)	(1,625,287)	(1,625,287)	–
– Share of loss of an equity-accounted investee, net of tax expense	–	–	(4,011)	–	(8,162)
– Expenses relating to construction of headquarter building and depreciation expense of apartments for use as staff quarters	–	–	–	–	(12,420)
Consolidated profit/(loss) before taxation from continuing operations	289,004	80,818	(1,216,192)	(1,563,952)	469,956

	As at June 30,			As at December 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
iii. Assets				
Total assets for reportable segments	5,144,005	5,727,281	10,188,040	8,532,580
Assets for other segment	82,110	108,970	164,928	179,021
Other unallocated amounts				
– Interest in an equity-accounted investee	–	–	352,062	–
– Assets relating to construction of headquarter building	–	–	–	2,079,826
– Apartments for use as staff quarters	–	–	–	255,356
Consolidated total assets	5,226,115	5,836,251	10,705,030	11,046,783
iv. Liabilities				
Total liabilities for reportable segments	3,585,646	3,732,134	3,995,757	4,200,890
Liabilities for other segments	53,149	45,836	57,119	50,319
Other unallocated amounts				
– Liabilities relating to construction of headquarter building	–	–	–	63,797
– Paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights	1,701,294	2,381,327	–	–
Consolidated total liabilities	5,340,089	6,159,297	4,052,876	4,315,006

v. Other material items

	For the year ended June 30, 2019			
	Reportable segment totals	Other segment	Elimination of discontinued operations	Consolidated totals
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finance income	8,127	101	(917)	7,311
Finance costs	(30,893)	(11)	5,695	(25,209)
Depreciation and amortization	(201,760)	(151)	10,133	(191,778)
Credit loss on trade and other receivables	(125,595)	–	35,471	(90,124)
Impairment loss on non-current assets	(82,947)	–	55,405	(27,542)

	For the year ended June 30, 2020			
	Reportable segment totals	Other segment	Elimination of discontinued operations	Consolidated totals
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finance income	25,189	766	(347)	25,608
Finance costs	(32,997)	(65)	1,724	(31,338)
Depreciation and amortization	(271,017)	(310)	2,658	(268,669)
Credit loss on trade and other receivables	(68,827)	(9)	43,470	(25,366)
Impairment loss on non-current assets	(41,059)	–	4,215	(36,844)

	For the year ended June 30, 2021			
	Reportable segment totals	Other segment	Elimination of discontinued operations	Consolidated totals
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finance income	38,867	1,566	–	40,433
Finance costs	(28,345)	(17)	–	(28,362)
Depreciation and amortization	(263,950)	(1,069)	–	(265,019)
Credit loss on trade and other receivables	(20,815)	(17)	–	(20,832)
Impairment loss on non-current assets	(2,941)	–	–	(2,941)

	For the six months ended December 31, 2020 (unaudited)			
	Reportable segment totals	Other segment	Elimination of discontinued operations	Consolidated totals
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finance income	22,450	594	–	23,044
Finance costs	(13,850)	(10)	–	(13,860)
Depreciation and amortization	(125,205)	(178)	–	(125,383)
Credit loss on trade and other receivables	(17,402)	15	–	(17,387)
Impairment loss on non-current assets	–	–	–	–

	For the six months ended December 31, 2021			
	Reportable segment totals	Other segment	Unallocated amounts	Consolidated totals
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finance income	24,552	1,626	259	26,437
Finance costs	(17,257)	(9)	–	(17,266)
Depreciation and amortization	(171,237)	(279)	(11,110)	(182,626)
Credit loss on trade and other receivables	(19,065)	(26)	–	(19,091)
Impairment loss on non-current assets	(9,536)	–	–	(9,536)

(iii) Geographic information

The geographic information analyses the Group's revenue and non-current assets by the Group's country of domicile and other regions. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets are based on the geographic location of the assets.

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
i. Revenue					
the PRC (place of domicile) (of which RMB338,313,000 and RMB202,201,000 related to discontinued operations in the years ended June 30, 2019 and 2020, respectively)	6,702,311	6,246,301	7,291,219	3,556,678	4,086,285
Other Asian countries excluding the PRC	1,738,348	1,428,035	961,622	424,878	571,636
America	1,049,334	1,221,058	584,630	277,743	595,630
Europe (of which RMB13,222,000 and RMB11,311,000 related to discontinued operations in the years ended June 30, 2019 and 2020, respectively)	137,822	183,480	117,214	64,260	119,013
Others (of which RMB146,542,000 and RMB69,434,000 related to discontinued operations in the years ended June 30, 2019 and 2020, respectively)	265,173	183,058	116,974	46,301	54,344
Discontinued operations	(498,077)	(282,946)	–	–	–
	9,394,911	8,978,986	9,071,659	4,369,860	5,426,908

	As at June 30,			As at December 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ii. Non-current assets				
the PRC (place of domicile)	294,286	312,873	902,793	2,564,864
Other Asian countries excluding the PRC	108,328	62,272	82,414	75,735
America	200,457	265,131	191,304	185,016
Europe	23,518	19,744	22,399	15,168
	626,589	660,020	1,198,910	2,840,783

Non-current assets exclude deferred tax assets and non-current prepayments.

5 DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

In May 2019, the board of directors approved a plan to dispose the NOME Business, Minihome Business, MINISO African Business and MINISO German Business within one year. Accordingly, the results of these operations were included as discontinued operations for the years ended June 30, 2019 and 2020. MINISO African Business included MINISO Nigeria, Uganda, South Africa, Tanzania and Kenya.

During the period from January 2020 to March 2020, the Group entered into the share purchase agreements, pursuant to which the Group agreed to sell its entire equity interests in the Minihome Business and NOME Business to several companies owned by Mr. Ye Guofu, the controlling shareholder of the Group, at an aggregate of considerations of RMB4.

During the period from December 2019 to April 2020, the Group entered into several share purchase agreements, pursuant to which the Group agreed to sell its entire equity interests in MINISO Nigeria, Uganda, South Africa, Tanzania and Germany to several companies owned by Mr. Ye Guofu, the controlling shareholder of the Group, at an aggregate of considerations of RMB7.

In January 2020, the Group entered into a share purchase agreement, pursuant to which the Group agreed to sell its entire equity interests in MINISO Kenya to a third party at a consideration of RMB1.

The above disposal transactions were completed during the year ended June 30, 2020 and the Group's discontinued operations ceased accordingly.

(a) Results of discontinued operations

		For the year ended June 30,			For the six months ended December 31,	
	Note	**2019**	**2020**	**2021**	**2020**	**2021**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(unaudited)	
Revenue		549,128	289,326	–	–	–
Elimination of inter-segment revenue		(51,051)	(6,380)	–	–	–
External revenue		498,077	282,946	–	–	–
Expenses		(795,153)	(423,786)	–	–	–
External expenses		(795,153)	(423,786)	–	–	–
Results from operating activities	*4*	(297,076)	(140,840)	–	–	–
Income tax	*11(c)*	(6,754)	–	–	–	–
Results from operating activities, net of tax		(303,830)	(140,840)	–	–	–
Gain on disposal of subsidiaries		–	10,795	–	–	–
Loss from discontinued operations, net of tax		(303,830)	(130,045)	–	–	–
Loss per share – discontinued operations						
Basic loss per share (RMB)		(0.33)	(0.14)	–	–	–
Diluted loss per share (RMB)		(0.33)	(0.14)	–	–	–

The losses from discontinued operations of RMB303,830,000 and RMB130,045,000 for the years ended June 30, 2019 and 2020, respectively, were attributable entirely to the equity shareholders of the Company.

(b) Assets and liabilities of disposal group held for sale

As at June 30, 2019, the disposal group comprised the following assets and liabilities.

	As at June 30, 2019
	RMB'000
Property, plant and equipment	3,588
Inventories	188,690
Trade and other receivables	118,690
Cash and cash equivalents	139,938
Restricted cash	9,643
Assets held for sale	460,549
Trade and other payables	(308,896)
Contract liabilities	(7,883)
Lease liabilities	(47,723)
Current taxation	(162)
Liabilities directly associated with the assets held for sale	(364,664)

(c) Cash flows used in discontinued operations

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Net cash used in operating activities	(322,186)	(68,063)	–	–	–
Net cash used in investing activities	(23,662)	(7,117)	–	–	–
Net cash (used in)/from financing activities	(153,741)	10,468	–	–	–
Net cash flows for the year/period	(499,589)	(64,712)	–	–	–

(d) Effect of disposal of subsidiaries on the financial position of the Group

	As at disposal dates
	RMB'000
Property, plant and equipment	1,470
Inventories	104,616
Trade and other receivables	61,355
Cash and cash equivalents	75,552
Loans and borrowings	(14,513)
Trade and other payables	(196,779)
Lease liabilities	(41,944)
Net liabilities	(10,243)
Effect of translation difference of foreign operations	(552)
Net gain on disposal of subsidiaries	(10,795)

	As at disposal dates
	RMB'000
Considerations received in cash	–*
Cash and cash equivalents disposed of	(75,552)
Net cash outflow	(75,552)

Note:

* The amount was less than RMB1,000.

6 REVENUE

The Group's revenue is primarily derived from the sale of lifestyle and pop toy products through self-operated stores, franchised stores, offline distributors in the PRC and overseas and online sales conducted through the Group's own mobile applications and self-operated online stores on third-party e-commerce platforms and through online distributors. Other sources of revenue mainly include license fees, sales-based royalties and sales-based management and consultation service fees from franchisees and distributors.

(i) Disaggregation of revenue

In the following table, revenue from contracts with customers (excluding revenue related to discontinued operations) is disaggregated by major products and service lines, primary geographical markets and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 4).

	For the year ended June 30,			For the six months ended December 31,	
	2019	**2020**	**2021**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Major products/service lines					
– Sales of lifestyle and pop toy products					
– Retail sales in self-operated stores	290,787	364,638	323,775	168,398	291,238
– Product sales to franchisees	4,957,273	4,584,288	5,506,365	2,712,007	2,988,169
– Sales to offline distributors	3,067,207	2,683,829	1,509,840	684,296	1,073,836
– Online sales	138,284	308,455	663,197	295,690	367,075
– Other sales channels	11,118	114,204	33,499	12,804	97,293
Sub-total	8,464,669	8,055,414	8,036,676	3,873,195	4,817,611
– License fees, sales-based royalties, and sales-based management and consultation service fees					
– License fees	27,223	78,469	72,392	30,694	51,372
– Sales-based royalties	94,374	82,444	97,848	48,093	53,392
– Sales-based management and consultation service fees	491,005	426,731	488,138	240,465	263,002
Sub-total	612,602	587,644	658,378	319,252	367,766

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
– Others*	317,640	335,928	376,605	177,413	241,531
	9,394,911	8,978,986	9,071,659	4,369,860	5,426,908

Note:

* Others mainly represented sales of fixtures to franchisees and distributors.

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Primary geographical markets					
– the PRC	6,363,998	6,044,100	7,291,219	3,556,678	4,086,285
– Other Asian countries excluding the PRC	1,738,348	1,428,035	961,622	424,878	571,636
– America	1,049,334	1,221,058	584,630	277,743	595,630
– Europe	124,600	172,169	117,214	64,260	119,013
– Others	118,631	113,624	116,974	46,301	54,344
	9,394,911	8,978,986	9,071,659	4,369,860	5,426,908
Timing of revenue recognition					
– Products transferred at a point of time	8,782,309	8,391,342	8,413,281	4,050,608	5,059,142
– Services transferred over time	612,602	587,644	658,378	319,252	367,766
Revenue from contracts with customers	9,394,911	8,978,986	9,071,659	4,369,860	5,426,908

Revenue from individual customer contributing over 10% of total revenue of the Group during the Relevant Periods is set out as below:

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Customer A	978,926	N/A*	941,541	495,285	N/A*

Note:

* Less than 10% of the Group's revenue in the respective year/period.

(ii) Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

		As at June 30,			As at December 31,
	Note	**2019**	**2020**	**2021**	**2021**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables, which are included in 'trade and other receivables'	*22*	317,333	286,692	315,001	360,720
Receivables, which are included in 'assets held for sale'		16,593	–	–	–
Contract liabilities					
– Current portion		(243,873)	(218,287)	(266,919)	(276,537)
– Non-current portion		(77,673)	(74,226)	(59,947)	(53,572)
Total contract liabilities		(321,546)	(292,513)	(326,866)	(330,109)

	As at June 30,			As at December 31,
	2019	**2020**	**2021**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities are analyzed as follows:				
– Advance payments received from customers for purchase of goods	205,129	174,366	235,435	216,110
– Deferred revenue related to license fees	116,417	118,147	91,431	95,462
– Deferred revenue related to membership fees	–	–	–	18,537
Total contract liabilities	321,546	292,513	326,866	330,109

The Group requests 20% to 100% advance payment for purchase of goods from certain overseas distributors prior to delivery of goods. This gives rise to contract liabilities at the start of a sales order, until the revenue of sales of products recognized on the corresponding sale order exceeds the amount of payments received in advance.

Unamortized portion of upfront license fees and membership fees received was recognized as contract liability.

Movements in contract liabilities are as follows:

	Contract liabilities
	RMB'000
Balance at July 1, 2018	204,298
Reclassification to liabilities directly associated with the assets held for sale	(1,800)
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the period	(159,131)
Increase in contract liabilities as a result of receiving advance payment for purchase of goods	205,129
Increase in contract liabilities as a result of receiving payment of license fees	73,050
Balance at June 30, 2019	321,546
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the period	(243,873)
Increase in contract liabilities as a result of receiving advance payment for purchase of goods	174,366
Increase in contract liabilities as a result of receiving payment of license fees	40,474
Balance at June 30, 2020	292,513
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the period	(218,287)
Increase in contract liabilities as a result of receiving advance payment for purchase of goods	235,435
Increase in contract liabilities as a result of receiving payment of license fees	17,205
Balance at June 30, 2021	326,866
Decrease in contract liabilities as a result of recognizing revenue during the period that was included in the contract liabilities at the beginning of the period	(248,074)
Increase in contract liabilities as a result of receiving advance payment for purchase of goods	197,265
Increase in contract liabilities as a result of receiving payment of license fees	35,515
Increase in contract liabilities as a result of receiving payment of membership fees	18,537
Balance at December 31, 2021	330,109

As of June 30, 2019, 2020 and 2021 and December 31, 2021, license fees expected to be recognized as revenue after one year were RMB77,673,000, RMB74,226,000, RMB59,947,000 and RMB53,572,000, respectively.

(iii) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting dates

Contracts within the scope of IFRS 15

As at June 30, 2019, 2020 and 2021 and December 31, 2021, the aggregated amounts of the transaction price allocated to the remaining performance obligations under the Group's existing contracts were RMB116,417,000, RMB118,147,000, RMB91,431,000 and RMB113,999,000, respectively. These amounts represented revenue of license fees and membership fees income expected to be recognized in the future from license agreements entered into with the franchisees and distributors. The Group will recognize the expected revenue in future over the remaining licensing period, which is expected to occur over the next 1 to 49 years, the next 1 to 48 years, the next 1 to 47 years and the next 1 to 46.5 years as at June 30, 2019, 2020 and 2021 and December 31, 2021, respectively.

(iv) COVID-19 impact on revenue

The COVID-19 outbreak has impacted the Group's revenue and operations beginning from late January 2020 and continued through December 2021.

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in the PRC. In response to intensifying efforts to contain the spread of the virus, the Group's self-operated stores and franchised stores in the PRC were all temporarily closed from late January 2020. Those stores were gradually re-opened since early March 2020. This has resulted in a reduction in revenue from retail sales and product sales to franchisees in the PRC during the period from late January to March 2020. During the period from April to June 2020, the Group's self-operated stores and franchised stores in the PRC gradually resumed normal operations and revenue from retail sales in self-operated stores and product sales to franchisees in the PRC recovered accordingly. During the year ended June 30, 2021 and the six months ended December 31, 2021, the emergence of new variants in certain PRC areas has adversely impacted the Group's retail sales and product sales to franchisees due to governmental restrictions in public places to reduce the spread of virus.

The Group's overseas business started to be adversely impacted since late March 2020 following the spread of COVID-19 around the world. Most of the Group's overseas self-operated stores and franchised stores, have suffered from temporary closure and reduction of operating hours on occasion since late March 2020 through June 2021. The sales of stores owned by overseas distributors have also been adversely affected, which resulted in a reduction in revenue from sales to overseas distributors during the period from March 2020 to June 2021. During the six months ended December 31, 2021, the sales of stores owned by overseas distributors gradually recovered although many of those stores that resumed operations also had reduced operating hours due to regional resurgences of COVID-19. The impact on sales in each overseas market has been dependent on the timing, severity and duration of the outbreak and measures implemented by government authorities to reduce the spread of COVID-19.

7 OTHER INCOME

	For the year ended June 30,			For the six months ended December 31,	
	2019	**2020**	**2021**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Tax refund	1,203	606	1,279	203	1,610
Government grants *(Note (i))*	9,265	36,602	46,587	42,344	13,920
Income from depositary bank *(Note 29)*	–	–	4,274	1,257	3,056
	10,468	37,208	52,140	43,804	18,586

Note:

(i) Government grants mainly represented unconditional cash awards granted by the local authorities in the PRC during the Relevant Periods.

During the six months ended December 31, 2021, government grants also included subsidies obtained by the subsidiaries in the U.S. under the Paycheck Protection Program Rule with an aggregated amount of USD1,320,000 (equivalent to RMB8,550,000) as disclosed in Note 26(a)(i).

8 EXPENSES BY NATURE

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Cost of inventories *(Note 21(a))*	6,883,931	6,246,488	6,581,456	3,179,451	3,762,590
Payroll and employee benefits *(Note (i))*	695,493	984,895	916,185	523,397	451,593
Rental and related expenses	38,682	45,186	12,139	11,800	9,170
Depreciation and amortization *(Note (ii))*	191,778	268,669	265,019	125,383	182,626
Licensing expenses	21,851	109,488	88,063	43,114	73,946
Promotion and advertising expenses	85,611	128,447	214,788	95,643	137,067
Logistics expenses	105,940	154,763	195,593	102,879	150,679
Travelling expenses	60,102	69,290	52,966	28,095	37,400
Other expenses	212,066	226,174	332,375	163,609	188,813
Total cost of sales, selling and distribution and general and administrative expenses	8,295,454	8,233,400	8,658,584	4,273,371	4,993,884

Notes:

(i) Payroll and employee benefits are analyzed as follows:

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Salaries, wages and bonus	485,939	515,573	543,646	267,217	341,161
Contributions to social security contribution plan	56,368	51,587	56,325	22,800	38,482
Welfare expenses	31,128	33,691	34,895	17,003	21,550
Employee compensation expenses	–	19,664	–	–	–
Equity-settled share-based payment expenses *(Note 32)*	122,058	364,380	281,319	216,377	50,400
	695,493	984,895	916,185	523,397	451,593

Employee compensation expenses represented the non-forfeitable dividend paid to employees in December 2019 in connection with the unvested restricted shares granted to them under the 2018 Share Award Scheme (see Note 32).

(ii) Depreciation and amortization are analyzed as follows:

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Property, plant and equipment *(Note 14)*	25,932	37,481	30,507	14,147	25,937
Right-of-use assets *(Note 15)*	157,869	214,117	213,490	101,350	145,841
Intangible assets *(Note 16)*	7,977	17,071	21,022	9,886	10,848
	191,778	268,669	265,019	125,383	182,626

9 OTHER NET INCOME/(LOSS)

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Net foreign exchange gain/(loss) *(Note (i))*	12,611	14,193	(114,177)	(85,366)	(11,489)
Losses on disposal of property, plants and equipment and intangible assets	(1,611)	(2,526)	(2,317)	(795)	(1,898)
Investment income from other investments *(Note 20)*	1,348	26,387	66,837	14,965	40,446
Scrap income	8,885	8,330	11,242	5,262	6,387
Net change in fair value of other investments	1,465	(1,465)	2,968	437	5,321
Others	1,725	1,078	(4,960)	(5,258)	7,197
	24,423	45,997	(40,407)	(70,755)	45,964

Note:

(i) Net foreign exchange loss for the year ended June 30, 2021 and the six months ended December 31, 2020 was mainly caused by the depreciation of US dollar against Renminbi in certain subsidiaries whose functional currency are Renminbi whereas its holding net assets were mainly denominated in US dollar, which mainly comprised of the US dollar proceeds obtained from the listing on the New York Stock Exchange in October 2020.

10 NET FINANCE (COSTS)/INCOME

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Finance income					
– Interest income	7,311	25,608	40,433	23,044	26,437
	7,311	25,608	40,433	23,044	26,437
Finance costs					
– Interest on loans and borrowings	(2,364)	(5,221)	(1,545)	(1,062)	(302)
– Interest on lease liabilities	(22,845)	(26,117)	(26,817)	(12,798)	(16,964)
	(25,209)	(31,338)	(28,362)	(13,860)	(17,266)
	(17,898)	(5,730)	12,071	9,184	9,171

11 INCOME TAXES

(a) Taxation recognized in consolidated profit or loss:

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Amounts recognized in consolidated profit or loss					
Current tax					
Provision for the year/period	345,433	306,679	200,170	96,177	124,979
Deferred tax					
Origination and reversal of temporary differences *(Note 11(d))*	(65,850)	(95,730)	13,085	(4,562)	6,359
Tax expense on continuing operations	279,583	210,949	213,255	91,615	131,338

(1) Cayman Islands and the BVI

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

(2) Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, the Company's Hong Kong subsidiaries are subject to Hong Kong Profits Tax at the rate of 16.5% on their taxable income generated from the operations in Hong Kong. A two-tiered profits tax rates regime was introduced in 2018 where the first HKD2 million of assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) whilst the remaining profits will continue to be taxed at 16.5%. There is an anti-fragmentation measure where each group will have to nominate only one company in the Group to benefit from the progressive rates.

(3) Mainland China

Under the Corporate Income Tax ("CIT") Law, the subsidiaries established in mainland China are subject to a unified statutory CIT rate of 25%.

A subsidiary established in Hengqin New Area of Zhuhai, a pilot free trade zone in the PRC, met the criteria for a preferential income tax rate of 15%.

(4) United States

Under United States Internal Revenue Code, the subsidiaries established in United States are subject to a unified Federal CIT rate of 21% and variable state income and franchise tax depends on which state the subsidiaries has nexus with. Most of subsidiaries in United States are operated in the state of California, and thus they will be subject to state income tax rate of 8.84%.

(5) Indonesia

The subsidiary incorporated in Indonesia elected to pay profit tax at 0.5% of gross revenue for the fiscal year ended December 31, 2018 and 2019. In the following years, the subsidiary is subject to the prevailing statutory tax rate on taxable income. In response to the COVID-19 outbreak, the statutory tax rate was progressively lowered from 25% to 22% for fiscal years ended December 31, 2020 and 2021, and will be further lowered to 20% starting from fiscal year ended December 31, 2022 onwards.

(6) India

Under the Income Tax Act 1961 enacted in India, the subsidiary incorporated in India is subject to a profit tax rate of 26%.

(7) Canada

Under the Canadian federal and provincial tax rules, the subsidiaries incorporated in Canada are subject to the combined Canadian federal and provincial statutory income tax rates ranging from 23% to 31% depending on the location of the operation.

(8) Singapore

Under the Income Tax Act enacted in Singapore, the subsidiaries incorporated in Singapore are subject to a tax rate of 17% on its chargeable income.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	For the year ended June 30,			**For the six months ended December 31,**	
	2019	**2020**	**2021**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Profit/(loss) before taxation	289,004	80,818	(1,216,192)	(1,563,952)	469,956
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	63,918	(48,050)	118,766	26,089	119,697

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Tax effect of share-based compensation expenses and employee compensation expenses *(Note 8(i))*	30,514	96,011	70,330	54,094	12,600
Tax effect of other non-deductible expenses	11,800	6,566	10,433	4,915	1,662
Tax effect of deemed sales	11,277	–	–	–	–
Tax effect of loss from waiver of intercompany receivables of discontinued operations	–	(61,548)	–	–	–
Tax benefit from disposal of subsidiaries	–	(24,779)	–	–	–
Effect of preferential tax treatments on assessable profits of a subsidiary *(Note 11(a)(3))*	(47,912)	(34,876)	(34,218)	(19,362)	(10,080)
Effect of fair value changes of paid-in capital subject to redemption and other preferential rights not recognized	177,446	207,942	–	–	–
Tax effect of exempted and non-taxable interest income	–	–	(6,245)	(1,525)	(2,105)
Effect of unused tax losses not recognized	21,173	35,382	72,969	27,193	10,093
Effect of deductible temporary differences not recognized/(utilized)	11,367	34,301	(18,780)	211	(529)
Actual tax expenses	279,583	210,949	213,255	91,615	131,338

The loss from waiver of intercompany receivables is related with the waiver of outstanding receivables due from Nome Design (Guangzhou) Co., Ltd. and Minihome Technology Co., Ltd. prior to the disposal in accordance with the share purchase agreements to sell their equity interests to Mr. Ye Guofu, the controlling shareholder of the Group.

(c) Income tax on discontinued operations:

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Tax charge on losses from ordinary activities of discontinued operations *(Note 5(a))*	6,754	–	–	–	–
Total tax charge on discontinued operations	6,754	–	–	–	–

(d) Movement in deferred tax assets

The components of deferred tax assets recognized in the consolidated statement of financial position and the movements during the reporting periods presented are as follows:

	Unused tax losses	Intra-group unrealized profits	Credit loss and impairment	Loss from waiver of intercompany receivables of discontinued operations	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax arising from:						
At July 1, 2018	3,964	1,265	16,106	–	–	21,335
Charged to profit or loss (continuing operations)	5,540	24,322	34,384	–	1,604	65,850
Exchange rate difference	90	–	511	–	21	622
At June 30, 2019	9,594	25,587	51,001	–	1,625	87,807
Charged to profit or loss (continuing operations)	19,255	12,180	(485)	61,548	3,232	95,730
Exchange rate difference	(282)	(58)	365	–	(42)	(17)
At June 30, 2020	28,567	37,709	50,881	61,548	4,815	183,520
Charged to profit or loss (continuing operations)	6,278	(22,931)	683	–	2,885	(13,085)
Exchange rate difference	(592)	(82)	(1,217)	–	8	(1,883)
At June 30, 2021	34,253	14,696	50,347	61,548	7,708	168,552
Charged to profit or loss (continuing operations)	2,443	(4,351)	(5,645)	–	1,194	(6,359)
Exchange rate difference	(799)	(42)	(317)	–	(17)	(1,175)
At December 31, 2021	35,897	10,303	44,385	61,548	8,885	161,018

The Group only recognizes deferred income tax assets for cumulative tax losses if it is probable that future taxable amounts will be available to utilize those tax losses.

(e) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profit against which the losses can be utilized will be available in the relevant tax jurisdiction.

	As at June 30,			As at December 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deductible temporary differences	89,879	223,977	127,500	108,909
Cumulative tax losses	161,919	229,946	483,437	515,739
Total	251,798	453,923	610,937	624,648

(f) Tax losses carried forward

Tax losses for which no deferred tax asset was recognized will expire as follows:

	As at June 30, 2019		As at June 30, 2020		As at June 30, 2021		As at December 31, 2021	
	RMB'000	*Expiry date*	*RMB'000*	*Expiry date*	*RMB'000*	*Expiry date*	*RMB'000*	*Expiry date*
Expire	71,584	2020-2040	52,971	2021-2041	147,928	2022-2042	187,778	2022-2042
Never expire	90,335		176,975		335,509		327,961	

Tax losses for which no deferred tax asset was recognized are related to subsidiaries that were established in recent years, which are not expected to derive sufficient taxable profits in the foreseeable future before unused tax losses expired.

(g) Uncertain tax position

The Group evaluates whether it is probable that tax authority will accept the tax treatment for each uncertain tax position (including the potential application of interest and penalties) based on the technical merits, and measures the unrecognized benefits associated with the tax positions. As of June 30, 2019, 2020 and 2021 and December 31, 2021, the Group did not have any significant unrecognized uncertain tax positions. The Group does not anticipate any significant increase to unrecognized tax benefit within the next 12 months. Interest and penalties related to income tax matters, if any, is included in income tax expense.

12 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share has been based on the following profit/(loss) attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

(i) Profit/(loss) attributable to ordinary shareholders (basic):

	For the year ended June 30, 2019		
	Continuing operations	Discontinued operations	Total
	RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) attributable to the equity shareholders of the Company	13,183	(303,830)	(290,647)
Less:			
Allocation of undistributed earnings to holders of unvested restricted shares	(741)	17,070	16,329
Profit/(loss) used to determine basic earnings per share	12,442	(286,760)	(274,318)

	For the year ended June 30, 2020		
	Continuing operations	Discontinued operations	Total
	RMB'000	*RMB'000*	*RMB'000*
Loss attributable to the equity shareholders of the Company	(132,222)	(130,045)	(262,267)
Less:			
Allocation of undistributed earnings to holders of unvested restricted shares	25,988	7,306	33,294
Loss used to determine basic earnings per share	(106,234)	(122,739)	(228,973)

	For the year ended June 30, 2021		
	Continuing operations	Discontinued operations	Total
	RMB'000	*RMB'000*	*RMB'000*
Loss attributable to the equity shareholders of the Company	(1,415,010)	–	(1,415,010)
Less:			
Allocation of undistributed earnings to holders of unvested restricted shares	116,929	–	116,929
Loss used to determine basic earnings per share	(1,298,081)	–	(1,298,081)

	For the six months ended December 31, 2020 (unaudited)		
	Continuing operations	Discontinued operations	Total
	RMB'000	*RMB'000*	*RMB'000*
Loss attributable to the equity shareholders of the Company	(1,651,857)	–	(1,651,857)
Less:			
Allocation of undistributed earnings to holders of unvested restricted shares	118,054	–	118,054
Loss used to determine basic earnings per share	(1,533,803)	–	(1,533,803)

	For the six months ended December 31, 2021		
	Continuing operations	Discontinued operations	Total
	RMB'000	*RMB'000*	*RMB'000*
Profit attributable to the equity shareholders of the Company	336,779	–	336,779
Less:			
Allocation of undistributed earnings to holders of unvested restricted shares	(944)	–	(944)
Profit used to determine basic earnings per share	335,835	–	335,835

The unvested restricted shares granted to employees under the 2018 and 2020 Share Award Scheme (see Note 32) are entitled to non-forfeitable dividends during the vesting period. For the purpose of calculating basic loss per share, the numerators are thus be adjusted for the undistributed earnings attributed to these unvested shares in accordance with their participating rights, which have not been recognized in profit or loss.

(ii) Weighted-average number of ordinary shares (basic):

The Company was incorporated on January 7, 2020 as part of the Reorganization (see Note 1.2). For the purpose of calculating basic loss per share for the years ended June 30, 2019 and 2020, the number of ordinary shares outstanding of 865,591,398 used in the calculation, which excludes treasury shares of 111,043,373 shares (see Note 31(a)), has been retroactively adjusted to reflect the issuance of ordinary shares by the Company in connection with the incorporation of the Company and the Reorganization as if these events had occurred at the beginning of the earliest period presented.

As of June 30, 2019 and 2020, the vesting requirements of the restricted shares under the 2018 and 2020 Share Aware Scheme (see Note 32) have not been satisfied. Therefore, the effect of such shares has not been taken into account in the calculation of basic loss per share for the years ended June 30, 2019 and 2020.

The weighted average number of ordinary shares of 1,104,371,475, 1,006,270,877 and 1,206,451,996, respectively in issue for the year ended June 30, 2021 and the six months ended December 31, 2020 and 2021 was calculated as follows:

	For the year ended June 30, 2021
	Number of shares
Issued ordinary share at July 1, 2020	865,591,398
Effect of shares issued upon IPO and exercise of the over-allotment option *(Note 31(a)(iii))*	90,911,146
Effect of shares converted from Series A preferred shares*(Note 31(a)(iv))*	83,495,097
Effect of shares released from share award scheme and option plan *(Note 32)*	64,373,834
Weighted average number of ordinary shares	1,104,371,475

	For the six months ended December 31, 2020
	Number of shares
	(unaudited)
Issued ordinary share at July 1, 2020	865,591,398
Effect of shares issued upon IPO and exercise of the over-allotment option *(Note 31(a)(iii))*	51,215,483
Effect of shares converted from Series A preferred shares *(Note 31(a)(iv))*	49,880,507
Effect of shares released from share award scheme and option plan *(Note 32)*	39,583,489
Weighted average number of ordinary shares	1,006,270,877

	For the six months ended December 31, 2021
	Number of shares
Issued ordinary share at July 1, 2021	1,204,860,715
Effect of shares released from share award scheme and option plan *(Note 32)*	1,615,808
Effect of repurchase of shares *(Note 31(b)(v))*	(24,527)
Weighted average number of ordinary shares	1,206,451,996

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares.

There was no difference between basic and diluted loss per share during the years ended June 30, 2019 and 2020 as (i) the unvested restricted shares granted to employees (see Note 32(a)) and the redeemable shares with other preferential rights issued by the Company (see Note 30) were not potential dilutive ordinary shares as they could not be vested or be converted into ordinary shares until the Company completes a qualified initial public offering; and (ii) the effect of share options granted to employees (see Note 32(b)) would be anti-dilutive.

There was no difference between basic and diluted loss per share during the year ended June 30, 2021 and the six months ended December 31, 2020 as the effect of the restricted shares granted to employees (see Note 32(a)) and share options granted to employees (see Note 32(b)) would be anti-dilutive.

During the six months ended December 31, 2021, the calculation of diluted earnings per share was based on the profit attributable to ordinary equity shareholders of the Company of RMB336,779,000 and the weighted average number of ordinary shares of 1,217,411,723 shares, after adjusting by the dilutive effect of share award scheme and option plan, calculated as follows:

	For the six months ended December 31, 2021
	Number of shares
Weighted average number of ordinary shares, basic	1,206,451,996
Dilutive effect of share award scheme and option plan *(Note 32)*	10,959,727
Weighted average number of ordinary shares, diluted	1,217,411,723

13 OTHER COMPREHENSIVE (LOSS)/INCOME

Amounts recognized in consolidated other comprehensive (loss)/income

	For the year ended June 30, 2019		
	Before-tax amount	Tax (expense)/ benefit	Net-of-tax amount
	RMB'000	*RMB'000*	*RMB'000*
Exchange differences on translation of financial statements of overseas subsidiaries	(4,834)	–	(4,834)
Other comprehensive loss	(4,834)	–	(4,834)

	For the year ended June 30, 2020		
	Before-tax amount	**Tax (expense)/ benefit**	**Net-of-tax amount**
	RMB'000	*RMB'000*	*RMB'000*
Exchange differences on translation of financial statements of overseas subsidiaries	6,361	–	6,361
Other comprehensive income	6,361	–	6,361

	For the year ended June 30, 2021		
	Before-tax amount	**Tax (expense)/ benefit**	**Net-of-tax amount**
	RMB'000	*RMB'000*	*RMB'000*
Exchange differences on translation of financial statements of overseas subsidiaries	(16,548)	–	(16,548)
Other comprehensive loss	(16,548)	–	(16,548)

	Six months ended December 31, 2020 (unaudited)		
	Before-tax amount	**Tax (expense)/ benefit**	**Net-of-tax amount**
	RMB'000	*RMB'000*	*RMB'000*
Exchange differences on translation of financial statements of overseas subsidiaries	(47,773)	–	(47,773)
Other comprehensive loss	(47,773)	–	(47,773)

	Six months ended December 31, 2021		
	Before-tax amount	**Tax (expense)/ benefit**	**Net-of-tax amount**
	RMB'000	*RMB'000*	*RMB'000*
Exchange differences on translation of financial statements of overseas subsidiaries	9,177	–	9,177
Other comprehensive income	9,177	–	9,177

14 PROPERTY, PLANT AND EQUIPMENT

	Apartments	Leasehold improvements	Office equipment	Store operating equipment	Motor vehicles	Moulds	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:								
At July 1, 2018	–	107,156	23,595	11,768	2,258	–	–	144,777
Additions	–	39,941	9,563	38,893	1,452	–	–	89,849
Disposals	–	–	(2,477)	(1,271)	(114)	–	–	(3,862)
Transfer of assets held for sale	–	(48,528)	(2,714)	(161)	(1,450)	–	–	(52,853)
Exchange adjustments	–	2,507	550	820	46	–	–	3,923
At June 30, 2019	–	101,076	28,517	50,049	2,192	–	–	181,834
Additions	–	8,122	5,908	7,612	788	–	–	22,430
Disposals	–	–	(3,817)	(642)	(41)	–	–	(4,500)
Exchange adjustments	–	2,081	34	(1,704)	(4)	–	–	407
At June 30, 2020	–	111,279	30,642	55,315	2,935	–	–	200,171
Acquisitions through business combination	–	413	7	215	904	–	–	1,539
Additions	–	12,484	11,710	8,822	–	–	–	33,016
Disposals	–	(1,392)	(3,675)	(15,508)	(1,012)	–	–	(21,587)
Exchange adjustments	–	(10,835)	(1,253)	(2,375)	(87)	–	–	(14,550)
At June 30, 2021	–	111,949	37,431	46,469	2,740	–	–	198,589
Acquisition of assets through acquisition of a subsidiary *(Note 33(b))*	–	–	–	–	–	–	10,276	10,276
Additions	242,639	28,236	10,109	4,786	232	17,724	23,512	327,238
Disposals	–	(5,470)	(2,900)	(3,450)	(351)	(102)	–	(12,273)
Exchange adjustments	–	(1,597)	(67)	(371)	(7)	–	–	(2,042)
At December 31, 2021	242,639	133,118	44,573	47,434	2,614	17,622	33,788	521,788
Accumulated depreciation:								
At July 1, 2018	–	(5,037)	(3,312)	(1,632)	(366)	–	–	(10,347)
Charge for the year	–	(11,831)	(5,418)	(8,327)	(356)	–	–	(25,932)
Written back on disposals	–	–	1,601	1,192	–	–	–	2,793
Transfer of assets held for sale	–	1,655	373	6	218	–	–	2,252
Exchange adjustments	–	(203)	(136)	(181)	(10)	–	–	(530)
At June 30, 2019	–	(15,416)	(6,892)	(8,942)	(514)	–	–	(31,764)

	Apartments	Leasehold improvements	Office equipment	Store operating equipment	Motor vehicles	Moulds	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Charge for the year	–	(17,569)	(7,682)	(11,648)	(582)	–	–	(37,481)
Written back on disposals	–	–	1,780	177	17	–	–	1,974
Exchange adjustments	–	(210)	66	578	9	–	–	443
At June 30, 2020	–	(33,195)	(12,728)	(19,835)	(1,070)	–	–	(66,828)
Charge for the year	–	(11,097)	(7,538)	(11,303)	(569)	–	–	(30,507)
Written back on disposals	–	395	3,026	5,028	77	–	–	8,526
Exchange adjustments	–	2,890	(1,386)	3,187	52	–	–	4,743
At June 30, 2021	–	(41,007)	(18,626)	(22,923)	(1,510)	–	–	(84,066)
Charge for the period	(3,182)	(8,603)	(2,719)	(5,022)	(232)	(6,179)	–	(25,937)
Written back on disposals	–	5,041	1,456	2,291	267	19	–	9,074
Exchange adjustments	–	518	94	217	3	–	–	832
At December 31, 2021	(3,182)	(44,051)	(19,795)	(25,437)	(1,472)	(6,160)	–	(100,097)
Impairment:								
At July 1, 2018	–	(64,914)	(1,964)	(386)	(1,232)	–	–	(68,496)
Addition	–	(9,436)	–	(4,750)	–	–	–	(14,186)
Transfer of assets held for sale	–	46,236	1,964	44	1,232	–	–	49,476
Exchange adjustments	–	(930)	–	(89)	–	–	–	(1,019)
At June 30, 2019	–	(29,044)	–	(5,181)	–	–	–	(34,225)
Addition	–	(8,186)	–	(2,136)	–	–	–	(10,322)
Exchange adjustments	–	(932)	–	198	–	–	–	(734)
At June 30, 2020	–	(38,162)	–	(7,119)	–	–	–	(45,281)
Addition	–	(1,742)	–	(1,199)	–	–	–	(2,941)
Written back on disposals	–	–	–	6,179	–	–	–	6,179
Exchange adjustments	–	3,472	–	364	–	–	–	3,836
At June 30, 2021	–	(36,432)	–	(1,775)	–	–	–	(38,207)
Addition	–	(6,865)	–	(2,672)	–	–	–	(9,537)
Written back on disposals	–	898	–	409	–	–	–	1,307
Exchange adjustments	–	703	–	64	–	–	–	767
At December 31, 2021	–	(41,696)	–	(3,974)	–	–	–	(45,670)

	Apartments	Leasehold improvements	Office equipment	Store operating equipment	Motor vehicles	Moulds	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Net book value:								
At June 30, 2019	–	56,616	21,625	35,926	1,678	–	–	115,845
At June 30, 2020	–	39,922	17,914	28,361	1,865	–	–	88,062
At June 30, 2021	–	34,510	18,805	21,771	1,230	–	–	76,316
At December 31, 2021	239,457	47,371	24,778	18,023	1,142	11,462	33,788	376,021

Note: Apartments represent the apartments located in the PRC acquired from a third party during the six months ended December 31, 2021. As of December 31, 2021, the property ownership certificates of certain apartments were still under processing.

15 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Property *(Note (i))*	Warehouse equipment *(Note (ii))*	Land use right *(Note (iii))*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At July 1, 2018	456,212	12,556	–	468,768
Additions	211,194	2,064	–	213,258
Derecognition	(18,882)	–	–	(18,882)
Transfer of assets held for sale	(41,055)	–	–	(41,055)
Exchange adjustments	10,146	96	–	10,242
At June 30, 2019	617,615	14,716	–	632,331
Additions	282,451	15,180	–	297,631
Derecognition	(66,578)	(5,099)	–	(71,677)
Exchange adjustments	(831)	60	–	(771)
At June 30, 2020	832,657	24,857	–	857,514
Acquisitions through business combination	36,632	–	–	36,632
Additions	392,648	11,305	–	403,953
Derecognition	(155,478)	(24,179)	–	(179,657)
Exchange adjustments	(29,042)	(281)	–	(29,323)
At June 30, 2021	1,077,417	11,702	–	1,089,119

	Property *(Note (i))*	Warehouse equipment *(Note (ii))*	Land use right *(Note (iii))*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Acquisition of assets through acquisition of a subsidiary *(Note 33(b))*	–	–	1,781,595	1,781,595
Additions	156,303	414	–	156,717
Derecognition	(212,463)	(1,470)	–	(213,933)
Exchange adjustments	(9,269)	2	–	(9,267)
At December 31, 2021	1,011,988	10,648	1,781,595	2,804,231
Accumulated depreciation:				
At July 1, 2018	–	–	–	–
Charge for the year	(150,260)	(7,609)	–	(157,869)
Derecognition	3,237	–	–	3,237
Exchange adjustments	(1,175)	(21)	–	(1,196)
At June 30, 2019	(148,198)	(7,630)	–	(155,828)
Charge for the year	(203,662)	(10,455)	–	(214,117)
Derecognition	51,458	5,099	–	56,557
Exchange adjustments	1,401	(32)	–	1,369
At June 30, 2020	(299,001)	(13,018)	–	(312,019)
Charge for the year	(205,344)	(8,146)	–	(213,490)
Derecognition	131,424	19,425	–	150,849
Exchange adjustments	13,033	191	–	13,224
At June 30, 2021	(359,888)	(1,548)	–	(361,436)
Charge for the period	(135,926)	(1,988)	(7,927)	(145,841)
Derecognition	126,900	1,470	–	128,370
Exchange adjustments	3,707	(1)	–	3,706
At December 31, 2021	(365,207)	(2,067)	(7,927)	(375,201)
Impairment:				
At July 1, 2018	(19,431)	–	–	(19,431)
Charge for the year	(12,987)	–	–	(12,987)
Transfer to assets held for sale	16,972	–	–	16,972
Exchange adjustments	(189)	–	–	(189)
At July 1, 2019	(15,635)	–	–	(15,635)
Charge for the year	(26,522)	–	–	(26,522)
Exchange adjustments	(471)	–	–	(471)
At June 30, 2020	(42,628)	–	–	(42,628)

	Property (Note (i))	Warehouse equipment (Note (ii))	Land use right (Note (iii))	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Charge for the year	–	–	–	–
Derecognition	1,759	–	–	1,759
Exchange adjustments	3,073	–	–	3,073
At June 30, 2021	(37,796)	–	–	(37,796)
Charge for the period	–	–	–	–
Derecognition	–	–	–	–
Exchange adjustments	569	–	–	569
At December 31, 2021	(37,227)	–	–	(37,227)
Net book value:				
At June 30, 2019	453,782	7,086	–	460,868
At June 30, 2020	491,028	11,839	–	502,867
At June 30, 2021	679,733	10,154	–	689,887
At December 31, 2021	609,554	8,581	1,773,668	2,391,803

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Depreciation charge of right-of-use assets by class of underlying asset:					
Property	150,260	203,662	205,344	96,630	135,926
Warehouse equipment	7,609	10,455	8,146	4,720	1,988
Land use right	–	–	–	–	7,927
	157,869	214,117	213,490	101,350	145,841

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Interest on lease liabilities *(Note 10)*	22,845	26,117	26,817	12,798	16,964
Expense relating to short-term leases and other leases with remaining lease term ending on or before June 30	28,624	28,486	28,656	15,116	18,318
Variable lease payments not included in the measurement of lease liabilities	228	3,521	2,846	1,803	2,902
COVID-19 rent concessions	–	(12,802)	(42,698)	(13,137)	(28,249)

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Note 25(c) and Note 28, respectively.

Notes:

(i) Property – right-of-use assets

The Group leases properties for its offices space, warehouse storage and retail stores. The leases of offices space typically run for a period of two to fourteen years, leases of warehouse storage and retail stores typically run for two to ten years.

Variable lease payments based on sales

Some leases of self-operated stores contain variable lease payments, which typically range from 1% to 15% of the annual sales that each store makes in excess of a certain breakpoint predetermined with landlord. These terms are common in retail stores in countries such as United states, Canada and Singapore where the Group operates. The relative magnitude of variable lease payments to fixed payments is low given sales from most stores with variable lease payments terms did not exceed the breakpoints. The Group expects the relative proportions of variable lease payments to fixed lease payments to increase in future years when sales from these stores increase.

(ii) Warehouse equipment – right-of-use assets

The Group leases warehouse equipment, with lease terms of two to three years.

(iii) Land use right

The Group acquired the land use right of a parcel of land located in the PRC during the six months ended December 31, 2021 through the acquisition of a subsidiary as disclosed in Note 33(b), with a lease term of forty years. As of December 31, 2021, the land use right certificate has not yet been obtained.

(iv) Rental deposits

The refundable rental deposit itself is not part of the lease payments and is in the scope of IFRS 9. Therefore, the rental deposit should be measured at fair value on initial recognition. The difference between the initial fair value and the nominal value of the deposit is an additional lease payment made by the Group and it is included in the measurement of the right-of-use assets.

(v) COVID-19-related concessions

As disclosed in Note 2(c), the Group has applied the practical expedient introduced by the Amendment and 2021 Amendment to all eligible rent concessions received by the Group during the years ended June 30, 2020 and 2021 and the six months ended December 31, 2021.

16 INTANGIBLE ASSETS

	Software
	RMB'000
Cost:	
At July 1, 2018	32,701
Purchases	28,800
Disposals	(647)
Transfer of assets held for sale	(1,609)
Exchange adjustments	63
At June 30, 2019	59,308
Purchases	36,304
Exchange adjustments	(45)
At June 30, 2020	95,567
Purchases	13,805
Disposals	(1,536)
Exchange adjustments	(253)
At June 30, 2021	107,583
Purchases	3,167
Exchange adjustments	(45)
At December 31, 2021	110,705
Accumulated amortization:	
At July 1, 2018	(1,223)
Charge for the year	(7,977)
Written off on disposal	105
Transfer of assets held for sale	45
Exchange adjustments	(10)
At June 30, 2019	(9,060)
Charge for the year	(17,071)
Exchange adjustments	16
At June 30, 2020	(26,115)

	Software
	RMB'000
Charge for the year	(21,022)
Written off on disposal	677
Exchange adjustments	223
At June 30, 2021	(46,237)
Charge for the period	(10,848)
Exchange adjustments	15
At December 31, 2021	(57,070)
Impairment:	
At July 1, 2018	–
Charge for the year	(369)
Exchange adjustments	(3)
At June 30, 2019	(372)
Charge for the year	–
Exchange adjustments	11
At June 30, 2020	(361)
Charge for the year	–
Exchange adjustments	20
At June 30, 2021	(341)
Charge for the period	–
Exchange adjustments	25
At December 31, 2021	(316)
Net book value:	
At June 30, 2019	49,876
At June 30, 2020	69,091
At June 30, 2021	61,005
At December 31, 2021	53,319

17 GOODWILL

	RMB'000
Cost:	
At July 1, 2018, June 30, 2019 and June 30, 2020	–
Acquisition through business combination *(Note 33)*	19,640
At June 30, 2021 and December 31, 2021	19,640
Impairment:	
At July 1, 2018, June 30, 2019, June 30, 2020, June 30, 2021 and December 31 2021	–
Carrying amount:	
At June 30, 2019 and June 30, 2020	–
At June 30, 2021 and December 31, 2021	19,640

Impairment tests for cash-generating unit (CGU) containing goodwill

For the purpose of impairment testing, goodwill has been allocated to the Group's CGU as follows.

	As at June 30, 2021	**As at December 31, 2021**
	RMB'000	*RMB'000*
MINISO SG Pte. Ltd.	19,640	19,640
Total	19,640	19,640

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing operation of the CGU, based on value-in-use calculation. The cash flow projection used in calculation was based on the financial forecasts approved by management covering a five-year period.

The key assumptions used in the estimation of value in use were as follows.

	As at June 30, 2021
Pre-tax discount rate	13.2%
Terminal value growth rate	1.4%
Revenue growth rate (average of next five years)	21.8%

The discount rate used was pre-tax and reflect specific risks relating to the CGU. Five years of cash flow were included in the discounted cash flow model. Cash flows beyond the five-year period were extrapolated using the terminal growth rate, which did not exceed the long-term average growth rates for the business in which the CGU operates. Revenue growth was based on expectations of future outcomes taking into account of the impact of COVID-19.

The headroom calculated based on the recoverable amounts deducting the carrying amount of and goodwill allocated for the CGU was approximated RMB10,741,000 as at June 30,2021.

The Company performed the sensitivity analysis based on the assumption that pre-tax discount rate and revenue growth rate has been changed. Had the estimated key assumption during the forecast period been changed as below, the headroom would have decreased to the following:

	As at June 30,
	2021
	RMB'000
Pre-tax discount rate increase by 5%	7,363
Revenue growth rate (average of next five years) decrease by 2%	151

With regards to the assessment of the value in use of the CGU, the directors of the Company believe that reasonable possible changes in above key assumptions would not lead to the carrying value, including goodwill, of the CGU to exceed the recoverable amount as at June 30, 2021.

18 PREPAYMENTS

	As at June 30,			**As at December 31,**
	2019	**2020**	**2021**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayment for construction of a new headquarter building *(Note 33(b))*	–	–	–	200,000
Prepayment for purchase of apartments	–	–	133,458	–
Others	–	6,112	5,023	3,390
Total	–	6,112	138,481	203,390

In June 2021, the Group paid first instalment of RMB133,458,000 for the purchase of apartments, for the use of staff accommodation in future.

19 INTEREST IN AN EQUITY-ACCOUNTED INVESTEE

In December 2020, the Company formed the entity YGF Investment V Limited ("YGF Investment") in the BVI together with YGF MC Limited, a company controlled by the Controlling Shareholders, to acquire the land use right of a parcel of land in the PRC and to build a new headquarter building through the YGF Investment's subsidiary in the PRC. The Company and YGF MC Limited held 20% and 80% of the shares of YGF Investment, respectively. As of June 30, 2021, the Company invested RMB356,000,000 in YGF Investment by cash and accounted for the entity using the equity method in the Historical Financial Information.

Summarized financial information of YGF Investment adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated statement of financial position as at June 30, 2021, are disclosed below:

	RMB'000
Gross amounts of YGF Investment	
Current assets	1,416,584
Non-current assets	1,781,081
Current liabilities	1,437,355
Equity	1,760,310
Revenue	–
Net loss for the year	(19,690)
Total comprehensive loss for the year	(19,690)
Reconciled to the Group's interest in the equity-accounted investee	
Gross amount of net assets of the equity-accounted investee	1,760,310
Group's effective interest	20%
Carrying amount in the Historical Financial Information	352,062

On October 27, 2021, the Company acquired the remaining 80% interest in YGF Investment and YGF Investment became a wholly-owned subsidiary of the Group since then. The directors of the Company determined that the transaction constituted an acquisition of assets and liabilities through acquisition of a subsidiary, as such, the previous 20% interest in YGF Investment was included as part of the cost of the acquisition and was not remeasured at the date of acquisition. Details of the acquisition is set out in Note 33(b).

20 OTHER INVESTMENTS

	As at June 30,			As at December 31,
	2019	**2020**	**2021**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets measured at FVTPL				
– Investments in wealth management products	245,714	–	–	–
– Investment in an asset management scheme	110,551	–	–	–
– Investment in trust investment schemes	–	–	102,968	208,289
	356,265	–	102,968	208,289

As at June 30, 2019, the Group invested in certain wealth management products managed by banks in the PRC, which included the following:

- Wealth management products with an aggregate principal amount of RMB132,800,000, which are redeemable on demand. The underlying investment portfolio of these wealth management products mainly include money market instruments and other financial instruments with fixed return. Among these wealth management products, principal amount of RMB82,800,000 is guaranteed to be fully recoverable while RMB50,000,000 is not guaranteed. Return of investment in these wealth management products is not guaranteed; and

- Wealth management products with an aggregate principal amount of RMB112,000,000, which are with an original maturity of less than one year and with principal guaranteed. Return of these investments are calculated at floating rates which are determined by reference to LIBOR.

Fair values of the above investments in wealth management products as at June 30, 2019 are estimated to be RMB245,714,000. As of June 30, 2020, investments in the above wealth management products have been redeemed.

The Group also invested in an asset management scheme ("Asset Scheme") which was established solely for MINISO Guangzhou and managed by an asset management company in the PRC for a period of one year starting from the date of establishment on April 22, 2019 ("Investment Period"). Pursuant to the agreement, the Asset Scheme is designated to make investments in debt securities, while the principal and return of the investment are not guaranteed. The initial investment amount is required to be not less than RMB10,000,000 and the accumulated investment amount as of June 30, 2019 was RMB110,000,000. The Investment Period is allowed to be early terminated or extended upon agreement on both parties. Partial redemption is permitted during the Investment Period if the remaining net asset value after the redemption will not be less than RMB10,000,000. The fair value of the investment in the Scheme as of June 30, 2019 was estimated to be RMB110,551,000. On June 22, 2020, the Group agreed with the asset management company to terminate the Asset Scheme and redeemed the accumulated investments under the Asset Scheme with principal amount of RMB120,000,000.

In December 2020, the Group invested in a trust investment scheme ("Trust Scheme A") established and managed by a trust company as the trustee with the principal of RMB100,000,000 and an initial investment period of within one year. The Group subsequently extended the investment period to March 2022. Pursuant to the agreement, the Trust Scheme A is designated to make the majority of its investments in debt securities, while the principal and return of the investment are not guaranteed. Fair value of this investment as of June 30, 2021 and December 31, 2021 was estimated to be RMB102,968,000 and RMB105,222,000, respectively.

In July 2021, the Group invested in another trust investment scheme ("Trust Scheme B") established and managed by a trust company as the trustee with the principal of RMB100,000,000 and an initial investment period of within one year. Pursuant to the agreement, the Trust Scheme B is designated to make the majority of its investments in debt securities, while the principal and return of the investment are not guaranteed. Fair value of this investment as of December 31, 2021 was estimated to be RMB103,067,000.

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 34.

21 INVENTORIES

	As at June 30,			As at December 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	1,303,848	1,390,312	1,491,328	1,358,035
Low-value consumables	5,109	5,362	4,733	2,959
	1,308,957	1,395,674	1,496,061	1,360,994

(a) The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Carrying amount of inventories sold	6,793,986	6,178,145	6,632,530	3,158,483	3,797,276
Write-down/(reversal of write-down) of inventories	89,945	68,343	(51,074)	20,968	(34,686)
Cost of inventories recognized in consolidated statements of profit or loss	6,883,931	6,246,488	6,581,456	3,179,451	3,762,590

22 TRADE AND OTHER RECEIVABLES

	Note	As at June 30,			As at December 31,
		2019	2020	2021	2021
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current					
Trade receivables		409,059	329,875	374,828	435,744
Less: loss allowance	*34(a)*	(91,726)	(43,183)	(59,827)	(77,064)
Trade receivables, net of loss allowance		317,333	286,692	315,001	358,680
Amounts due from related parties	*37(c)*	140,659	14,065	1,791	5,024
Miscellaneous expenses paid on behalf of franchisees		112,588	197,473	192,072	211,617
Value-added tax ("VAT") recoverable		98,805	49,687	79,590	157,373
Rental deposits		57,925	63,882	94,423	111,473
Receivables due from online payment platforms and banks *(i)*		31,432	16,498	33,309	117,285
Prepayments for inventories		30,927	65,502	38,758	46,813
Prepayments for licensing expenses		2,971	–	11,503	23,105
Others		38,111	36,090	58,278	82,136
		830,751	729,889	824,725	1,113,506

Notes:

(i) Receivables from online payment platforms mainly represented the proceeds of online sales through e-commerce platforms collected by and retained in third-party online payment platforms. Withdrawal of the balances retained in online payment platforms could be made anytime upon the Group's instructions. The amounts also included those due from banks for offline sales made through customer credit/debit cards and other online payment platforms that require overnight processing by the collection banks.

(ii) All of trade and other receivables classified as current portion are expected to be recovered or recognized as expense within one year.

(iii) Trade debtors are due within 30 to 180 days from the date of revenue recognition for domestic and overseas customers respectively. Further details on the Group's credit policy and credit risk arising from trade debtors are set out in Note 34(a).

Aging analysis

As of the end of each reporting period, the aging analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	As at June 30,			As at December 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 90 days	244,851	162,719	231,643	254,186
91 to 180 days	37,034	44,804	35,853	59,884
181 to 360 days	24,538	61,521	24,603	32,995
361 to 540 days	10,910	13,503	18,553	9,164
Over 540 days	–	4,145	4,349	2,451
	317,333	286,692	315,001	358,680

23 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

The Group

	As at June 30,			As at December 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash on hand	609	479	549	680
Cash at bank	1,535,671	2,853,501	6,771,104	5,150,776
Cash equivalents	10,000	–	–	–
Cash and cash equivalents as presented in the consolidated statements of financial position	1,546,280	2,853,980	6,771,653	5,151,456
Cash and cash equivalents of discontinued operations	139,938	–	–	–
Cash and cash equivalents as presented in the consolidated statements of cash flows	1,686,218	2,853,980	6,771,653	5,151,456

The Company

As at June 30, 2020 and 2021 and December 31, 2021, cash and cash equivalents comprise cash at bank amounting to RMB153,889,000, RMB925,638,000 and RMB402,937,000, respectively.

24 RESTRICTED CASH

	As at June 30,			As at December 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Restricted cash	8,917	7,056	3,680	7,347

Restricted cash represents cash held in an escrow bank account in the PRC with designated usage of settlement with franchisees.

25 CASH FLOW INFORMATION

(a) Reconciliation of (loss)/profit for the year to cash generated from operations:

	Note	For the year ended June 30,			For the six months ended December 31,	
		2019	2020	2021	2020	2021
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(unaudited)	
(Loss)/profit for the year/period		(294,409)	(260,176)	(1,429,447)	(1,655,567)	338,618
Less: Loss from discontinued operations for the year/period		303,830	130,045	–	–	–
Profit/(loss) from continuing operations for the year/period		9,421	(130,131)	(1,429,447)	(1,655,567)	338,618
Adjustments for:						
Interest on lease liabilities	*10*	22,845	26,117	26,817	12,798	16,934
Depreciation and amortization	*8*	191,778	268,669	265,019	125,383	182,626
Interest on loans and borrowings	*10*	2,364	5,221	1,545	1,062	302
Interest income	*10*	(7,311)	(25,608)	(40,433)	(23,044)	(26,437)
Investment income from other investments	*9*	(1,348)	(26,387)	(66,837)	(14,965)	(40,446)
Net change in fair value of other investments	*9*	(1,465)	1,465	(2,968)	(437)	(5,321)
Losses on disposal of property, plant and equipment and intangible assets	*9*	1,611	2,526	2,317	795	1,898
Impairment loss on non-current assets		27,542	36,844	2,941	–	9,536
Unrealized foreign exchange (gain)/loss		(8,844)	6,064	(46,378)	(21,293)	21,280
Effect of lease contract cancellation		(839)	657	(2,630)	(97)	(7,815)
Fair value changes of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights		709,780	680,033	1,625,287	1,625,287	–
Share of loss of an equity-accounted investee, net of tax		–	–	4,011	–	8,162
Equity-settled share-based payment expenses	*8*	122,058	364,380	281,319	216,377	50,400
Income tax	*11(a)*	279,583	210,949	213,255	91,615	131,338
Changes in working capital:						
Inventories		(392,824)	(86,717)	(93,197)	(17,627)	135,067
Trade and other receivables		83,656	(120,235)	(80,087)	(35,698)	(272,198)
Contract liabilities		119,048	(29,033)	34,353	67,894	3,243
Trade and other payables		509,851	50,310	386,703	484,511	300,678
Restricted cash		(6,262)	1,861	3,376	6,518	(3,667)
Deferred income		–	–	26,065	29,360	(3,356)
Cash generated from operations		1,660,644	1,236,985	1,111,031	892,872	840,842

(b) Reconciliation of liabilities arising from financing activities:

	Loans and borrowings	Paid-in capital subject to redemption and other preferential rights	Interest payable	Lease liabilities	Other payables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 26			*Note 28*		
At July 1, 2018	21,228	–	674	460,679	–	482,581
Changes from financing cash flows:						
Proceeds from the issue of paid-in capital subject to redemption and other preferential rights	–	991,514	–	–	–	991,514
Proceeds from loans and borrowings	1,375	–	–	–	–	1,375
Repayment of loans and borrowings	(14,795)	–	–	–	–	(14,795)
Interest of loans and borrowings paid	–	–	(1,383)	–	–	(1,383)
Payment of capital element and interest element of lease liabilities	–	–	–	(166,781)	–	(166,781)
Payments for acquisition of subsidiaries	–	–	–	–	(122,923)	(122,923)
Total changes from financing cash flows	(13,420)	991,514	(1,383)	(166,781)	(122,923)	687,007
Exchange adjustments	252	–	–	9,042	–	9,294
Other changes:						
Transfer of liabilities directly associated with the assets held for sale	–	–	–	(41,055)	–	(41,055)
Fair value changes of paid-in capital subject to redemption and other preferential rights	–	709,780	–	–	–	709,780
Increase in lease liabilities from entering into new leases during the year	–	–	–	228,324	–	228,324
Decrease in lease liabilities from derecognition	–	–	–	(16,484)	–	(16,484)
Increase in interest expenses	–	–	2,364	22,845	–	25,209
Increase in payable in connection with acquisition of subsidiaries under common control	–	–	–	–	133,394	133,394
Total other changes	–	709,780	2,364	193,630	133,394	1,039,168
At June 30, 2019	8,060	1,701,294	1,655	496,570	10,471	2,218,050

	Loans and borrowings	Paid-in capital subject to redemption and other preferential rights/Redeemable shares with other preferential rights	Interest payable	Lease liabilities	Other payables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 26			*Note 28*		
At July 1, 2019	8,060	1,701,294	1,655	496,570	10,471	2,218,050
Changes from financing cash flows:						
Proceeds from loans and borrowings	410,734	–	–	–	–	410,734
Repayment of loans and borrowings	(2,889)	–	–	–	–	(2,889)
Interest of loans and borrowings paid	–	–	(6,266)	–	–	(6,266)
Payment of capital element and interest element of lease liabilities	–	–	–	(193,827)	–	(193,827)
Payments for acquisition of subsidiaries under common control	–	–	–	–	(10,471)	(10,471)
Total changes from financing cash flows	407,845	–	(6,266)	(193,827)	(10,471)	197,281
Exchange adjustments	484	–	–	(9,939)	–	(9,455)
Other changes:						
Fair value changes of redeemable shares with other preferential rights	–	680,033	–	–	–	680,033
Increase in lease liabilities from entering into new leases during the year	–	–	–	298,516	–	298,516
Decrease in lease liabilities from derecognition	–	–	–	(14,463)	–	(14,463)
Increase in interest expenses	–	–	5,221	26,117	–	31,338
Total other changes	–	680,033	5,221	310,170	–	995,424
At June 30, 2020	416,389	2,381,327	610	602,974	–	3,401,300

	Loans and borrowings	Redeemable shares with other preferential rights	Interest payable	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 26			*Note 28*	
At July 1, 2020	416,389	2,381,327	610	602,974	3,401,300
Additions through business combination	21,979	–	–	38,713	60,692
Changes from financing cash flows:					
Proceeds from loans and borrowings	313	–	–	–	313
Repayment of loans and borrowings	(416,588)	–	–	–	(416,588)
Interest of loans and borrowings paid	–	–	(1,488)	–	(1,488)
Payment of capital element and interest element of lease liabilities	–	–	–	(215,762)	(215,762)
Total changes from financing cash flows	(416,275)	–	(1,488)	(215,762)	(633,525)
Exchange adjustments	(1,499)	(42,771)	–	(22,607)	(66,877)
Other changes:					
Fair value changes of redeemable shares with other preferential rights	–	1,625,287	–	–	1,625,287
Decrease in redeemable shares with other preferential rights	–	(3,963,843)	–	–	(3,963,843)
Increase in lease liabilities from entering into new leases during the year	–	–	–	403,955	403,955
Decrease in lease liabilities from derecognition	–	–	–	(29,678)	(29,678)
Increase in interest expenses	–	–	1,545	26,817	28,362
Total other changes	–	(2,338,556)	1,545	401,094	(1,935,917)
At June 30, 2021	20,594	–	667	804,412	825,673

	Loans and borrowings	Redeemable shares with other preferential rights	Interest payable	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 26			*Note 28*	
At July 1, 2020	416,389	2,381,327	610	602,974	3,401,300
Changes from financing cash flows:					
Repayment of loans and borrowings	(400,267)	–	–	–	(400,267)
Interest of loans and borrowings paid	–	–	(1,488)	–	(1,488)
Payment of capital element and interest element of lease liabilities	–	–	–	(140,082)	(140,082)
Total changes from financing cash flows	(400,267)	–	(1,488)	(140,082)	(541,837)
Exchange adjustments	(2,028)	(42,771)	(95)	21,973	(22,921)
Other changes:					
Fair value changes of redeemable shares with other preferential rights	–	1,625,287	–	–	1,625,287
Decrease in redeemable shares with other preferential rights	–	(3,963,843)	–	–	(3,963,843)
Increase in lease liabilities from entering into new leases during the year	–	–	–	99,438	99,438
Decrease in lease liabilities from derecognition	–	–	–	(3,119)	(3,119)
Increase in interest expenses	–	–	1,062	12,798	13,860
Total other changes	–	(2,338,556)	1,062	109,117	(2,228,377)
At December 31, 2020 (unaudited)	14,094	–	89	593,982	608,165

	Loans and borrowings	Redeemable shares with other preferential rights	Interest payable	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 26			*Note 28*	
At July 1, 2021	20,594	–	667	804,412	825,673
Changes from financing cash flows:					
Repayment of loans and borrowings	(503)	–	–	–	(503)
Interest of loans and borrowings paid	–	–	(881)	–	(881)
Payment of capital element and interest element of lease liabilities	–	–	–	(163,716)	(163,716)
Total changes from financing cash flows	(503)	–	(881)	(163,716)	(165,100)
Exchange adjustments	8	–	–	(1,884)	(1,876)
Other changes:					
Increase in lease liabilities from entering into new leases during the year	–	–	–	156,717	156,717
Decrease in lease liabilities from derecognition	–	–	–	(132,764)	(132,764)
Increase in interest expenses	–	–	302	16,964	17,266
Forgiveness of loans and borrowings	(8,548)	–	–	–	(8,548)
Total other changes	(8,548)	–	302	40,917	32,671
At December 31, 2021	11,551	–	88	679,729	691,368

(c) Total cash out flow for leases:

	For the year ended June 30,			For the six months ended December 31,	
	2019	**2020**	**2021**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Within operating cash flows	(28,852)	(32,007)	(31,502)	(16,919)	(21,220)
Within financing cash flows	(166,781)	(193,827)	(215,762)	(140,082)	(163,716)
	(195,633)	(225,834)	(247,264)	(157,001)	(184,936)

(d) Non-cash transactions

Non-cash transactions incurred during the year ended June 30, 2019 mainly comprised the following:

(i) Capital injection in a subsidiary amounting to RMB24,259,000 by way of capitalization of other payables.

(ii) Waived liabilities in a subsidiary amounting to RMB19,270,000 recognized as an addition to additional paid-in capital and non-controlling interests.

(iii) Deemed distribution to equity shareholders as described in Note 31(c).

No significant non-cash transaction incurred during the year ended June 30, 2020.

Non-cash transactions incurred during the year ended June 30, 2021 mainly comprised the conversion of redeemable shares with other preferential rights into ordinary shares upon the date of completion of IPO. The redeemable shares with other preferential rights amounting to RMB3,963,843,000 as of the date of conversion were transferred from liabilities to equity upon the date of completion of IPO.

No significant non-cash transaction incurred during the six months ended December 31, 2021.

26 LOANS AND BORROWINGS

(a) The analysis of the carrying amount of loans and borrowings is as follows:

		As at June 30,			**As at December 31,**
	Note	**2019**	**2020**	**2021**	**2021**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Unsecured bank loans	*(i)*	–	9,777	–	–
Borrowings from former and existing non-controlling interest shareholders	*(ii)*	5,310	5,430	6,612	6,369
Other borrowings		–	–	313	–
		5,310	15,207	6,925	6,369
Current liabilities					
Current portion of unsecured bank loans	*(i)*	–	–	8,921	–
Current portion of borrowings from former and existing non-controlling interest shareholders	*(ii)*	–	–	4,748	4,882
Unsecured bank loans	*(iii)*	–	400,000	–	–
Other borrowings		2,750	1,182	–	300
		2,750	401,182	13,669	5,182

Notes:

(i) In April 2020, under the rules issued by the U.S. Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (the "Paycheck Protection Program Rule"), the subsidiaries in the U.S. obtained unsecured bank loans with an aggregated amount of USD1,381,000 (equivalent to RMB9,777,000 and RMB8,921,000 on June 30, 2020 and 2021, respectively). The loans bear an interest rate of 0.98% per annum with a term of 2 years and will expire in April 2022. Under the Paycheck Protection Program Rule, loan forgiveness will be provided for documented payroll costs and covered rent payments and utilities that qualify SBA requirements. As of June 30, 2020 and 2021, the Group had not qualified for the loan forgiveness. During the six months ended December 31, 2021, the Group was assessed to be qualified for a loan forgiveness for an amount of USD1,320,000 (equivalent to RMB8,550,000) and recognized such amount in the consolidated statement of profit or loss. The remaining loan balance of USD80,000 was repaid in September 2021.

(ii) The long-term borrowings from former and existing non-controlling interest shareholders outstanding as of June 30, 2019 and 2020 mainly comprised a loan with principal amount of IDR10,600,000,000 (equivalent to RMB5,172,000 and RMB5,289,000 on June 30, 2019 and 2020 respectively) and bearing an interest rate of 6% per annum. The loan was with a term of 5 years and will expire in April 2022. The loan was classified as current liability as of June 30, 2021 and December 31, 2021, equivalent to RMB4,748,000 and RMB4,755,000 on June 30, 2021 and December 31, 2021 respectively.

The long-term borrowings from non-controlling interest shareholders outstanding as at June 30, 2021 and December 31, 2021 represented two loans:

- a loan obtained in a subsidiary acquired during the year ended June 30, 2021 with principal amount of SGD1,350,000 (equivalent to RMB6,484,000 on June 30, 2021). The loan bears an interest rate of 3% per annum and as agreed with the lender. As agreed with the lender, the loan is not required to be repaid until certain performance conditions are met by the subsidiary. As of June 30, 2021 and December 31, 2021, such performance conditions were not expected to be met within one year.

- a loan with principal amount of USD20,000 (equivalent to RMB141,000 and RMB128,000 on June 30, 2020 and 2021, respectively) and bearing interest rate of 9% per annum. The loan was with a term of 5 years and will expire in December 2022. The loan was reclassified as current liabilities as of December 31, 2021.

(iii) The unsecured bank loans outstanding as at June 30, 2020 under current liabilities included the following three loans:

- An unsecured loan of RMB50,000,000 obtained from a bank in the PRC on December 17, 2019, with a term of 1 year and bearing an interest rate of 4.15% per annum;

- An unsecured loan of RMB150,000,000 obtained from a bank in the PRC on March 16, 2020, with maturity date at September 12, 2020 and bearing an interest rate of 3.70% per annum; and

- An unsecured loan of RMB200,000,000 obtained from a bank in the PRC on February 28, 2020, with a term of 1 year and bearing an interest rate of 3.85% per annum. The loan was subject to the fulfilment of covenants relating to certain financial ratios of MINISO Guangzhou. As of June 30, 2020, MINISO Guangzhou did not meet certain financial ratios and the loan has become repayable on demand.

The above three loans were fully repaid in July 2020.

Information about the Group's exposure to interest rates, foreign currency and liquidity risks is included in Note 34.

(b) Terms and repayment schedule

At the end of reporting periods, the loans and borrowings were repayable as follows:

	As at June 30,			As at December 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year or on demand	2,750	401,182	13,669	5,182
After 1 year but within 2 years	–	15,066	442	–
After 2 years but within 5 years	5,310	141	1,297	6,369
More than 5 years	–	–	5,186	–
	5,310	15,207	6,925	6,369
	8,060	416,389	20,594	11,551

27 TRADE AND OTHER PAYABLES

	As at June 30,			As at December 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	591,342	483,278	624,688	735,029
Payroll payable	45,931	38,363	63,621	95,054
Accrued expenses	43,615	108,351	155,698	195,949
Other taxes payable	16,622	39,936	20,633	110,943
Deposits	1,527,852	1,655,763	1,833,516	1,875,173
Amounts due to related parties *(Note 37(c))*	27,823	17,664	7,490	11,977
Others	110,554	76,440	103,536	164,961
	2,363,739	2,419,795	2,809,182	3,189,086

Information about the Group's exposure to currency and liquidity risks is included in Note 34.

The credit period granted by suppliers is 30 to 60 days.

Deposits received from suppliers, distributors and franchisees may be repayable to suppliers, distributors and franchisees after more than one year. All of the other trade payables, other payables, accruals and amounts due to related parties or franchisees are expected to be settled within one year or are repayable on demand.

Aging analysis

As of the end of each reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

	As at June 30,			As at December 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 month	561,654	403,969	558,743	694,020
1 to 3 months	12,077	65,646	41,176	19,778
3 months to 1 year	17,611	6,963	10,322	7,354
Over 1 year	–	6,700	14,447	13,050
	591,342	483,278	624,688	734,202

28 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting periods:

	As at June 30, 2019		As at June 30, 2020		As at June 30, 2021		As at December 31, 2021	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	186,737	190,721	224,080	228,249	321,268	342,211	268,425	282,543
After 1 year but within 2 years	129,998	138,830	157,899	168,804	203,467	217,229	172,747	184,583
After 2 years but within 5 years	153,324	176,095	176,028	202,826	239,995	277,726	201,844	232,372
After 5 years	26,511	35,624	44,967	60,748	39,682	54,848	36,713	50,058
	309,833	350,549	378,894	432,378	483,144	549,803	411,304	467,013
	496,570	541,270	602,974	660,627	804,412	892,014	679,729	749,556
Less: total future interest expenses		(44,700)		(57,653)		(87,602)		(69,827)
Present value of lease liabilities		496,570		602,974		804,412		679,729

29 DEFERRED INCOME

	As at June 30,			As at December 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred income from depositary bank				
Non-current portion	–	–	20,005	16,729
Current portion	–	–	6,060	5,980
	–	–	26,065	22,709

The Company received an initial payment of USD4,690,000 (equivalent to RMB30,995,000) from depositary bank in December 2020, in connection with the establishment and maintenance of depositary receipt. The amount was amortized using the straight-line method over a five-year arrangement period. During the year ended June 30, 2021 and the six months ended December 31, 2021, the Company recorded RMB4,274,000 and RMB3,056,000, respectively in other income.

30 PAID-IN CAPITAL SUBJECT TO REDEMPTION AND OTHER PREFERENTIAL RIGHTS/REDEEMABLE SHARES WITH OTHER PREFERENTIAL RIGHTS

Pursuant to the share subscription agreement and the shareholders agreement (the "Prior Shareholders Agreements") entered into on September 29, 2018, two investors, HH SPR-XIV HK Holdings Limited ("Hillhouse"), Tencent Mobility Limited and Easy Land Limited (together as "Tencent") each acquired 5.3763% equity interests in MINISO Guangzhou at a consideration of USD72,683,000 (equivalent to RMB491,514,000) and RMB500,000,000 respectively (collectively "Original Issue Price"). The transaction was closed on December 27, 2018. The equity interests held by Hillhouse and Tencent, collectively "Investor Shareholders", included certain redemption and other preferential rights as set forth below.

(a) Redemption rights

Investor Shareholders could require the Founders to redeem all or any of their equity interests, upon the occurrence of any of the following redemption events:

(1) any material violation of laws or regulations by the Founders, MINISO Guangzhou or any of its subsidiaries;

(2) any shareholder that is not an Investor Shareholder requests a redemption by MINISO Guangzhou and/or the Founders;

(3) MINISO Guangzhou fails to meet the applicable listing conditions of a qualified stock exchange and fails to consummate a qualified IPO by the 7th anniversary of December 27, 2018;

(4) MINISO Guangzhou fails to consummate a qualified IPO by the 7th anniversary of December 27, 2018 due to reasons other than those listed in (3) above;

(5) MINISO Guangzhou has satisfied the applicable listing conditions of a qualified stock exchange but MINISO Guangzhou failed to initiate the listing application process within three months upon any Investor Shareholders' request;

(6) MINISO Guangzhou fails to consummate a reorganization within the timeline agreed in a separate agreement;

(7) MINISO Guangzhou or any of its subsidiaries has suffered severe difficulties in the operation of the business caused by the Founders (including but not limited to any operating risk suffered by any other business that any Founder directly or indirectly operates); or

(8) material adverse changes in applicable law have caused severe difficulties in the operation of the business of MINISO Guangzhou or any of its subsidiaries.

The redemption price shall be equal to the higher of (i) or (ii) below: (i) the applicable investment amounts, plus declared and unpaid dividends, and plus an amount that would give Investor Shareholders a simple non-compounded interest equal to the redemption return rate on the applicable investment amounts calculated from December 27, 2018 up until the date of receipt by such holders of the full redemption amount thereof, and (ii) the fair market value of respective equity interests held by the Investor Shareholders as of the date of redemption notice.

Upon exercise of the redemption rights under redemption events (2), (3) and (8), the redemption return rate is 10% per annum. Upon exercise of the redemption rights under redemption events (1) and (4) to (7), the redemption return rate is 25% per annum.

The redemption rights held by the Investor Shareholders shall terminate immediately after the consummation of a qualified IPO.

(b) Liquidation preferences

In the event of a liquidation, dissolution or winding up of MINISO Guangzhou, or in the event of any deemed liquidation events as set out below, Investor Shareholders shall be entitled to receive, prior and in preference to distribution of any of the assets or surplus funds of MINISO Guangzhou to any shareholder that is not an Investor Shareholder, the amount equal to the higher of (i) or (ii) below: (i) the applicable investment amounts, plus declared and unpaid dividends, plus an amount that would give Investor Shareholders a simple non-compounded interest of 10% per annum on the applicable investment amounts calculated from December 27, 2018 up until the date of receipt by such holders of the full liquidation preference amount thereof, and (ii) the fair market value of respective equity interests held by the Investor Shareholders as of the notice date of exercise of liquidation preferences. The shareholders other than Investor Shareholders shall procure that distributions to Investor Shareholders be made in the above manners.

Deemed liquidation events include (i) any transaction or series of transactions, whether by merger, reorganization, sale or issuance of equity or other arrangements which would result in a change of controlling shareholders of MINISO Guangzhou (ii) a disposition of all or substantially all of the assets of MINISO Guangzhou and its subsidiaries, including intangible assets.

The liquidation preferences held by the Investor Shareholders shall terminate immediately after the consummation of a qualified IPO.

The Group classified these paid-in capital subject to redemption with other preferential rights as financial liabilities at fair value through profit or loss with the changes in the fair value recorded in the consolidated statement of profit or loss for the year ended June 30, 2019.

During the Reorganization as discussed in Note 1.2, the Company was established as the new holding company of the Group. As part of the Reorganization, Hillhouse and Tencent fully withdrew their investments from MINISO Guangzhou and re-invested the same amount in the Company, becoming the shareholders of the Company in February 2020. The Prior Shareholders Agreements of MINISO Guangzhou was superseded in its entirety by a new share subscription agreement and a new shareholders agreement (the "New Shareholders Agreements"), under which Hillhouse and Tencent each subscribed 58,833,418 Series A preferred shares in the Company and each hold 5.3763% shares in the Company. The substantial rights and obligations in respect of the Series A preferred shares held by Hillhouse and Tencent, including the redemption rights and liquidation preferences, remained substantially consistent under the Prior Shareholders Agreement and the New Shareholders Agreements, except that the redemption obligation changed from the Founders to the Company. The redemption and other preferential rights of the Series A preferred shares are set forth below.

(a) Redemption rights

Investor Shareholders could require the Company to redeem all or any of their equity interests, upon the occurrence of any of the following redemption events:

(1) any material violation of laws or regulations by the Founders, or any of the Group companies;

(2) any shareholder that is not an Investor Shareholder requests a redemption by the Company and/or the Founders;

(3) the Company fails to meet the applicable listing conditions of a qualified stock exchange and fails to consummate a qualified IPO by the 7th anniversary of December 27, 2018;

(4) the Company fails to consummate a qualified IPO by the 7th anniversary of December 27, 2018 due to reasons other than those listed in (3) above;

(5) the Company has satisfied the applicable listing conditions of a qualified stock exchange, but the Company failed to initiate the listing application process within three months upon any Investor Shareholders' request;

(6) any Group companies suffered severe difficulties in the operation of the business caused by the Founders (including but not limited to any operating risk suffered by any other business that any Founder directly or indirectly operates); or

(7) material adverse changes in applicable law have caused severe difficulties in the operation of the business of any Group companies.

The redemption price shall be equal to the higher of (i) or (ii) below: (i) the applicable Original Issue Price, plus declared and unpaid dividends, and plus an amount that would give Investor Shareholders a simple non-compounded interest equal to the redemption return rate on the applicable Original Issue Price calculated from the original issue date (i.e. December 27, 2018) up until the date of receipt by such holders of the full redemption amount thereof, and (ii) the fair market value of respective Series A preferred shares held by the Investor Shareholders as of the date of redemption notice.

Upon exercise of the redemption rights under redemption events (2), (3) and (7), the redemption return rate is 10% per annum. Upon exercise of the redemption rights under redemption events (1) and (4) to (6), the redemption return rate is 25% per annum.

The redemption rights held by the Investor Shareholders shall terminate immediately after the consummation of a qualified IPO.

(b) Liquidation preferences

In the event of a liquidation, dissolution or winding up of the Company, or in the event of any deemed liquidation events as set out below, Investor Shareholders shall be entitled to receive, prior and in preference to distribution of any of the assets or surplus funds of the Company to any shareholder that is not an Investor Shareholder, the amount equal to the higher of (i) or (ii) below: (i) the applicable Original Issue Price, plus declared and unpaid dividends, plus an amount that would give Investor Shareholders a simple non-compounded interest of 10% per annum on the applicable Original Issue Price calculated from the original issue date (i.e. December 27, 2018) up until the date of receipt by such holders of the full liquidation preference amount thereof, and (ii) the fair market value of respective Series A preferred shares held by the Investor Shareholders as of the notice date of exercise of liquidation preferences. The shareholders other than Investor Shareholders shall procure that distributions to Investor Shareholders be made in the above manners.

Deemed liquidation events include (i) any transaction or series of transactions, whether by merger, reorganization, sale or issuance of equity or other arrangements which would result in a change of controlling shareholders of the Company (ii) a disposition of all or substantially all of the Group companies as a whole, or (iii) a sale or exclusive licensing of all or substantially all of the intellectual property owned by the Group companies as a whole.

The liquidation preferences held by the Investor Shareholders shall terminate immediately after the consummation of a qualified IPO.

The redemption and other preferential rights included in the Series A preferred shares of the Company held by Hillhouse and Tencent are considered as a continuation of the redemption and other preferential rights included in the equity interests in MINISO Guangzhou held by Hillhouse and Tencent, since there were no significant changes in the economic substance of the redemption and preferential rights, except that the redemption obligation changed from the Founders to the Company. The Group classified these redeemable shares with other preferential rights as financial liabilities at fair value through profit or loss with the changes in the fair value recorded in the consolidated statement of profit or loss for the year ended June 30, 2020 and 2021.

Upon the completion of IPO of the Company on October 15, 2020, all the redemption and other preferential rights entitled to the Investor Shareholders lapsed and the Series A preferred shares held by the Investor Shareholders were converted and re-designated into Class A ordinary shares on a one-for-one basis. Accordingly, the financial liabilities for redeemable shares with other preferential rights were derecognized.

The movement of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights during the years ended June 30, 2020 and 2021 is set out as below:

	As at June 30,		
	2019	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year/period	–	1,701,294	2,381,327
Addition	991,514	–	–
Changes in fair value	709,780	680,033	1,625,287
Exchange adjustment	–	–	(42,771)
Conversion into Class A ordinary shares upon IPO of the Company	–	–	(3,963,843)
At the end of the year/period	1,701,294	2,381,327	–

Prior to the completion of IPO, the Group had used the discounted cash flow method to determine the underlying share value of MINISO Guangzhou and the Company, and adopted equity allocation model to determine the fair value of paid-in capital subject to redemption and other preferential rights and redeemable shares with other preferential rights as of the date of issuance and at the end of each reporting period, with the assistance of an independent third-party valuation firm, Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("Jones Lang LaSalle").

Key valuation assumptions used to determine the fair value of the paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights were as follows:

	As at June 30,	
	2019	**2020**
	RMB'000	*RMB'000*
Weighted average cost of capital	13.6%	12.7%
Risk-free interest rate	2.9%-3.2%	1.9%-2.7%
Discount for lack of marketability ("DLOM")	9.0%	8.5%
Expected volatility	32.2%-34.2%	35.7%-53.0%

Discount rate (post-tax) was estimated using the weighted average cost of capital as of each valuation date. The Group estimated the risk-free interest rate based on the yield of US Government Bond with maturity life close to the IPO timing as of valuation date plus country risk spread. The DLOM was estimated based on restricted shares study or the option-pricing method. Under the option-pricing method, the cost of put option, which can hedge the price change before the private held share can be sold, was considered as a basis to determine the lack of marketability discount. Under the equity allocation model, volatility was estimated based on annualized standard deviation of daily stock price return of comparable companies for a period from the respective valuation dates and with similar span as time to expected event dates. Probability weight under each of the redemption rights and liquidation preferences was based on the Group's best estimates. In addition to the assumptions adopted above, projections of future performance were also factored into the determination of the fair value of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights on each valuation date.

On October 15, 2020, the Company successfully listed on the New York Stock Exchange and made an offering of 121,600,000 Class A ordinary shares (excluding any Class A ordinary shares issued pursuant to the exercise of the over-allotment option) at a price at US$5.00 per share. All Series A preferred shares were converted and re-designated into Class A ordinary shares upon completion of the IPO on October 15, 2020. The fair value of each of Series A preferred share on the conversion date was the offer price in the global offering.

Changes in fair value of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights were recorded as "fair value changes of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights" in the consolidated statements of profit or loss. Management considered that fair value changes that are attributable to changes of credit risk of this liability are not significant.

31 CAPITAL AND RESERVES

(a) Share capital and additional paid-in capital

(i) As discussed in Note 1.2, since the Company did not exist prior to June 30, 2019, the registered capital of the companies now comprising the Group are included in additional paid-in capital during the year ended June 30, 2019. The Company was incorporated on January 7, 2020 as part of the Reorganization. Upon incorporation in January 2020, the Company authorized and issued 5,000,000,000 and 976,634,771 ordinary shares, respectively, with a par value of US$0.00001 each. Among the 976,634,771 ordinary shares issued, 865,591,398 shares represented ordinary shares outstanding of the Company and 111,043,373 shares were recognized as treasury shares (see Note 31(b)(v)). These shares rank pari passu in all respects with the ordinary shares in issue.

As of June 30, 2020, the aggregated par value of ordinary shares outstanding amounted to US$8,656 (equivalent to RMB69,000) and was recognized as share capital of the Company. The excess of capital injections made by the equity shareholders over the par value was credited to the additional paid-in capital.

(ii) The Company adopted a dual-class share structure effective immediately prior to the completion of the IPO. All the Company's issued ordinary shares, including treasury shares reserved for the share award scheme, had been re-designated as 766,011,125 Class A ordinary shares and 328,290,482 Class B ordinary shares respectively immediately prior to the completion of the IPO.

Holders of the Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. In respect of matters requiring the votes of shareholders, the holder of Class B ordinary shares is entitled to three votes per share, while the holders of Class A ordinary shares entitle to one vote per share. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

(iii) Upon completion of the IPO and the exercise of the over-allotment option, the Company issued 121,600,000 and 9,664,748 Class A ordinary shares at par value of US$0.00001 each for cash consideration of US$5.00 each, respectively. The total net proceeds received were US$625,274,000 (equivalent to RMB4,178,860,000), net of share issuance costs. The share issuance costs paid and payable mainly include share underwriting commissions, legal fees, accounting fees and other related costs, which were incremental costs directly attributable to the issuance of the new shares.

(iv) Upon completion of the IPO on October 15, 2020, each issued Series A preferred share was converted into one Class A ordinary share by re-designation and reclassification of every Series A preferred share in issue as a Class A ordinary share on a one for one basis. As a result, the financial liabilities for Series A preferred shares were derecognized and recorded as share capital and additional paid-in capital.

(v) During the year ended June 30, 2021, 71,880,408 of restricted shares and options were vested and exercised, and were released from treasury shares into Class A ordinary shares.

(vi) During the six months ended December 31, 2021, 2,601,944 of restricted shares and options were vested and exercised, and were released from treasury shares into Class A ordinary shares.

(vii) As of June 30, 2021 and December 31, 2021, analysis of the Company's issued shares including treasury shares reserved for the share award scheme, was as follows:

	As at June 30, 2021	
	Number of shares	Share capital
		RMB'000
Class A ordinary shares	897,275,873	69
Class B ordinary shares	328,290,482	23
	1,225,566,355	92

	As at December 31, 2021	
	Number of shares	Share capital
		RMB'000
Class A ordinary shares	897,275,873	69
Class B ordinary shares	328,290,482	23
	1,255,566,355	92

(b) Nature and purposes of reserves

(i) Merger reserve

As discussed in Note 1.2, during the year ended June 30, 2019, as part of the Reorganization, MINISO HK acquired the equity interests of the Overseas Entities, which were under the common control of the Controlling Shareholders, at an aggregate consideration of RMB133,394,000. The difference of RMB128,868,000 between the consideration paid and the paid-in capital acquired was recognized as merger reserve.

(ii) Translation reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(iii) Share-based payment reserve

The share-based payment reserve represents the portion of the grant date fair value of restricted shares and share options granted to the key management personnel and employees of the Group that has been recognized in accordance with the accounting policy adopted for share-based payments in Note 2(r)(iii).

(iv) PRC statutory reserve

PRC statutory reserves are established in accordance with the PRC Company Law and the Articles of Association of the subsidiaries which are established in the PRC. The subsidiary being an equity joint venture with foreign investment, transfers certain percentages of the net profit to a statutory surplus reserve at the discretion of its board of directors. The subsidiaries being wholly foreign-owned enterprise or wholly domestic-owned enterprises, are required to allocate at least 10% of its net profits to a statutory surplus reserve. The transfer to this reserve must be made before distribution of dividends to equity shareholders can be made.

PRC statutory reserve can be used to make good previous years' losses, if any, and may be converted into capital in proportion to their existing equity holdings, provided that the balance of the statutory surplus reserve after such transfer is not less than 25% of the registered capital.

(v) Treasury shares

In August 2018, MINISO Guangzhou issued RMB15,863,000 registered capital to four PRC entities ("special purpose vehicles"), which together held the shares under the 2018 Share Award Scheme (see Note 32). As of June 30, 2019, total considerations received from the four special purpose vehicles were RMB8,694,000, which were credited to additional paid-in capital.

As MINISO Guangzhou has the power to govern the relevant activities of the four special purpose vehicles and can derive benefits from the contributions of the employees who were awarded with the shares under 2018 Share Award Scheme, the four special purpose vehicles were consolidated.

As discussed in Note 1 and Note 32(a), as part of the Reorganization, the 2018 Share Award Scheme adopted by MINISO Guangzhou was replaced by the 2020 Share Award Scheme adopted by the Company on January 7, 2020. The Company issued 111,043,373 ordinary shares at par value of USD0.00001 each to twelve entities incorporated in the BVI ("new special purpose vehicles"), which together held the shares under the 2020 Share Award Scheme (see Note 32(a)). The new special purpose vehicles are considered as a continuation of the original special purpose vehicles. As the Company has the power to govern the relevant activities of the twelve new special purpose vehicles and can derive benefits from the contributions of the employees who were awarded with the shares under the 2020 Share Award Scheme, the twelve new special purpose vehicles were consolidated and the ordinary shares issued to these special purposed vehicles are treated as treasury shares until they are granted to employees and become vested.

Additional considerations of RMB10,699,000 were received from the new special purpose vehicles during the year ended June 30, 2020, which were credited to additional paid-in capital.

During the year ended June 30, 2021, additional considerations of RMB973,000 were received from the new special purpose vehicles, which were credited to additional paid-in capital.

During the six months ended December 31, 2021, no additional considerations were received from the new special purpose vehicles.

On December 21, 2021, the board of directors authorized a share repurchase program under which the Company may repurchase up to USD200 million of its shares until September 21, 2022. In December 2021, the Company repurchased 809,040 Class A ordinary shares at an average price of USD2.45 per share for a total consideration of USD1.98 million (equivalent to RMB12,604,000).

(c) Deemed distribution

Upon the completion of the reorganization of the China Business on December 1, 2018, the assets and liabilities of the Predecessor Entity amounting to RMB493,860,000 that were not transferred to the Group and retained by the Predecessor Entity. Such assets and liabilities were treated as deemed distribution to the equity shareholders and were excluded from the consolidated statement of financial position of the Group since then.

(d) Capital management

The Group defines "capital" as including all components of equity and paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights. The Group's policy is to maintain a strong capital base to maintain investors, creditors and market confidence and to sustain future development of the business. There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirements.

(e) Dividends

No dividends were declared or paid by the companies now comprising the Group to its equity shareholders during the year ended June 30, 2019.

During the year ended June 30, 2020, dividends of RMB330,336,000 were declared by MINISO Guangzhou and were fully paid prior to the incorporation of the Company.

During the year ended June 30, 2021, no dividends were paid or declared by the Company.

During the six months ended December 31, 2021, dividends of US$0.039 per ordinary share, amounting to USD47,178,000 (equivalent to RMB306,255,000), in respect of the fiscal year ended June 30, 2021 were declared and paid by the Company. The dividends were distributed from capital reserve.

32 EQUITY SETTLED SHARE-BASED PAYMENTS

The Group has adopted two share-based compensation plans, namely, the 2018 Share Award Scheme, which was subsequently replaced by the 2020 Share Award Scheme, and the 2020 Option Plan.

(a) The 2018 and 2020 Share Award Scheme:

In August 2018, MINISO Guangzhou adopted a share award scheme (the "2018 Share Award Scheme") with the purpose of attracting, motivating, retaining and rewarding certain key management personnel and employees of the Group. Under the 2018 Share Award Scheme, restricted shares of MINISO Guangzhou may be awarded to selected employees (the "Selected Employees").

Unless terminated earlier by the board of directors, the 2018 Share Award Scheme will be valid and effective for a term of 10 years starting on August 24, 2018. The aggregate nominal value of the shares awarded under the 2018 Share Award Scheme shall not exceed 11.37% of the registered capital of MINISO Guangzhou at August 24, 2018, which are converted into 15,863,339 restricted shares in total and each restricted share is equivalent to RMB1 of the paid-in capital of MINISO Guangzhou. Upon completion of Investor Shareholders' acquisition of equity interests in MINISO Guangzhou (see Note 30), the above upper limit of aggregate nominal value of the shares awarded changed to 10.15% of the registered capital of MINISO Guangzhou.

On August 27, 2018, the board of directors of MINISO Guangzhou approved the grant of 12,130,664 restricted shares to selected employees at an exercise price of RMB1.79 per share. According to the scheme, 40% of these restricted shares were immediately vested on the grant date, 30% would vest on the 1st anniversary of the grant date and the remaining 30% would vest on the 2nd anniversary of the grant date, on the condition that employees remain in service without any performance requirements ("Specified Service Period"). In addition, if the employees leave the Group before the consummation of a qualified initial public offering ("IPO") of MINISO Guangzhou, the awarded shares will be forfeited. The forfeited shares will be purchased back by a shareholder designated by MINISO Guangzhou at the original exercise price, and if applicable, plus 10% per annum interest, and could be reallocated in the subsequent grants at the discretion of MINISO Guangzhou. That is, the actual length of vesting period of the restricted shares is subject to an IPO condition. The Group considered that an IPO was probable to incur after the Specified Service Period and recognized the share compensation expenses over the estimated actual vesting period, which is based on an estimate of when an IPO will incur.

The 2018 Share Aware Scheme was administered by four special purpose vehicles, which were consolidated (see Note 31(b)(v)).

Dividends of RMB19,664,000 relating to unvested shares were declared by MINISO Guangzhou and were paid in December 2019. These non-forfeitable dividends paid during the unvested period were recognized as employee compensation expenses in the consolidated statement of profit or loss during the year ended June 30, 2020 (see Note 8(i)).

During the Reorganization as discussed in Note 1, the Company was established as the new holding company of the Group. As part of the Reorganization, the 2018 Share Award Scheme adopted by MINISO Guangzhou was replaced in its entirety by a share award scheme adopted by the Company on January 7, 2020 (the "2020 Share Award Scheme"), pursuant to which the restricted shares of MINISO Guangzhou granted to the previous Selected Employees were replaced by the restricted shares of the Company awarded to the same Selected Employees. The terms of the restricted shares of the Company granted to the same Selected Employees are substantially consistent with the 2018 Share Award Scheme, except that Specified Service Period of the remaining 30% restricted shares held by the employees other than key management personnel was extended as one-third (1/3) of the 30% restricted shares would vest on each of the 2nd, 3rd and 4th anniversary of the original grant date, respectively ("Extended Specified Service Period"). The IPO condition remained unchanged. The Extended Specified Service Period is not beneficial to employees. The Group considered that an IPO was probable to incur and recognized the share compensation expenses over the estimated actual vesting period, which is based on the estimate of when an IPO will incur or the Specified Service Period, whichever is longer.

The 2020 Share Aware Scheme was administered by twelve new special purpose vehicles, which were consolidated (see Note 31(b)(v)).

Unless terminated earlier by the board of directors, the 2020 Share Award Scheme will be valid and effective for a term of 103 months starting on January 7, 2020.

To give the participants the same proportion of the share capital of the Company as that they were entitled to before the replacement of the 2018 Share Award Scheme, each restricted share under the 2018 Share Award Scheme, which is equivalent to RMB1 of the paid-in capital of MINISO Guangzhou, were split into 7 restricted shares of the

Company ("restricted share split"). Hence, under the 2020 Share Award Scheme, the aggregate number of shares awarded shall not exceed 111,043,373 shares, representing 10.15% of share capital of the Company. Pro-rata adjustments have also been made to the exercise price per share of awarded shares of the Company, which was adjusted to be USD0.036 per share accordingly.

During the year ended June 30, 2021, 18,457,325 shares were released from the 2020 Share Award Scheme, and the aggregate number of shares awarded under the 2020 Share Award Scheme thus shall not exceed 92,586,048.

Movements in the number of restricted shares granted to employees and the respective weighted-average grant date fair value are as follows:

	Number of restricted shares	Weighted-average exercise price per restricted share		Weighted-average grant date fair value per restricted share
Outstanding as of July 1, 2018	–		–	–
Granted during the year	12,130,664	RMB	1.79	53.67
Outstanding as of June 30, 2019	12,130,664	RMB	1.79	53.67
Outstanding as of July 1, 2019	12,130,664	RMB	1.79	53.67
Forfeited under the 2018 Share Award Scheme	(784,200)	RMB	1.79	53.67
Effect of restricted share split	68,078,784		–	–
Forfeited under the 2020 Share Award Scheme	(201,229)	USD	0.036	7.67
Outstanding as of June 30, 2020	79,224,019	USD	0.036	7.67
Outstanding as of July 1, 2020	79,224,019	USD	0.036	7.67
Vested during the year	(71,132,744)	USD	0.036	7.67
Forfeited during the year	(2,335,487)	USD	0.036	7.67
Outstanding as of June 30, 2021	5,755,788	USD	0.036	7.67
Outstanding as of July 1, 2021	5,755,788	USD	0.036	7.67
Vested during the period	(2,114,000)	USD	0.036	7.67
Forfeited during the period	(1,001,056)	USD	0.036	7.67
Outstanding as of December 31, 2021	2,640,732	USD	0.036	7.67

The weighted-average remaining contract life for the outstanding restricted shares granted was109, 97, 85 and 79 months as of June 30, 2019, 2020 and 2021 and December 31, 2021, respectively.

The fair value of restricted shares per share and aggregate fair value of restricted shares at the date of grant on August 27, 2018 were RMB53.67 and RMB651,053,000, respectively. The fair value of restricted shares at the grant date was determined with reference to the fair value of the equity interest of MINISO Guangzhou. The Group has used the discounted cash flow method to determine the underlying equity fair value of MINISO Guangzhou, with the assistance of an independent third-party valuation firm, Jones Lang LaSalle. Key assumptions used in determining the fair value were as follows:

	As at grant date
Weighted average cost of capital	15.1%
Risk-free interest rate	3.0%
DLOM	31.3%

Total compensation expense calculated based on the grant date fair value and the estimated forfeiture rate recognized in the consolidated statements of profit or loss for aforementioned share-based awards granted to the Group's employees were RMB122,058,000, RMB316,229,000, RMB155,171,000, RMB153,190,000, RMB149,603,000 (unaudited) and RMB3,099,000 for the years ended June 30, 2019, 2020 and 2021 and the six months ended December 31, 2020 and 2021, respectively.

The extension of Specified Service Period on January 7, 2020 was not beneficial to the employees and accordingly the Group has not taken the modification into account and continued to measure the compensation expense based on the original grant date fair value.

(b) The 2020 Option Plan

In January 2020, a share option scheme (the "2020 Option Plan") was approved by the board of directors of the Company. Unless extra approval is made by the board of directors, the options will be exercisable only if the option holder continues employment or provide services through each vesting date. Under the 2020 Option Plan, the aggregate number of shares for exercise of options shall not exceed 31,618,125 shares.

On January 16, 2020, the board of directors approved the grant of options to purchase an aggregate of 11,350,000 ordinary shares of the Company to certain employees of the Group at an exercise price of US$0.036 per share.

On September 27, 2020, the board of directors approved the grant of options to purchase aggregate of 4,703,500 ordinary shares of the Company to certain employees of the Group at an exercise price of US$0.036 per share.

Each of 20% of the above options granted will vest on the 1st trading day following each of the 1st, 2nd, 3rd, 4th and 5th anniversary of the grant date, respectively, on the condition that employees remain in service without any performance requirements. The options lapse on the tenth anniversary of the grant date.

The option activities during the years ended June 30, 2020 and 2021 and the six months ended December 31, 2021 are summarized as follows:

	Number of options	Weighted-average exercise price	Weighted-average grant date fair value
		US$ per share	*US$ per share*
Outstanding at July 1, 2018 and June 30, 2019	–	–	–
Outstanding at July 1, 2019	–	–	–
Granted	11,035,000	0.036	3.08
Forfeited	(21,000)	0.036	3.08
Outstanding at June 30, 2020	11,014,000	0.036	3.08
Exercisable at June 30, 2020	–	–	–
Non-vested at June 30, 2020	11,014,000	0.036	3.08
Outstanding at July 1, 2020	11,014,000	0.036	3.08
Granted	4,703,500	0.036	4.89

	Number of options	Weighted-average exercise price	Weighted-average grant date fair value
		US$ per share	*US$ per share*
Exercised	(747,664)	0.036	3.08
Forfeited	(2,569,000)	0.036	3.10
Outstanding at June 30, 2021	12,400,836	0.036	3.71
Exercisable at June 30, 2021	1,128,336	0.036	3.08
Non-vested at June 30, 2021	11,272,500	0.036	3.78
Outstanding at July 1, 2021	12,400,836	0.036	3.71
Exercised	(487,944)	0.036	4.03
Forfeited	(695,000)	0.036	4.20
Outstanding at December 31, 2021	11,217,892	0.036	3.67
Exercisable at December 31, 2021	1,465,092	0.036	3.78
Non-vested at December 31, 2021	9,752,800	0.036	3.65

The fair value of options was determined using the binominal option-pricing model, with the assistance of an independent third-party valuation firm, Jones Lang LaSalle. Assumptions used in the binominal option-pricing model are presented below:

	Grant date	
	January 16, 2020	**September 27, 2020**
Fair value per share	US$3.08	US$4.89
Risk-free interest rate	1.8%	0.6%
Expected dividend yield	0%	0%
Expected volatility	33.2%	35.0%
Expected multiples	2.2 – 2.8	2.2
Contractual life	10 years	9.3 years

The expected volatility is based on the historical volatility of selected comparable companies in the period of the expected life of the share options. Expected dividend yield is estimated based on the Company's expected dividend policy over the expected life of the options.

The fair value of options granted on January 16, 2020 and September 27, 2020 were US$33,985,000 (equivalent to RMB233,841,000) and US$23,019,000 (equivalent to RMB156,808,000), respectively. Total compensation expense calculated based on the grant date fair value and the estimated forfeiture rate recognized in the consolidated statements of profit or loss for the above options granted to the Group's employees were RMB48,151,000, RMB126,148,000, RMB66,774,000 (unaudited) and RMB47,301,000 for the years ended June 30, 2020 and 2021 and the six months ended December 31, 2020 and 2021, respectively.

33 ACQUISITION OF SUBSIDIARIES

(a) Business combination

On March 11, 2021, the Group acquired 70% of shares and voting interests in MINISO SG Pte. Ltd. from two third parties, at a cash consideration of SGD2,100,000 (equivalent to RMB10,257,000).

The following summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

	RMB'000
Property, plant and equipment	1,539
Right-of-use assets	36,632
Inventories	6,775
Trade and other receivables	13,770
Cash and cash equivalents	1,433
Loans and borrowings	(21,979)
Trade and other payables	(12,092)
Lease liabilities	(38,713)
Current taxation	(770)
Total identifiable net liabilities acquired	(13,405)

Goodwill arising from the acquisition has been recognized as follows:

	RMB'000
Consideration transferred	10,257
Share of fair value of identifiable net liabilities	9,383
Goodwill *(Note 17)*	19,640

The revenue and loss included in the consolidated statements of profit or loss from the acquisition dates to June 30, 2021 contributed by MINISO SG Pte. Ltd. was RMB19,073,000 and RMB8,236,000 respectively.

If the acquisition had occurred on July 1, 2020, management estimates that consolidated revenue would have been RMB9,117,348,000 and consolidated loss for the year ended June 30, 2021 would have been RMB1,445,632,000.

(b) Acquisition of assets and liabilities through acquisition of a subsidiary

As disclosed in Note 19, the Company previously held 20% equity interest in YGF Investment and such investment was accounted for using equity method. On October 27, 2021, the Company acquired the remaining 80% equity interest in YGF Investment from YGF MC Limited at a total consideration of RMB694,479,000. As of December 31, 2021, the consideration has been fully settled. Upon completion of the acquisition, YGF Investment has become a wholly-owned subsidiary of the Group.

The major assets of YGF Investment comprised the land use right of and prepayments for the construction project of a new headquarter building. Substantive process did not commence as at the date of acquisition. The directors of the Company determined that the transaction constituted an acquisition of assets and liabilities through acquisition of a subsidiary as opposed to a business acquisition. As such transaction is a step acquisition, the previous 20% equity interest was included as part of the cost of the acquisition and was not remeasured at the date of acquisition.

The following summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

	RMB'000
Property, plant and equipment	10,290
Right-of-use assets	1,781,595
Prepayments for construction project relating to headquarter building	200,000
Trade and other receivables	58
Cash and cash equivalents	10,996
Trade and other payables	(964,558)
Total identifiable net assets acquired	1,038,381

Total consideration transferred:

	RMB'000
Cash	694,479
Add: carrying amount of the Group's previously held equity interest in YGF Investment at the date of acquisition	343,902
	1,038,381

Analysis of net cash outflow of cash and cash equivalents in respect of the acquisition of YGF Investment:

	RMB'000
Cash considerations paid	694,479
Less: cash and cash equivalents acquired	(10,996)
Net cash outflow	683,483

The value of identifiable net assets acquired was determined by the directors of the Company with reference to the valuation carried out by an independent valuer, Jones Lang LaSalle. The fair value of net assets acquired at the date of acquisition was not materially different from its carrying amount.

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents and restricted cash is limited because the counterparties are banks and financial institutions with high-credit-quality, for which the Group considers having low credit risk.

Trade receivables

The Group's trade receivables mainly derive from sales of goods to distributors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At June 30, 2019, 2020 and 2021 and December 31, 2021, 26%, 37%, 39% and 43% of the total trade receivables were due from the Group's five largest debtors, respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 180 days from the date of billing. Debtors with balances that are more than 6 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	As at June 30, 2019		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	1%	257,224	(3,087)
30 – 90 days past due	6%	39,949	(2,437)
91 – 270 days past due	12%	16,904	(1,995)
More than 270 days past due	50%	21,551	(10,776)
		335,628	(18,295)
Additional loss allowance due to specific consideration on certain distributors		73,431	(73,431)
		409,059	(91,726)

	As at June 30, 2020		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	1%	149,162	(1,790)
Less than 90 days past due	6%	64,526	(3,923)
91 – 270 days past due	12%	70,088	(8,256)
271 – 450 days past due	50%	33,771	(16,886)
		317,547	(30,855)
Additional loss allowance due to specific consideration on certain distributors		12,328	(12,328)
		329,875	(43,183)

	As at 30 June, 2021		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	2%	236,210	(4,827)
Less than 90 days past due	5%	38,141	(1,907)
91 – 270 days past due	12%	27,838	(3,341)
271 – 450 days past due	26%	25,055	(6,514)
451 – 810 days past due	58%	10,347	(6,001)
More than 810 days past due	100%	19,205	(19,205)
		356,796	(41,795)
Additional loss allowance due to specific consideration on certain distributors		18,032	(18,032)
		374,828	(59,827)

	As at December 31, 2021		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	2%	259,415	(5,364)
Less than 90 days past due	5%	63,036	(3,196)
91 – 270 days past due	14%	38,366	(5,195)
271 – 450 days past due	30%	13,059	(3,896)
451 – 810 days past due	86%	17,058	(14,603)
More than 810 days past due	100%	18,281	(18,281)
		409,215	(50,535)
Additional loss allowance due to specific consideration on certain distributors		26,529	(26,529)
		435,744	(77,064)

Loss allowance of RMB73,431,000 for trade receivables from an overseas distributor was made during the year ended June 30, 2019 due to deterioration of financial status of the distributor. Such trade receivables and relevant loss allowance were fully written off during the year ended June 30, 2020.

Loss allowances of RMB12,328,000, RMB18,032,000 and RMB26,529,000 for trade receivables from certain overseas distributors were made during the years ended June 30, 2020 and 2021 and the six months ended December 31, 2021 due to deterioration of financial status of these distributors.

Expected loss rates are based on actual loss experience over the past 2 to 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The loss rates remained constant for the years ended June 30, 2019 and 2020, because the Group considers that there has been no significant change in the Group's customer base, the historical loss experience or the aging pattern of those financial assets for the years ended June 30, 2019 and 2020.

Movement in the loss allowance account in respect of trade receivables during the reporting periods presented is as follows:

	RMB'000
Balance at July 1, 2018	(7,776)
Credit loss recognized during the year	(82,701)
Exchange adjustment	(1,249)
Balance at June 30, 2019	(91,726)
Amounts written off during the year	73,431
Credit loss recognized during the year	(24,239)
Exchange adjustment	(649)
Balance at June 30, 2020	(43,183)
Amounts written off during the year	–
Credit loss recognized during the year	(19,870)
Exchange adjustment	3,226
Balance at June 30, 2021	(59,827)
Credit loss recognized during the period	(16,463)
Exchange adjustment	(774)
Balance at December 31, 2021	(77,064)

The following significant changes in the gross carrying amounts of trade receivables contributed to the increase in the loss allowance during the year ended June 30, 2019:

- Origination of new trade receivables net of those settled resulted in an increase in loss allowance of RMB1,372,000;
- Increase in days past due over 30 days resulted in an increase in loss allowance of RMB9,147,000.
- Increase in loss allowance of RMB73,431,000 for trade receivables from an overseas distributor due to deterioration of financial status of the distributor.

The following significant changes in the gross carrying amounts of trade receivables contributed to the decrease in the loss allowance during the year ended June 30, 2020:

- Origination of new trade receivables net of those settled resulted in a decrease in loss allowance of RMB1,297,000;
- Increase in days past due over 30 days resulted in an increase in loss allowance of RMB14,798,000.
- Write-off of trade receivables due from an overseas distributor and relevant loss allowance of RMB73,431,000 upon its liquidation.
- Increase in loss allowance of RMB11,387,000 for trade receivables due from certain overseas distributors due to deterioration of their financial condition.

The following significant changes in the gross carrying amounts of trade receivables contributed to the increase in the loss allowance during the year ended June 30, 2021:

- Decrease in days past due over 90 days but less than 450 days resulted in a decrease in loss allowance of RMB15,287,000.

- Increase in days past due over 450 days resulted in an increase in loss allowance of RMB25,206,000.

- Increase in loss allowance of RMB5,704,000 for trade receivables due from certain overseas distributors due to deterioration of their financial condition.

The following significant changes in the gross carrying amounts of trade receivables, higher expected loss rate and changes in additional loss allowance due to specific consideration on certain distributors contributed to the increase in the loss allowance during the six months ended December 31, 2021:

- Increase in trade receivables past due but less than 270 days resulted in an increase in loss allowance of RMB3,680,000.

- Higher expected loss rate for trade receivables past due 451 – 810 days.

- Increase in additional loss allowance of RMB8,497,000 for trade receivables due from certain overseas distributors due to deterioration of their financial condition.

The Group does not provide any guarantees which would expose the Group to credit risk.

Other receivables

As set out in Note 22, as at June 30, 2019, the Group has concentration of credit risk on amounts due from related parties, which was mainly comprised of amounts due from Mr. Ye Guofu, the controlling shareholder. In view of the financial capability of the controlling shareholder, the management of the Group does not consider there to be a risk of default and does not expect any losses from non-performance by the controlling shareholder, and accordingly, no loss allowance was recognized in respect of the amounts due from controlling shareholder. The amount due from the controlling shareholder has been fully settled as of June 30, 2020.

In determining the ECL for remaining other receivables, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate. The management of the Group has assessed that other receivables have not had a significant increase in credit risk since initial recognition and risk of default is insignificant, and therefore, no credit loss allowance of other receivables is considered necessary by management for the years ended June 30, 2020 and 2021 and the six months ended December 31, 2021.

(b) Liquidity risk

As at June 30, 2019, 2020 and 2021 and December 31, 2021, the Group's net current assets amounted to RMB1,265,740,000, RMB1,676,956,000, RMB5,716,232,000 and RMB4,014,560,000, respectively. Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The Group relies on the cash generated from operating activities as the main source of liquidity. For the years ended June 30, 2019, 2020 and 2021 and the six months ended December 31, 2020 and 2021, the Group had net cash generated from operating activities of approximately RMB1,038,471,000, RMB826,484,000, RMB916,320,000 RMB806,422,000 (unaudited) and RMB731,741,000, respectively. In addition, the management of the Group monitors the utilization of borrowings and ensures compliance with borrowing covenants, if any. As of June 30, 2020, the Group did not meet certain financial ratios relating to an unsecured bank loan of RMB200,000,000 and the loan had become repayable on demand (see Note 26(a)(iii)). The Group has early repaid the loan in full in July 2020. The Directors believe that the Group and the Company will have sufficient funds available from the operating activities to meet their financial obligations in the foreseeable future.

The following tables show the remaining contractual maturities at the end of the years presented of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contracted rates or, if floating, based on rates current at the end of the year presented) and the earliest date the Group can be required to pay.

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at June 30, 2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	2,363,739	–	–	–	2,363,739	2,363,739
Loans and borrowings	2,763	12	5,327	–	8,102	8,060
Lease liabilities	190,721	138,830	176,095	35,624	541,270	496,570
Total	2,557,223	138,842	181,422	35,624	2,913,111	2,868,369

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at June 30, 2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	2,419,795	–	–	–	2,419,795	2,419,795
Loans and borrowings	408,568	15,154	147	–	423,869	416,389
Lease liabilities	228,249	168,804	202,826	60,748	660,627	602,974
Total	3,056,612	183,958	202,973	60,748	3,504,291	3,439,158

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at June 30, 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	2,809,182	–	–	–	2,809,182	2,809,182
Loans and borrowings	13,944	641	1,880	5,770	22,235	20,594
Lease liabilities	342,211	217,229	277,726	54,848	892,014	804,412
Total	3,165,337	217,870	279,606	60,618	3,723,431	3,634,188

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at December 31, 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	3,189,086	–	–	–	3,189,086	3,189,086
Loans and borrowings	5,384	191	1,847	5,572	12,994	11,551
Lease liabilities	282,543	184,583	232,372	50,058	749,556	679,729
Total	3,477,013	184,774	234,219	55,630	3,951,636	3,880,366

Details of the description of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights are presented in Note 30.

(c) Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The Group does not enter into financial derivatives to hedge interest rate risk.

(i) Interest rate profile

The following table details the interest rate profile of the Group's loans and borrowings and cash and cash equivalents at the end of each reporting period presented:

	As at June 30, 2019		As at June 30, 2020		As at June 30, 2021		As at December 31, 2021	
	Effective interest rate		Effective interest rate		Effective interest rate		Effective interest rate	
	%	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*
Fixed rate instruments:								
Cash equivalents *(Note 23)*	1.79%	10,000	–	–	–	–	–	–
Cash at bank *(Note 23)*	–	–	–	–	2%	201,488	2%~5%	732,606
Loans and borrowings *(Note 26)*	0%~9%	(8,060)	0%~9%	(416,389)	0%~9%	(20,594)	0%~9%	(11,551)
		1,940		(416,389)		180,894		721,055
Variable rate instruments:								
Cash at bank *(Note 23)*	0%~13%	1,535,671	0%~5%	2,853,501	0%~3%	6,569,616	0%~3%	4,418,170
		1,535,671		2,853,501		6,569,616		4,418,170

(ii) Sensitivity analysis

At June 30, 2019, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variable held constant, would have decreased/increased the Group's loss for the year and accumulated losses by approximately RMB11,518,000.

At June 30, 2020, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variable held constant, would have decreased/increased the Group's loss for the year and accumulated losses by approximately RMB23,883,000.

At June 30, 2021, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variable held constant, would have decreased/increased the Group's loss for the year and accumulated losses by approximately RMB55,880,000.

At December 31, 2021, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variable held constant, would have decreased/increased the Group's loss for the year and accumulated losses by approximately RMB41,136,000.

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars, Euros and Hong Kong Dollars. The Group manages this risk as follows:

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting periods to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the year-end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	Exposure to foreign currencies (Expressed in thousands of Renminbi)			
	As at June 30, 2019			
	United States Dollars	Euros	Hong Kong Dollars	Others
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables	86,347	–	20	–
Cash and cash equivalents	245,592	3,349	428	457
Trade and other payables	(33,380)	(2,302)	(42,496)	(104)
Loans and borrowings	(138)	–	–	–
Net exposure arising from recognized assets and liabilities	298,421	1,047	(42,048)	353

	Exposure to foreign currencies (Expressed in thousands of Renminbi)			
	As at June 30, 2020			
	United States Dollars	Euros	Hong Kong Dollars	Others
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables	11,036	800	629	–
Cash and cash equivalents	669,992	2,557	2,886	320
Trade and other payables	(15,026)	(5,468)	(29,241)	(1,233)
Loans and borrowings	(141)	–	–	–
Net exposure arising from recognized assets and liabilities	665,861	(2,111)	(25,726)	(913)

	Exposure to foreign currencies (Expressed in thousands of Renminbi)				
	As at June 30, 2021				
	United States Dollars	Euros	Hong Kong Dollars	Renminbi	Others
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables	20,423	–	–	–	1,818
Cash and cash equivalents	402,563	19,927	2,728	601,491	1,306
Trade and other payables	(24,760)	(4,526)	(23,968)	–	(17)
Loans and borrowings	(6,613)	–	–	–	–
Net exposure arising from recognized assets and liabilities	391,613	15,401	(21,240)	601,491	3,107

	Exposure to foreign currencies (Expressed in thousands of Renminbi)				
	As at December 31, 2021				
	United States Dollars	Euros	Hong Kong Dollars	Renminbi	Others
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables	15,546	1,495	–	–	24
Cash and cash equivalents	659,418	47,245	4,668	403,114	782
Trade and other payables	(48,512)	(6,026)	(15,592)	–	–
Loans and borrowings	(6,496)	–	–	–	–
Net exposure arising from recognized assets and liabilities	619,956	42,714	(10,924)	403,114	806

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's (loss)/profit after tax (and accumulated loss) that would arise if foreign exchange rates to which the Group has significant exposure at the end of each reporting period had changed at that date, assuming all other risk variables remained constant.

	As at June 30, 2019		As at June 30, 2020		As at June 30, 2021		As at December 31, 2021	
	Increase/ (decrease) in foreign exchange rates	Effect on loss for the year and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on loss for the year and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on loss for the year and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on profit for the period and accumulated losses
	%	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*
United States Dollars	1%	2,780	1%	6,630	1%	3,242	1%	5,233
	(1)%	(2,780)	(1)%	(6,630)	(1)%	(3,242)	(1)%	(5,233)
Euros	1%	10	1%	(21)	1%	128	1%	519
	(1)%	(10)	(1)%	21	(1)%	(128)	(1)%	(519)
Hong Kong Dollars	1%	(420)	1%	(257)	1%	(177)	1%	(91)
	(1)%	420	(1)%	257	(1)%	177	(1)%	91
Renminbi	–	–	–	–	1%	6,015	1%	4,030
	–	–	–	–	(1)%	(6,015)	(1)%	(4,030)
Others	1%	4	1%	(10)	1%	27	1%	7
	(1)%	(4)	(1)%	10	(1)%	(27)	(1)%	(7)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the end of the reporting periods for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of each reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the year presented on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*.

The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs.

The following table presents the Group's financial assets that are measured at fair value at the end of each reporting date:

	Fair value at June 30, 2019	Fair value measurements as at June 30, 2019 categorized into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
– Other investments *(ii)*	356,265	–	356,265	–
Liabilities:				
– Paid-in capital subject to redemption and other preferential rights *(i)*	1,701,294	–	–	1,701,294

	Fair value at June 30, 2020	Fair value measurements as at June 30, 2020 categorized into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Liabilities:				
– Redeemable shares with other preferential rights *(i)*	2,381,327	–	–	2,381,327

	Fair value at June 30, 2021	Fair value measurements as at June 30, 2021 categorized into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
– Other investments *(ii)*	102,968	–	102,968	–

	Fair value at December 31, 2021	Fair value measurements as at December 31, 2021 categorized into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
– Other investments *(ii)*	208,289	–	208,289	–

During the Relevant Periods presented, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

(i) Paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights

The fair value changes in Level 3 instruments of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights for the years ended June 30, 2019, 2020 and 2021 are presented in the Note 30.

Specific valuation techniques used to determine the fair value of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights include:

- Discounted cash flow model using unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- Equity allocation model using a combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount for lack of marketability, market multiples, etc.

Major assumptions used to determine the valuation of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights are presented in Note 30.

Fair value of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights is affected by changes in the share value of MINISO Guangzhou and the Company. If the share value of MINISO Guangzhou and the Company had increased/decreased by 10% with all other variables held constant, the profit before taxation for the years ended June 30, 2019 and 2020 would have been lower/higher by approximately RMB166,706,000/RMB166,294,000 and RMB234,672,000/RMB235,328,000, respectively.

(ii) Other investments

Other investments in level 2 as at June 30, 2019 represented investments in wealth management products and an asset management scheme. The fair value of these investments was determined by discounting the expected future return using expected return rates currently available for instruments with similar terms, credit risk, remaining terms and other market data.

Other investments in level 2 as at June 30, 2021 and December 31, 2021 represented investments in trust investment schemes. The fair value of these investments was determined by the Group with reference to the fair value quoted by the trust company, that established and managed the investments (see Note 20), using expected return rates currently available for instruments with similar terms, credit risk, remaining terms and other market data.

The movement during the years in the balance of the Level 3 fair value measurement is as follows:

	RMB'000
Paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights:	
At July 1, 2018	–
Addition	991,514
Changes in fair value recognized in profit or loss during the year	709,780
At June 30, 2019	1,701,294
Changes in fair value recognized in profit or loss during the year	680,033
At June 30, 2020	2,381,327
Changes in fair value recognized in profit or loss during the year	1,625,287
Exchange adjustment	(42,771)
Conversion into Class A ordinary shares upon IPO of the Company	(3,963,843)
At June 30, 2021 and December 31, 2021	–
Total gains or losses for the year ended June 30, 2019 included in the consolidated statement of profit or loss	709,780
Total gains or losses for the year ended June 30, 2020 included in the consolidated statement of profit or loss	680,033
Total gains or losses for the year ended June 30, 2021 included in the consolidated statement of profit or loss	1,625,287

The gains arising from the remeasurement of fair value of other investments are included in other net income in the consolidated statements of profit or loss. The losses arising from the remeasurement of fair value of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights are presented as fair value changes of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights in the consolidated statements of profit or loss.

(ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortized cost are not materially different from their fair values as at June 30, 2019, 2020 and 2021 and December 31, 2021 because of the short-term maturities of these financial instruments.

35 COMMITMENTS

(a) Capital commitments outstanding as at June 30, 2019, 2020 and 2021 and December 31, 2021 not provided for in the financial statements were as follows:

	As at June 30,			As at December 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted purchase of software	14,627	13,531	5,182	1,821
Contracted purchase of property	–	–	101,779	–
Contracted purchase of construction projects	–	–	–	852,834
Contracted purchase of property improvements	–	–	21,679	–
Contracted for	14,627	13,531	128,640	854,655
Authorized but not contracted for	–	–	–	15,713
Total	14,627	13,531	128,640	870,368

36 CONTINGENCIES

(a) The commitment of tax payments

On October 13, 2020, Mingyou Industrial Investment (Guangzhou) Co., Ltd. ("Mingyou"), being a subsidiary of the Group's equity-accounted investee prior to October 27, 2021 and a subsidiary of the Group since October 27, 2021, was set up to acquire the land use right of a parcel of land and to establish a new headquarters building for the Group in a district in Guangzhou, the PRC. In connection with the acquisition of the land use right and the construction of new headquarter building by Mingyou,on November 26, 2020, MINISO Guangzhou entered into a letter of intent ("the Letter") with the local government of that district, whereby MINISO Guangzhou committed to the local government that the aggregate amount of tax levies paid by the subsidiaries of MINISO Guangzhou in that district and Mingyou would be no less than RMB965,000,000 for a five-year period starting from January 1, 2021. If the above entities fail to meet such commitment, MINISO Guangzhou will be liable to compensate the shortfall. On January 25, 2021, MINISO Guangzhou provided a performance guarantee of RMB160,000,000 issued by a commercial bank to this local government in respect of the commitment of tax payments for the calendar year of 2021, which was valid from April 1, 2021 to March 31, 2022.

The directors have assessed that, based on the projection of and actual relevant taxes and surcharges paid and payable during the calendar year of 2021, the above entities are expected to meet and have met the commitment for the calendar year of 2021 and it thus is not probable that MINISO Guangzhou needs to make such compensation to the local government under the above performance guarantee. No provision has therefore been made in respect of this matter as of June 30, 2021 or December 31,2021.

(b) Lawsuit regarding employees' compensation dispute

During the year ended June 30, 2020, certain former employees ("Plaintiffs") of our oversea subsidiaries in the U.S. filed a complaint regarding employees' compensation dispute. In response to this matter, the Group involved a representative attorney to process settlement discussions with the Plaintiffs. As of June 30, 2020 and 2021, the negotiation results and the expected settlement amount could not be reasonably estimated as the discussion was in progress, therefore no provision was made in respect of this matter as of June 30, 2020 and 2021.

As of December 31, 2021, the matter has been tentatively jointly settled and is subject to court approval. A provision amounting to USD1,250,000 (equivalent to RMB8,090,000) was made based on the expected settlement amount accordingly.

37 MATERIAL RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

The table below set forth the major related parties and their relationships with the Group:

Name of related parties	Relationship with the Group
Mr. Ye Guofu	Controlling shareholder
Mr. Li Minxin	Shareholder and a member of the key management personnel of the Group
MINI Investment Holding Limited	Under common control of the controlling shareholder
Shanghai Kerong Networks Limited	Significantly influenced by the controlling shareholder
Shenzhen Zhizhi Brand Incubation Limited *(iii)*	Significantly influenced by the controlling shareholder
Miniso Lifestyle Nigeria Limited *(i)*	Under common control of the controlling shareholder
MINISO Lifestyle Proprietary Limited *(i)*	Under common control of the controlling shareholder
YGF MC LIMITED	Under common control of the controlling shareholder
Minihome Hong Kong Limited *(i)*	Under common control of the controlling shareholder
Wow Color Beauty Guangdong Technology Limited	Under common control of the controlling shareholder
Nome Design (Guangzhou) Limited *(i)*	Under common control of the controlling shareholder
Haydon (Shanghai) Technology Co., Ltd.	Under common control of the controlling shareholder
Miniso Technology (Guangzhou) Co., Ltd.	Under common control of the controlling shareholder
199 Global Holding (Guangzhou) Limited	Under common control of the controlling shareholder
Mingyou *(ii)*	Under common control of the controlling shareholder
Guangzhou Chuyunju Catering Service Co., Ltd.	Under common control of the controlling shareholder
ACC Super Accessories Shenzhen Technology Limited	Significantly influenced by the controlling shareholder
Henhaohe Tea Guangdong limited	Under common control of the controlling shareholder
OasVision International Limited	Under common control of the controlling shareholder

Notes:

(i) MINISO Lifestyle Proprietary Limited, Miniso Lifestyle Nigeria Limited, Minihome Hong Kong Limited and Nome Design (Guangzhou) Limited were subsidiaries of the Group prior to January 2020. They were sold to companies ultimately owned by Mr. Ye Guofu during the period from December 2019 to February 2020 and have become related parties of the Group since then (see Note 5).

(ii) Mingyou is a subsidiary of YGF Investment, which was an equity accounted investee of the group prior to October 27, 2021. On October 27, 2021, the Group acquired the remaining 80% interest in YGF investment, YGF investment and Mingyou became wholly-owned subsidiaries of the Group since then. (see Note 19).

(iii) The controlling shareholder sold its equity interests in Shenzhen Zhizhi Brand Incubation Limited to a third party on September 25, 2021. Shenzhen Zhizhi Brand Incubation Limited was no longer a related party of the Group since then.

(b) Transactions with related parties

(i) Key management personnel compensation

Key management personnel compensation comprised the following:

	For the year ended June 30,			For the six months ended December 31,	
	2019	**2020**	**2021**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Short-term employee benefits	7,832	5,431	8,795	4,372	8,146
Employee compensation expense *(Note 8(i) and Note 32)*	–	4,771	–	–	–
Equity-settled share-based payment expenses *(Note 32)*	28,574	79,021	39,727	39,727	–
	36,406	89,223	48,522	44,099	8,146

(ii) Other transactions with related parties

	For the year ended June 30,			For the six months ended December 31,	
	2019	**2020**	**2021**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Continuing operations					
Proceeds from repayment from the controlling shareholder					
– Mr. Ye Guofu *(i)*	269,934	297,105	–	–	–
Liabilities waived by the controlling shareholder					
– Mr. Ye Guofu *(ii)*	5,040	–	–	–	–
Cash advances to related parties					
– MINI Investment Holding Limited *(iii)*	9,508	–	–	–	–
– Mr. Ye Guofu *(iv)*	–	101,462	–	–	–
– Nome Design (Guangzhou) Limited *(v)*	–	5,205	–	–	–

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Proceeds from repayment from related parties					
– MINI Investment Holding Limited *(iii)*	–	–	9,508	9,508	–
– Nome Design (Guangzhou) Limited *(v)*	–	–	5,205	5,205	–
Repayment to the controlling shareholder					
– Mr. Ye Guofu *(vi)*	–	–	11,946	–	–
Sales of lifestyle products					
– Miniso Lifestyle Nigeria Limited	–	201	5,312	5,312	–
– OasVision International Limited	–	–	9,914	–	7,471
– Miniso Technology (Guangzhou) Co., Ltd.	–	–	2,378	–	–
Provision of information technology support and consulting services					
– Haydon (Shanghai) technology Co., Ltd. *(vii)*	–	–	3,050	–	2,878
– Wow Color Beauty Guangdong Technology Limited *(vii)*	–	–	9,912	–	4,030
– ACC Super Accessories Shenzhen Technology Limited *(vii)*	–	–	–	–	2,725
– Henhaohe Tea Guangdong Limited *(vii)*	–	–	–	–	7,040
Purchase of lifestyle products					
– Shanghai Kerong Networks Limited	191,232	177,367	38,148	21,284	8,331
– Shenzhen Zhizhi Brand Incubation Limited	97,298	52,385	22,220	16,129	4,407
– Wow Color Beauty Guangdong Technology Limited	–	13,339	19	–	399
– Nome Design (Guangzhou) Limited	–	648	581	581	–
– Haydon (Shanghai) technology Co., Ltd.	–	–	894	–	39
– 199 Global Holding (Guangzhou) Limited	–	–	135	9	190
Advanced payments received for purchase of lifestyle products					
– Miniso Lifestyle Nigeria Limited *(viii)*	–	4,005	–	–	–
Provision of guarantee for a subsidiary of the equity-accounted investee					
– Mingyou *(ix)*	–	–	160,000	–	160,000
Purchase of catering services					
– Guangzhou Chuyunju Catering Service Co., Ltd.	6,108	10,241	8,334	3,959	6,395
Discontinued operations					
Repayment of loans from the controlling shareholder					
– Mr. Ye Guofu *(x)*	130,441	–	–	–	–
Interest incurred on loans from the controlling shareholder					
– Mr. Ye Guofu *(x)*	5,014	–	–	–	–

	For the year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Disposal of discontinued operations to					
– YGF MC LIMITED	–*	–*	–	–	–
– Minihome Hong Kong Limited	–*	–*	–	–	–
– MINI Investment Holding Limited	–*	–*	–	–	–

Notes:

* The amounts were considerations in connection with the disposal of discontinued operations, each of which was less than RMB1,000. See Note 5 "Discontinued operations and assets and liabilities held for sale" for details.

(i) Interest-free cash advances to the controlling shareholder amounting to RMB269,934,000 and RMB297,105,000 were repaid during the years ended June 30, 2019 and 2020, respectively.

(ii) The controlling shareholder waived interest-free liabilities of an oversea subsidiary amounting to RMB5,040,000 during the year ended June 30, 2019.

(iii) The Group provided interest-free cash advance to MINI Investment Holding Limited amounting to RMB9,508,000 during the year ended June 30, 2019. The amount was fully repaid in July 2020.

(iv) The Group provided interest-free cash advances to the controlling shareholder amounting to RMB101,462,000 during the year ended June 30, 2020. The amount was fully repaid during the year ended June 30, 2020.

(v) The Group provided interest-free cash advances to Nome Design (Guangzhou) Limited amounting to RMB5,205,000 during the period from March to June 2020. The amount was subsequently fully repaid in July 2020.

(vi) The Group settled other payables to Mr. Ye Guofu amounting to RMB11,946,000 during the year ended June 30, 2021.

(vii) The Group entered into information technology support and consulting services agreements with Haydon (Shanghai) Technology Co., Ltd., Wow Color Beauty Guangdong Technology Limited, ACC Super Accessories Shenzhen Technology Limited and Henhaohe Tea Guangdong limited during the year ended June 30, 2021 and the six months ended December 31, 2021, under which the Group provided business management systems deployment and support services.

(viii) The Group received advance payments for purchase of lifestyle products from MINISO Lifestyle Nigeria Limited amounting to RMB4,005,000 during the period from January to June 2020.

(ix) On January 25, 2021, MINISO Guangzhou provided a performance guarantee to a local government for the commitment of tax levies paid by the subsidiaries of MINISO Guangzhou in that district and Mingyou (see Note 36).

(x) During the year ended June 30, 2019, MINISO GmbH, MINISO Lifestyle Kenya Ltd. and MINISO Lifestyle Nigeria Limited repaid loans from the controlling shareholder and related interest amounting to RMB51,557,000, RMB18,630,000 and RMB65,268,000, respectively. The loans bear with interest rates of 3%, nil and 8% per annum, respectively. Total interest expenses incurred during the year were RMB640,000, nil and RMB4,374,000, respectively.

(c) Balances with related parties

	As at June 30,			As at December 31,
	2019	**2020**	**2021**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Included in trade and other receivables from related parties:				
Non-trade related:				
– Mr. Ye Guofu	131,151	–	–	–
– MINI Investment Holding Limited	9,508	9,508	–	–
– Nome Design (Guangzhou) Co., Ltd.	–	4,557	–	–
Trade related:				
– YGF MC LIMITED	–	–*	–	–
– Minihome Hong Kong Limited	–	–*	–	–
– Henhaohe Tea Guangdong limited	–	–	795	2,348
– ACC Super Accessories Shenzhen Technology Limited	–	–	996	636
– OasVision International Limited	–	–	–	2,040
	140,659	14,065	1,791	5,024
Included in trade and other payables to related parties:				
Non-trade related:				
– Mr. Ye Guofu	–	11,946	–	–
Trade related:				
– Shanghai Kerong Networks Limited	21,165	3,164	1,438	1,853
– Shenzhen Zhizhi Brand Incubation Limited	6,658	1,568	1,135	–
– Wow Color Beauty Guangdong Technology Limited	–	986	–	179
– Haydon (Shanghai) Technology Co., Ltd.	–	–	1,010	39
– 199 Global Holding (Guangzhou) Limited	–	–	94	–
– Guangzhou Chuyunju Catering Service Co., Ltd.	–	–	3,813	9,906
	27,823	17,664	7,490	11,977
Included in contract liabilities:				
Trade related:				
– Miniso Lifestyle Nigeria Limited	–	3,798	–	–
	–	3,798	–	–

Note:

* The amounts represented considerations receivable in connection with the disposal of discontinued operations, which were each less than RMB1,000. See Note 5 "Discontinued operations and assets and liabilities held for sale" for details.

38 COMPANY LEVEL FINANCIAL INFORMATION

The following presents condensed parent company financial information of the Group.

(i) Condensed statement of profit or loss

	For the period from January 7, 2020 (date of incorporation) to June 30, 2020	For the Year ended June 30, 2021	For the six months ended December 31,	
			2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Other income	–	4,274	1,257	3,056
General and administrative expenses	(37)	(9,734)	(495)	(8,023)
Other net income	1,091	52,056	33,639	12,246
Operating profit	1,054	46,596	34,401	7,279
Finance income	–	1,030	562	1,845
Finance costs	–	(2)	(2)	–
Net finance income	–	1,028	560	1,845
Fair value changes of redeemable shares with other preferential rights/redeemable shares with other preferential rights	151,733	(1,625,287)	(1,625,287)	–
Share of loss of an equity-accounted investee, net of tax	–	(4,011)	–	(8,162)
Profit/(loss) before taxation	152,787	(1,581,674)	(1,590,326)	962
Income tax expense	–	–	–	–
Profit/(loss) for the period/year	152,787	(1,581,674)	(1,590,326)	962

(ii) Condensed statement of profit or loss and other comprehensive income

	For the period from January 7, 2020 (date of incorporation) to June 30, 2020	For the Year ended June 30, 2021	For the six months ended December 31,	
			2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Profit/(loss) for the period/year	152,787	(1,581,674)	(1,590,326)	962
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of the Company	13,606	(191,443)	(143,594)	(39,826)
Other comprehensive income/(loss) for the period/year	13,606	(191,443)	(143,594)	(39,826)
Total comprehensive income/(loss) for the period/year	166,393	(1,773,117)	(1,733,920)	(38,864)

(iii) Condensed statement of financial position

	Note	As at June 30, 2020	As at June 30, 2021	As at December 31, 2021
		RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Interest in an equity-accounted investee		–	352,062	–
Investments in subsidiaries				
– Cost-accounted investments in subsidiaries		–*	–*	2,034,450
– Amounts due from subsidiaries		988,252	3,887,724	2,349,220
		988,252	4,239,786	4,383,670
Current assets				
Other receivables		7,082	3,031	21,056
Cash and cash equivalents		153,889	925,638	402,937
		160,971	928,669	423,993
Total assets		1,149,223	5,168,455	4,807,663
EQUITY				
Share capital	*31(a)*	69	92	92
Additional paid-in capital	*31(a)*	162,373	8,289,160	7,982,522
Other reserves		(1,547,333)	(1,721,689)	(1,773,450)
Retained earnings/(accumulated losses)		152,787	(1,428,887)	(1,427,926)
Total (deficit)/equity		(1,232,104)	5,138,676	4,781,238
LIABILITIES				
Non-current liabilities				
Redeemable shares with other preferential rights		2,381,327	–	–
Deferred income		–	20,005	16,729
		2,381,327	20,005	16,729
Current liabilities				
Other payables		–	3,714	3,715
Deferred income		–	6,060	5,980
		–	9,774	9,695
Total liabilities		2,381,327	29,779	26,424
Total equity and liabilities		1,149,223	5,168,455	4,807,662

Note:

* The amount was less than RMB1,000.

(iv) Condensed statement of cash flow

	For the period from January 7, 2020 (date of incorporation) to June 30, 2020	For the year ended June 30, 2021	For the six months ended December 31, 2020	For the six months ended December 31, 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Net cash (used in)/from operating activities	(36)	28,366	40,916	(13,005)
Net cash used in investing activities	(972,092)	(3,432,692)	(3,017,678)	(176,524)
Net cash from/(used in) financing activities	1,127,145	4,181,655	4,181,655	(331,615)
Net increase/(decrease) in cash and cash equivalents	155,017	777,329	1,204,893	(521,144)
Cash and cash equivalents at beginning of the period/year	–	153,889	153,889	925,638
Effect of movements in exchange rates on cash held	(1,128)	(5,580)	(10,970)	(1,557)
Cash and cash equivalents at end of the period/year	153,889	925,638	1,347,812	402,937

39 AMENDMENTS AND NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE

Up to the date of issue of the Historical Financial Information, the IASB has issued a number of amendments and new standards which are not yet effective for the Relevant Periods. The Group has not early adopted the amendments or standards in preparing the Historical Financial Information. These include the following:

	Effective for accounting periods beginning on or after
– Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37)	January 1, 2022
– Annual improvements to IFRS standards 2018-2020	January 1, 2022
– Property, plant and equipment: Proceeds before intended use (Amendments to IAS 16)	January 1, 2022
– Reference to the conceptual framework (Amendments to IFRS 3)	January 1, 2022
– Classification of liabilities as current or non-current (Amendments to IAS 1)	January 1, 2023
– IFRS 17 Insurance contracts and amendments to IFRS 17 Insurance contracts	January 1, 2023
– Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
– Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
– Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
– Initial Application of IFRS 17 and IFRS 9 – Comparative Information	January 1, 2023

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far, the Group has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information.

40 SUBSEQUENT EVENTS

Under the share repurchase program approved by the board of directors on December 21, 2021, the Company had repurchased 4,722,236 Class A ordinary shares at an average price of USD2.02 per share for a total consideration of USD9.55 million during the period from January 1, 2022 to June 20, 2022.

41 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		For the year ended June 30, 2019					
	Note	**Directors' fees**	**Salaries, allowances and other benefits**	**Discretionary bonuses**	**Retirement scheme contributions**	**Equity-settled share-based payments**	**Total**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors							
Mr. Ye Guofu	*(i)*	–	209	–	27	–	236
Mr. Li Minxin	*(ii)*	–	635	–	34	–	669
Mr. Zhang Saiyin	*(ii)*	–	1,487	489	25	11,354	13,355
Ms. Yang Yunyun	*(iii)*	–	209	–	27	–	236
Ms. Dou Na	*(iii)*	–	1,995	2,664	34	17,220	21,913
Total		–	4,535	3,153	147	28,574	36,409

		For the year ended June 30, 2020					
	Note	**Directors' fees**	**Salaries, allowances and other benefits**	**Discretionary bonuses**	**Retirement scheme contributions**	**Equity-settled share-based payments**	**Total**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors							
Mr. Ye Guofu	*(i)*	–	184	–	27	–	211
Mr. Li Minxin	*(ii)*	–	557	–	27	–	584
Mr. Zhang Saiyin	*(ii)*	–	1,337	480	24	31,400	33,241
Ms. Yang Yunyun	*(iii)*	–	184	–	27	–	211
Ms. Dou Na	*(iii)*	–	1,880	1,337	19	47,623	50,859
Mr. Cao Wei	*(iv)*	–	–	–	–	–	–
Mr. Hao Rui	*(iv)*	–	–	–	–	–	–
Total		–	4,142	1,817	124	79,023	85,106

	Note	For the year ended June 30, 2021					
		Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity-settled share-based payments	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors							
Mr. Ye Guofu	*(i)*	–	1,228	386	34	–	1,648
Mr. Li Minxin	*(ii)*	–	1,322	312	34	–	1,668
Mr. Zhang Saiyin	*(ii)*	–	1,527	474	18	15,786	17,805
Ms. Yang Yunyun	*(iii)*	–	52	–	8	–	60
Ms. Dou Na	*(iii)*	–	478	395	–	20,585	21,458
Mr. Cao Wei	*(iv)*	–	–	–	–	–	–
Mr. Hao Rui	*(iv)*	–	–	–	–	–	–
Independent directors							
Ms. Xu Lili	*(v)*	–	–	–	–	601	601
Mr. Zhu Yonghua	*(v)*	–	–	–	–	601	601
Total		–	4,607	1,567	94	37,573	43,841

	Note	For the six months ended December 31, 2020 (unaudited)					
		Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity-settled share-based payments	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors							
Mr. Ye Guofu	*(i)*	–	104	–	17	–	121
Mr. Li Minxin	*(ii)*	–	315	–	17	–	332
Mr. Zhang Saiyin	*(ii)*	–	763	250	–	15,786	16,799
Ms. Yang Yunyun	*(iii)*	–	52	–	8	–	60
Ms. Dou Na	*(iii)*	–	478	395	–	20,585	21,458
Mr. Cao Wei	*(iv)*	–	–	–	–	–	–
Mr. Hao Rui	*(iv)*	–	–	–	–	–	–
Independent directors							
Ms. Xu Lili	*(v)*	–	–	–	–	427	427
Mr. Zhu Yonghua	*(v)*	–	–	–	–	427	427
Total		–	1,712	645	42	37,225	39,624

	Note	For the six months ended December 31, 2021					
		Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity-settled share-based payments	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors							
Mr. Ye Guofu	*(i)*	–	1,336	386	17	–	1,739
Mr. Li Minxin	*(ii)*	–	1,148	312	17	–	1,477
Mr. Zhang Saiyin	*(ii)*	–	775	224	18	–	1,017
Independent directors							
Ms. Xu Lili	*(v)*	242	–	–	–	102	344
Mr. Zhu Yonghua	*(v)*	–	–	–	–	395	395
Mr. Wang Yongping	*(vi)*	176	–	–	–	–	176
Total		418	3,259	922	52	497	5,148

(i) Mr. Ye Guofu was appointed as directors of the Company on January 7, 2020. He is the founder, key management personnel of the Group and director of certain subsidiaries within the Group during the Relevant Periods and his remuneration disclosed above include those for services rendered by him as a key management personnel.

(ii) Mr. Li Minxin and Mr. Zhang Saiyin were appointed as directors of the Company on February 14, 2020. They are key management personnel of the Group and directors of certain subsidiaries within the Group during the Relevant Periods and their remuneration disclosed above include those for services rendered by them as key management personnel.

(iii) Ms. Yang Yunyun and Ms. Dou Na were appointed as directors of the Company on February 14, 2020 and resigned on September 22, 2020. They are key management personnel of the Group and directors of certain subsidiaries within the Group during the Relevant Periods and their remuneration disclosed above include those for services rendered by them as key management personnel up to the date of their resignation as directors of the Company.

(iv) Mr. Hao Rui and Mr. Cao Wei were appointed as directors of the Company on February 14, 2020 and have resigned on October 5, 2020.

(v) Ms. Xu Lili and Mr. Zhu Yonghua were appointed as independent directors of the Company on October 20, 2020.

(vi) Mr. Wang Yongping was appointed as independent director of the Company on November 17, 2021.

(vii) During the Relevant Periods, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in Note 42 below as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any emoluments during the Relevant Periods.

42 INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the years ended June 30, 2019, 2020 and 2021 and the six months ended December 31, 2020 and 2021, of the five individuals with the highest emoluments, 2, 2, 2 and 2 (unaudited), 3 are directors whose emoluments are disclosed in Note 41.

The aggregate of the emoluments in respect of the other 3, 3, 3 and 3 (unaudited), 2 individuals are as follows:

	For the year ended June 30,			For the six months ended December 31,	
	2019	**2020**	**2021**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Salaries, allowances and other benefits	2,652	2,334	3,339	1,666	1,430
Discretionary bonuses	1,465	842	1,019	509	805
Retirement scheme contributions	99	96	90	39	29
Equity-settled share-based payment	32,315	89,368	44,928	44,928	85
	36,531	92,640	49,376	47,142	2,349

The emoluments of the above individuals with the highest emoluments are within the following bands:

	For the year ended June 30,			For the six months ended December 31,	
	2019	**2020**	**2021**	**2020**	**2021**
	Number of individuals	**Number of individuals**	**Number of individuals**	**Number of individuals**	**Number of individuals**
				(unaudited)	
Nil to HK$10,000,000	–	–	–	–	2
HK$10,000,001 to HK$15,000,000	3	–	–	–	–
HK$15,000,001 to HK$20,000,000	–	–	2	3	–
HK$20,000,001 to HK$25,000,000	–	–	1	–	–
HK$25,000,001 to HK$30,000,000	–	1	–	–	–
HK$35,000,001 to HK$40,000,000	–	2	–	–	–
	3	3	3	3	2

During the Relevant Periods, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any emoluments during the Relevant Periods.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries comprising the Group in respect of any period subsequent to December 31, 2021.