This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. Moreover, there are risks associated with any investment. Some of the particular risks of investing in the Offer Shares are set out in the section headed "Risk factors". You should read the entire document carefully before you decide to invest in the Offer Shares. Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of technical terms".

OVERVIEW

We are a global retailer offering a variety of design-led lifestyle products. Within nine years since we opened our first store in China in 2013, we have successfully incubated two brands – MINISO and TOP TOY. In 2021, the aggregate GMV of products sold through our MINISO network reached approximately RMB18.0 billion (US$2.8 billion), making us the largest global branded variety retailer of lifestyle products according to the Frost & Sullivan Report. TOP TOY, a new brand we launched in December 2020 to pioneer the concept of pop toy collection stores, achieved a GMV of RMB374.4 million in 2021, ranking seventh in the pop toy industry in China, according to the same source.

We have built our flagship brand "MINISO" as a globally recognized retail brand and established a store network worldwide. According to the Frost & Sullivan Report, we had the most extensive global store network in the global branded variety retail industry in terms of number of countries and regions entered as of December 31, 2021, which encompassed over 5,000 MINISO stores, including over 3,100 MINISO stores in China and approximately 1,900 MINISO stores overseas. As of December 31, 2021, we had entered approximately 100 countries and regions throughout the world.

Observing an emerging pop toy culture, we leveraged our extensive retail know-how, supply chain capabilities, and established a platform to launch the "TOP TOY" brand with the strategic goal of entering into the pop toy market and eventually building our platform of pop toys. We believe that our "TOP TOY" brand is highly complementary to our "MINISO" brand, as it caters to a broader consumer demographic with a much wider product price range and higher average order value. Our experience as a leading global retailer has helped us realize our strategic goal with TOP TOY and make rapid headway in the pop toy market in China. We had a total of 89 TOP TOY stores as of December 31, 2021, which ranked third among major brands in China's pop toy market as of December 31, 2021, according to the Frost & Sullivan Report. During the Track Record Period, the vast majority of the revenue from TOP TOY was derived from the sales of third-party branded products with a small portion generated from the sales of co-developed IP products and in-house incubated IP products.

Design, quality, and affordability are at the core of every MINISO product we deliver, and we continually and frequently roll out MINISO products of these qualities. In the fiscal year ended June 30, 2021, we launched an average of about 550 SKUs under the "MINISO" brand per month, and offered consumers a wide selection of over 8,800 core SKUs, the vast majority of which are under the "MINISO" brand. Our MINISO product offering spans across 11 major categories, including home decor, small electronics, textile, accessories, beauty tools, toys, cosmetics, personal care, snacks, fragrance and perfumes, and stationery and gifts. Under the TOP TOY brand, we offered around 4,600 SKUs as of December 31, 2021 across 8 major categories, including blind boxes, toy bricks, model figures, model kits, collectible dolls, Ichiban Kuji, sculptures, and other popular toys.

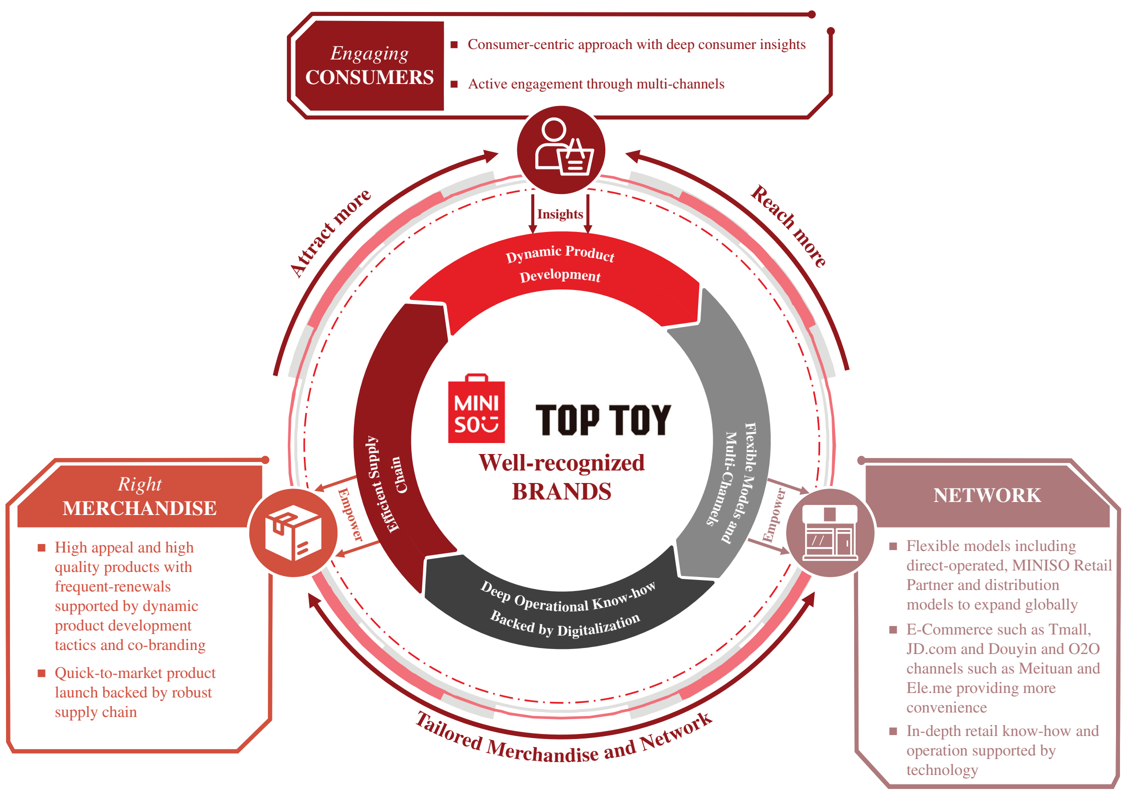
We believe a quality offline retail experience is essential for our ability to retain and attract consumers and maintain their engagement. We therefore promote a relaxing, treasure-hunting, and engaging shopping experience that appeals to all demographics regardless of their cultural background and the geographical location of the stores. In particular, we organize pop toy workshops and shows in our TOP TOY stores and various other offline events where consumers can simply enjoy and have fun, making the offline retail experience more immersive and engaging for consumers in the process. Our focus on delivering distinct value propositions within a relaxing and engaging shopping environment generates excitement and encourages frequent visits, allowing us to build a large and loyal base of consumers mostly from the younger generations.

Our path to success in our home market, China, where we had expanded to approximately over 3,100 MINISO store as of December 31, 2021, depends on the effectiveness and scalability of our MINISO Retail Partner model. Under this model, MINISO Retail Partners mobilize their resources to open and operate their own MINISO stores at optimal locations and shoulder the associated capital expenditure and operating expenses, while we let them use our brand and provide them with valuable guidance on key aspects of store operation in exchange for a pre-agreed portion of in-store sales proceeds. The MINISO Retail Partners keep the remaining sales proceeds and we retain inventory ownership until in-store sale to consumers. The MINISO Retail Partner model aligns the interests and creates mutual benefits between us and the MINISO Retail Partners, allowing us to achieve rapid store network expansion with consistent brand image and consumer experience in an asset-light manner, and enabling our MINISO Retail Partners to attain attractive investment returns. Based on a survey conducted by Frost & Sullivan, our MINISO Retail Partners in China generally recover their store investment in a period of 12 to 15 months after store opening. Our MINISO Retail Partners are also motivated to maintain a loyal relationship with us. As of December 31, 2021, 475 of our 860 MINISO Retail Partners had invested in MINISO stores for over 3 years.

Our rich product design, relaxing shopping experience, efficient supply chain, and deep operation know-how backed by digitalization make our business highly scalable globally. Since we opened our first MINISO store in China in 2013, we had expanded to approximately 1,900 MINISO stores by entering into approximately 100 countries and regions outside of China as of December 31, 2021. We accomplished such international store expansion under flexible models tailored to local conditions, including direct operation, the MINISO Retail Partner model, and partnership with local distributors. Our insights into local consumer tastes and preferences and our sourcing capabilities enable us to meet the local demands in each international market. As a testament to our expanding international operation, our revenue from markets outside of China accounted for 32.3% and 32.7% of our total revenue for the fiscal years ended June 30, 2019 and 2020, respectively. Although the percentage decreased to 19.6% for the fiscal year ended June 30, 2021 due to the negative impact of the COVID-19 pandemic on the international markets, we managed to improve it to 24.7% for the six months ended December 31, 2021.

Our Business Model

The following diagram illustrates our business model and the various participants in our business:



We have adopted a range of flexible store operation models, including MINISO Retail Partner model, distributor model and direct operation model, as we expand our footprints in China and globally. The following table is a brief summary of the main differences among these models:

	MINISO Retail Partner model	**Distributor model**	**Direct operation model**
Relationship with party	Seller-buyer relationship in which MINISO Retail Partners enter into sales agreements, license agreements, and store renovation agreements with the Company	Seller-buyer relationship in which distributors enter into license agreements and sales agreements with the Company	Not applicable
Costs and risks borne by each party	MINISO Retail Partners bear (i) initial capital expenditure, (ii) inventory deposit and (iii) costs associated with store operation, such as rental, salary, logistics expenses from our warehouse to stores, utilities, expenses related to discretionary promotional campaigns and store management and consultation services fee, and risks associated with investment recovery and store operations, among others The Company bears expenses related to (i) product design and development, such as IP licensing fees, (ii) supply chain management, such as logistics expenses from supplier to our warehouse and (iii) brand management, such as brand advertisement, and risks associated with brand and reputation, among others	Distributors bear similar costs and risks to those under MINISO Retail Partner model The Company bears similar costs and risks to those under MINISO Retail Partner model, and less oversight on operations, among others	The Company bears all associated costs and risks

	MINISO Retail Partner model	Distributor model	Direct operation model
Revenue recognition	The Company recognizes revenue from product sales to MINISO Retail Partners when MINISO Retail Partners sell products to end-customers	The Company recognizes revenue from product sales to distributors when the products are shipped from or delivered to the locations specified in sales agreements	The Company recognizes revenue when the products are sold to customers
Services and assistances provided by the Company for store operations	Store management and consultation services, mainly including store layout and decoration, interior design, staff training, pricing, product curation and inventory replenishment	Provision of staff training and other guidance in terms of store operation, less operational involvement compared to MINISO Retail Partners model	The Company manages the stores directly
Inventory risk	The Company has inventory ownership until the goods are sold to end-customers. MINISO Retail Partners take risks of inventory as they are responsible for the placement, physical custody and condition of the merchandise that they have selected after the deliveries are accepted in stores.	The distributors take ownership of the products and assume the risk of loss when the products are shipped from or delivered to the locations specified in sales agreements	The Company takes ownership of the products and assumes the risk of loss
Store management responsibility	Mainly on MINISO Retail Partners, but the Company constantly monitors the operations of MINISO Retail Partner stores to help them customize merchandise mix and product display at a store level and advise on inventory management on a real-time basis, in addition to providing store management and consultation services to optimize and unify store operations in key aspects	Mainly on distributors, but the license agreements set out a set of operational standards for local distributors to follow and the Company has the right to supervise the operation of distributor stores	The Company

	MINISO Retail Partner model	Distributor model	Direct operation model
Major business decisions	MINISO Retail Partners are responsible for staff recruitment, have the right to close down the store in accordance with the relevant agreements, and can decide what types of products to include, provided that they only offer products supplied by the Company Generally, MINISO Retail Partners are able to set the retail price of the products to be sold in store within a specified range of the price recommended by the Company for the same products with the Company's written consent	Distributors are responsible for staff recruitment, have the right to close down the store in accordance with the relevant agreements and can decide what types of products to include, provided only offer products supplied by the Company or with the Company's written consent to sell other products Distributors have pricing right over the inventory sold in store but the Company usually has the right to make recommendations	The Company makes all business decisions
Term	Generally not more than three years and renewable upon negotiation prior to the termination of the agreement	Usually have a term of two to ten years	Not applicable

Our Products

Our flagship brand "MINISO" offers a frequently-refreshed assortment lifestyle products covering diverse consumer needs, and consumers are attracted to our products' trendiness, creativeness, high quality and affordability. Our MINISO product offering encompassed about 8,800 core SKUs in the fiscal year ended June 30, 2021 across 11 major categories: home decor, small electronics, textile, accessories, beauty tools, toys, cosmetics, personal care, snacks, fragrance and perfumes, and stationery and gifts. In December 2020, we launched a new brand, "TOP TOY," which is committed to building our platform of pop toys. Under the fast-growing TOP TOY brand, we offered around 4,600 SKUs as of December 31, 2021 across 8 major categories: blind boxes, toy bricks, model figures, model kits, collectible dolls, Ichiban Kuji, sculptures, and other popular toys.

We are able to deliver our value propositions by leveraging our supply chain capabilities that are built on China's large supply chain, our large procurement volumes, our punctual payment to suppliers, and our digitalized, continuously optimized supply chain, which collectively contribute to our overall supply chain efficiency and procurement cost advantages.

OUR STORE NETWORK

As of December 31, 2021, we served consumers primarily through a network of over 5,000 MINISO stores, including over 3,100 MINISO stores in China and approximately 1,900 MINISO stores overseas. The following table shows the number of MINISO stores in China and internationally as of the dates presented:

	As of June 30,			As of December 31,	
	2019	**2020**	**2021**	**2020**	**2021**
Number of MINISO stores[1]					
China	**2,311**	**2,533**	**2,939**	**2,768**	**3,168**
Directly operated stores	9	7	5	5	5
Stores operated under MINISO Retail Partner model	2,288	2,513	2,919	2,746	3,146
Stores operated under distributor model	14	13	15	17	17
Overseas[2]	**1,414**	**1,689**	**1,810**	**1,746**	**1,877**
Directly operated stores	74	122	127	105	136
Stores operated under MINISO Retail Partner model	165	193	195	194	203
Stores operated under distributor model	1,175	1,374	1,488	1,447	1,538
Total	**3,725**	**4,222**	**4,749**	**4,514**	**5,045**

Note:

1 For details of the changes in the number of MINISO stores during the Track Record Period, please see "Business – Our Store Network – Store Operation in China," and "Business – Our Store Network – Store Operation Overseas."

2 Overseas stores exclude a small number of stores under certain overseas businesses that we had disposed of as of June 30, 2020. We completed such business disposal during the period from December 2019 to April 2020. See "Financial Information–Discontinued Operations." After the disposal, these excluded stores may continue to have business transactions with us, such as purchases of lifestyle products from us, as some of the stores were disposed to local distributors.

Below is a brief summary of our key criteria and strategies for deciding which store operation models to use in our expansion in China and overseas:

- China:

  - The MINISO Retail Partner model has been and will continue to be our first choice when opening new stores, as this model represents a mutually beneficial relationship between us and the MINISO Retail Partners that allows us to achieve rapid store network expansion with consistent brand image and consumer experience in an asset-light manner and that allows our MINISO Retail Partners to attain attractive investment opportunities. See "Business – Our Store Network – Store Operation in China" for further details. Therefore, apart from a small number of directly operated stores and a few store operated by one distributor in Tibet, all of our other MINISO stores are operated and will be operated under the MINISO Retail Partner model.

  - We maintain a small number of directly operated stores in China primarily for the following reasons: (i) PRC laws and regulations require a franchiser to have at least two directly operated stores and to have operated each of the two directly operated stores for over one year before engaging in franchising activities; and (ii) some of our directly operated stores act as our flagship stores that play an important role in maintaining and improving our brand image, and therefore we keep them under direct operation to demonstrate our store management operational standards.

- Overseas:

  - In the majority of international markets, we expand our store network by collaborating with local distributors with abundant local resources and retail experience. The distributor model differs from the MINISO Retail Partner model in a few aspects, including that we have less operational involvement with distributors than with MINISO Retail Partners and that inventory ownership is generally transferred to distributors when inventory is shipped from or delivered to the locations specified in sales agreements, while we retain inventory ownership until in-store sale to end-customers under the MINISO Retail Partner model. See "Business – Our Store Network–Store Operation Overseas" for further details. We therefore consider the distributor model to be more suitable and prudent in terms of capital and risk management in our expansion in international markets, which vary significantly in terms of local market conditions and future potential and with which we are generally less familiar than China.

  - In strategic markets with large population and huge market potential such as North America and India, we typically enter the markets by first opening and operating stores on our own, which are meant to serve as pioneer stores in the region. In this way, we can more efficiently and directly gain local consumer insights and operational know-how. When local business partners become interested after seeing the performance of our pioneer stores, we invite some of them to join under our MINISO Retail Partner model or distributor model to more rapidly expand our store network in these markets. See "Business – Our Store Network – Store Operation Overseas" for further details.

The following table shows the number of TOP TOY stores in China as of the dates presented since the launch of TOP TOY in December 2020:

	As of June 30,	**As of December 31,**	
	2021	**2020**	**2021**
Number of TOP TOY stores			
Directly operated stores	2	1	5
Stores operated under MINISO Retail Partner model	31	4	84
Total	**33**	**5**	**89**

We plan to further expand our TOP TOY store network in China using primarily the MINISO Retail Partner model, and will be actively seeking opportunities to open pioneer stores overseas, probably initially as directly operated stores, for similar considerations as with MINISO stores as described above.

OUR COMPETITIVE STRENGTHS

The following strengths have enabled us to become who we are today and will support our continued success:

- Our global retailer offering design-led lifestyle products;
- Our frequently-refreshed product assortment with universal appeal;
- Our efficient and digitalized supply chain;
- Our in-depth know-how and digitalization driving operational excellence;
- Our multi-channel operation and consumer engagement;
- Our global scalability and capability of penetrating into various tiers of cities; and
- Our experienced founder and entrepreneurial management team.

OUR GROWTH STRATEGIES

We intend to pursue the following strategies to achieve further success.

- Expand and upgrade our store network;
- Enhance product development and supply chain capabilities;
- Deepen consumer engagement and drive multi-channel experience;
- Strengthen technological capabilities;
- Continue to invest in branding and incubate new brands; and
- Strategically explore investment and acquisition opportunities.

OUR COMPETITIVE LANDSCAPE

Branded Variety Retail Market in China

According to the Frost & Sullivan Report, competition in the branded variety retail market in China is fierce and fragmented with more than 1,000 players. The top five players have an aggregate market share of approximately 18.6% in terms of GMV in 2021. In 2021, we generated GMV of RMB10.8 billion from our branded variety retail business in China and had a market share of 11.4% as well as a market share of 61.0% among the top five peers, ranking first by GMV in the branded variety retail market in China, according to the Frost & Sullivan Report. See "Industry Overview – China's and Global Branded Variety Retail Markets – Branded Variety Retail Market in China" and "Business – Competition" for further details.

Global Branded Variety Retail Market

According to the Frost & Sullivan Report, competition in the global branded variety retail market is fierce and fragmented. The top five players have an aggregate market share of approximately 20.3% in terms of GMV in 2021. In 2021, we generated GMV of approximately RMB18.0 billion (US$2.8 billion) from our branded variety retail business globally and had a market share of 6.7% as well as a market share of 32.9% among the top five peers, ranking first by GMV in the global branded variety retail market according to the Frost & Sullivan Report. See "Industry Overview – China's and Global Branded Variety Retail Markets – Global Branded Variety Retail Market" and "Business – Competition" for further details.

Pop Toy Market in China

According to the Frost & Sullivan Report, the pop toy market in China is at the growth phase in the industry life cycle and has low concentration in terms of market share. In 2021, we generated GMV of RMB374.4 million from our pop toy business in China and had a market share of 1.1%, ranking seventh in the pop toy market in China, according to the Frost & Sullivan Report. See "Industry Overview – Pop Toy Market in China", "Business – Our Strengths – Global Retailer Offering Design-led Lifestyle Products" and "Business – Competition" for further details.

RISK FACTORS

Our operations and the Global Offering involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to invest in us and/or the value of your investment. See the section headed "Risk Factors" for details of our risk factors, which we strongly urge you to read in full before making an investment in our Shares. Some of the major risks we face include:

- Our success depends upon the continued strength of our brands. If we are unable to maintain and enhance our brands, our business and operating results may be adversely affected.

- The growth and profitability of our business depend on the level of consumer demand and discretionary spending. A severe or prolonged economic downturn in China or around the world could materially and adversely affect consumer discretionary spending and therefore adversely affect our business, financial condition and results of operations.

- Our success is dependent on the continued popularity of our products, our continued innovation and successful launches of new products, and our anticipation of and timely responses to changes in consumer preferences.

- If we are unable to offer our products at prices that are highly appealing to consumers or maintain competitive prices, our business and results of operations would be materially and adversely affected.

- We primarily rely on our retail partners and distributors to expand our store network. If we are unable to expand our store network successfully, our business, results of operations would be adversely affected.

- If we fail to maintain the relationship with our MINISO Retail Partners or our local distributors or fail to attract new MINISO Retail Partners or local distributors to join our store network, our business, results of operations and financial condition could be materially and adversely affected.

- The ADSs will be prohibited from trading in the United States under the Holding Foreign Companies Accountable Act, or the HFCAA, in 2024 if the PCAOB is unable to inspect or fully investigate auditors located in China, or as early as 2023 if proposed changes to the law are enacted. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment. As of the Latest Practicable Date, we had not been identified as a Commission-Identified Issuer by the SEC pursuant to the HFCAA and its implementation rules.

- Our operations have been and may continue to be affected by COVID-19 pandemic.

- Illegal actions or misconduct of our MINISO Retail Partners, local distributors, sub-contractors or sub-distributors, third-party suppliers or other service providers, or any failure by them to provide satisfactory products or services could materially and adversely affect our business, reputation, financial condition and results of operations.

- Should a product liability issue, recall or personal injury issue arise, it may damage our reputation and brand image, which may result in a material adverse effect on our business, reputation, results of operations and financial condition.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth a summary of our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix IA. The summary of consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this documents, including the related notes. Our consolidated financial information has been prepared in accordance with IFRS.

Selected Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss in absolute amounts for the periods indicated:

	For the fiscal year ended June 30,				For the six months ended December 31,		
	2019	2020	2021		2020	2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*RMB*	*US$*
					(Unaudited)		
	(in thousands)						
Continuing operations:							
Revenue	9,394,911	8,978,986	9,071,659	1,423,542	4,369,860	5,426,908	851,600
Cost of sales[(1)]	(6,883,931)	(6,246,488)	(6,640,973)	(1,042,114)	(3,204,716)	(3,835,566)	(601,884)

	For the fiscal year ended June 30,				For the six months ended December 31,		
	2019	2020	2021		2020	2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*RMB*	*US$*
					(Unaudited)		
				(in thousands)			
Gross profit	2,510,980	2,732,498	2,430,686	381,428	1,165,144	1,591,342	249,716
Other income	10,468	37,208	52,140	8,182	43,804	18,586	2,917
Selling and distribution expenses(2)	(818,318)	(1,190,477)	(1,206,782)	(189,370)	(627,492)	(725,622)	(113,866)
General and administrative expenses(2)	(593,205)	(796,435)	(810,829)	(127,237)	(441,163)	(432,696)	(67,899)
Other net income/(loss)	24,423	45,997	(40,407)	(6,341)	(70,755)	45,964	7,213
Credit loss on trade and other receivables	(90,124)	(25,366)	(20,832)	(3,269)	(17,387)	(19,091)	(2,996)
Impairment loss on non-current assets	(27,542)	(36,844)	(2,941)	(462)	–	(9,536)	(1,496)
Operating profit	1,016,682	766,581	401,035	62,931	52,151	468,947	73,589
Finance income	7,311	25,608	40,433	6,345	23,044	26,437	4,149
Finance costs	(25,209)	(31,338)	(28,362)	(4,451)	(13,860)	(17,266)	(2,709)
Net finance (costs)/income	(17,898)	(5,730)	12,071	1,894	9,184	9,171	1,440
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)	(255,043)	(1,625,287)	–	–
Share of loss of equity-accounted investee, net of tax	–	–	(4,011)	(629)	–	(8,162)	(1,281)
Profit/(loss) before taxation	289,004	80,818	(1,216,192)	(190,847)	(1,563,952)	469,956	73,748
Income tax expense	(279,583)	(210,949)	(213,255)	(33,464)	(91,615)	(131,338)	(20,610)
Profit/(loss) for the year/period from continuing operations	9,421	(130,131)	(1,429,447)	(224,311)	(1,655,567)	338,618	53,138
Discontinued operations:							
Loss for the year/period from discontinued operations, net of tax	(303,830)	(130,045)	–	–	–	–	–
(Loss)/profit for the year/period	(294,409)	(260,176)	(1,429,447)	(224,311)	(1,655,567)	338,618	53,138

	For the fiscal year ended June 30,				For the six months ended December 31,		
	2019	2020	2021		2020	2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*RMB*	*US$*
					(Unaudited)		
			(in thousands)				
(Loss)/profit for the year/period attributable to:							
Equity shareholders of the Company	(290,647)	(262,267)	(1,415,010)	(222,046)	(1,651,857)	336,779	52,849
– Continuing operations	13,183	(132,222)	(1,415,010)	(222,046)	(1,651,857)	336,779	52,849
– Discontinued operations	(303,830)	(130,045)	–	–	–	–	–
Non-controlling interests	(3,762)	2,091	(14,437)	(2,265)	(3,710)	1,839	289
– Continuing operations	(3,762)	2,091	(14,437)	(2,265)	(3,710)	1,839	289

Notes:

(1) Our cost of sales mainly consists of cost of inventories. Cost of inventories accounted for 100.0%, 100.0%, 99.1%, 99.2% and 98.1% of our total cost of sales for the fiscal year ended June 30, 2019, 2020 and 2021 and the six months ended December 31, 2020 and 2021. Other than cost of inventories, cost of sales also include logistics expenses and depreciation and amortization expense.

(2) Equity-settled share-based payment expenses were allocated as follows:

	For the fiscal year ended June 30,				For the six months ended December 31,		
	2019	2020	2021		2020	2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*RMB*	*US$*
					(Unaudited)		
			(in thousands)				
Equity-settled share-based payment expenses:							
Selling and distribution expenses	33,097	127,743	131,215	20,590	90,715	32,368	5,079
General and administrative expenses	88,961	236,637	150,104	23,555	125,662	18,032	2,830
Total	122,058	364,380	281,319	44,145	216,377	50,400	7,909

Non-IFRS Financial Measure

In evaluating our business, we consider and use adjusted net profit, a non-IFRS measure, as a supplemental measure to review and assess our operating performance. The presentation of this non-IFRS financial measure is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. We define adjusted net profit, a non-IFRS measure, as profit/(loss) from continuing operations excluding (i) fair value changes of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights, (ii) equity-settled share-based payment expenses, and (iii) employee compensation expenses related to non-forfeitable dividends related to unvested restricted shares.

We present adjusted net profit, a non-IFRS measure, because it is used by our management to evaluate our operating performance and formulate business plans. Adjusted net profit, a non-IFRS measure, enables our management to assess our operating results without considering the impacts of the aforementioned non-cash and other adjustment items. Accordingly, we believe that the use of this non-IFRS financial measure provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

This non-IFRS financial measure is not defined under IFRS and is not presented in accordance with IFRS. The non-IFRS financial measure has limitations as an analytical tool. One of the key limitations of using adjusted net profit, a non-IFRS measure, is that it does not reflect all items of income and expense that affect our operations.

Further, this non-IFRS measure may differ from the non-IFRS information used by other companies, including peer companies, and therefore its comparability may be limited.

The non-IFRS financial measure should not be considered in isolation or construed as an alternative to profit/(loss) or any other measure of performance. Investors are encouraged to review our historical non-IFRS financial measure in light of the most directly comparable IFRS measure, as shown below. The non-IFRS financial measure presented here may not be comparable to similarly titled measure presented by other companies. Other companies may calculate similarly titled measures differently, limiting the usefulness of such measures when analyzing our data comparatively. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

We recorded adjusted net profit, a non-IFRS financial measure, of RMB841.3 million, RMB933.9 million and RMB477.2 million in the fiscal years ended June 30, 2019, 2020 and 2021, respectively. We also recorded adjusted net profit, a non-IFRS financial measure, of RMB389.0 million in the six months ended December 31, 2021. The following table reconciles our adjusted net profit, a non-IFRS measure, for the fiscal years ended June 30, 2019, 2020, 2021 and for the six months ended December 31, 2020 and 2021 to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is profit/(loss) for the year/period from continuing operations.

	For the fiscal year ended June 30,				For the six months ended December 31,		
	2019	2020	2021		2020	2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*RMB*	*US$*
					(Unaudited)		
				(in thousands)			
Reconciliation of profit/(loss) for the year/period from continuing operations to adjusted net profit:							
Profit/(loss) for the year/period from continuing operations	9,421	(130,131)	(1,429,447)	(224,311)	(1,655,567)	338,618	53,138
Add back:							
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	255,043	1,625,287	–	–
Equity-settled share-based payment expenses	122,058	364,380	281,319	44,145	216,377	50,400	7,909
Employee compensation expenses related to non-forfeitable dividends related to unvested restricted shares	–	19,664	–	–	–	–	–
Adjusted net profit, a non-IFRS measure	841,259	933,946	477,159	74,877	186,097	389,018	61,047

Fair value changes of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights are related to preferred shares issued to investors prior to our initial public offering in the United States, after the completion of which this item is no longer recorded in our consolidated financial statements. Equity-settled share-based payment expenses are non-cash employee related expenses arising from grant of share incentive awards. Employee compensation expenses related to non-forfeitable dividends related to unvested restricted shares represent non-forfeitable dividend paid to employees in December 2019 in connection with restricted shares granted to them. These expenses were charged to our consolidated statements of profit or loss as such restricted shares were unvested at that time. This is an expense item recorded in our consolidated statements of profit or loss.

We recorded a loss of RMB130.1 million from continuing operations in the fiscal year ended June 30, 2020, compared to a profit of RMB9.4 million from continuing operations in the fiscal year ended June 30, 2019. This change, excluding the impact of a large amount of loss related to fair value changes of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights, was mainly due to a substantial increase in equity-settled share-based payment expenses.

We recorded a loss of RMB1,429.4 million (US$224.3 million) in the fiscal year ended June 30, 2021, compared to a loss of RMB260.2 million in the fiscal year ended June 30, 2020. This significant increase of net loss was mainly due to the loss related to fair value changes of our redeemable shares with other preferential rights. Excluding this effect, there was also a decrease in gross profit, which was mainly resulted from a decrease in revenue contribution from our international operations, which generally have a higher gross margin than our operations in China. International operations contributed 19.6% of our total revenue in the fiscal year ended June 30, 2021, compared to 32.7% in the fiscal year ended June 30, 2020.

We recorded a profit of RMB338.6 million (US$53.1 million) in the six months ended December 31, 2021, compared to a loss of RMB1,655.6 million in the six months ended December 31, 2020. This change, excluding the impact of a large amount of loss related to fair value changes of redeemable shares with other preferential rights, was primarily due to an increase in revenue, which in turn was mainly as a result of (i) an increase in the number of MINISO stores and TOP TOY stores, (ii) gradual recovery of business operations of MINISO stores from the COVID-19 pandemic in overseas markets in the second half of 2021 compared to the second half of 2020, and (iii) increases in revenue from online sales and other sales channels as a result of our continued efforts in e-commerce initiative.

Revenue

We primarily derive our revenue from sales of lifestyle and pop toy products through sales to MINISO Retail Partners, sales to offline distributors, retail sales in directly operated stores and through online channels. Other sources of revenue mainly include license fees from MINISO Retail Partners and distributors, and sales-based royalties and sales-based management and consultation service fees income from MINISO Retail Partners. The following table sets forth the components of our revenue by amounts and percentages of our total revenue broken down by revenue source for the periods presented:

	For the fiscal year ended June 30,							For the six months ended December 31,				
	2019		2020		2021			2020		2021		
	RMB	*%*	*RMB*	*%*	*RMB*	*US$*	*%*	*RMB* (*Unaudited*)	*%*	*RMB*	*US$*	*%*
	(in thousands, except for percentages)											
Revenue:												
– Sales of lifestyle and pop toy products:												
– Retail sales in self-operated stores	290,787	3.1	364,638	4.1	323,775	50,807	3.6	168,398	3.9	291,238	45,702	5.4
– Product sales to franchisees[(1)]	4,957,273	52.8	4,584,288	51.0	5,506,365	864,069	60.6	2,712,007	61.9	2,988,169	468,909	55.0
– Sales to offline distributors	3,067,207	32.6	2,683,829	29.9	1,509,840	236,927	16.6	684,296	15.7	1,073,836	168,508	19.8
– Online sales[(2)]	138,284	1.5	308,455	3.4	663,197	104,070	7.3	295,690	6.8	367,075	57,602	6.8
– Other sales channels[(3)]	11,118	0.1	114,204	1.3	33,499	5,257	0.4	12,804	0.3	97,293	15,267	1.8
Sub-total	8,464,669	90.1	8,055,414	89.7	8,036,676	1,261,130	88.5	3,873,195	88.6	4,817,611	755,988	88.8

	For the fiscal year ended June 30,							For the six months ended December 31,				
	2019		2020		2021			2020		2021		
	RMB	*%*	*RMB*	*%*	*RMB*	*US$*	*%*	*RMB*	*%*	*RMB*	*US$*	*%*
								(Unaudited)				
	(in thousands, except for percentages)											
– License fees, sales-based royalties, and sales-based management and consultation service fees:												
– Revenue from franchisees(1)												
– License fees	13,603	0.1	58,473	0.7	53,977	8,470	0.6	20,304	0.5	42,200	6,622	0.8
– Sales-based royalties	94,374	1.0	82,444	0.9	97,848	15,354	1.1	48,093	1.1	53,392	8,378	1.0
– Sales-based management and consultation service fees	491,005	5.2	426,731	4.8	488,138	76,600	5.4	240,465	5.5	263,002	41,272	4.8
– Revenue from offline distributors												
– License fees	13,620	0.1	19,996	0.2	18,415	2,890	0.2	10,390	0.2	9,172	1,439	0.2
Sub-total	612,602	6.5	587,644	6.6	658,378	103,314	7.3	319,252	7.3	367,766	57,711	6.8
– Others(4)	317,640	3.4	335,928	3.7	376,605	59,098	4.2	177,413	4.1	241,531	37,901	4.4
Total	9,394,911	100.0	8,978,986	100.0	9,071,659	1,423,542	100.0	4,369,860	100.0	5,426,908	851,600	100.0

Notes:

(1) Represents sales to/revenue from MINISO Retail Partners.

(2) Online sales does not include sales through O2O platforms, which are accounted for in sales through offline channels. Revenue generated from self-operated stores on third-party e-commerce platform accounted for over 90% of the total revenue generated through online sales during the Track Record Period.

(3) "Other sales channels" mainly represents group-buying channels.

(4) "Others" mainly represents sales of fixtures to franchisees and distributors.

The following tables sets forth our gross profit and gross profit margin broken down by revenue source for the periods presented:

	For the fiscal year ended June 30,				For the six months ended December 31,		
	2019	2020	2021		2020	2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*RMB*	*US$*
					(Unaudited)		
				(in thousands)			
Gross profit:							
– Sales of lifestyle and pop toy products:							
– Retail sales in self-operated stores	175,175	168,646	135,137	21,206	37,909	218,098	34,224
– Product sales to franchisees	818,381	843,526	919,152	144,235	450,386	531,867	83,462
– Sales to offline distributors	699,989	863,589	456,768	71,677	223,168	325,913	51,143
– Online Sales	22,594	79,795	125,412	19,680	65,889	81,961	12,861
– Other sales channels	6,644	45,648	11,209	1,759	4,067	14,409	2,261
Sub-total	1,722,783	2,001,204	1,647,678	258,557	781,419	1,172,248	183,951
– License fees, sales-based royalties, and sales-based management and consultation service fees:							
– Revenue from franchisees							
– License fees	13,603	58,473	53,977	8,470	20,304	42,200	6,622
– Sales-based royalties	94,374	82,444	97,848	15,354	48,093	53,392	8,378
– Sales-based management and consultation service fees	491,005	426,731	488,138	76,600	240,465	263,002	41,272
– Revenue from offline distributors							
– License fees	13,620	19,996	18,415	2,890	10,390	9,172	1,439
Sub-total	612,602	587,644	658,378	103,314	319,252	367,766	57,711
– Others	175,595	143,650	124,630	19,557	64,473	51,328	8,054
Total	2,510,980	2,732,498	2,430,686	381,428	1,165,144	1,591,342	249,716

	For the fiscal year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
				(Unaudited)	
Gross profit margin (%):					
– Sales of lifestyle and pop toy products:					
– Retail sales in self-operated stores	60.2	46.3	41.7	22.5	74.9
– Product sales to franchisees	16.5	18.4	16.7	16.6	17.8
– Sales to offline distributors	22.8	32.2	30.3	32.6	30.4
– Online Sales	16.3	25.9	18.9	22.3	22.3
– Other sales channels	59.8	40.0	33.5	31.8	14.8
Sub-total	20.4	24.8	20.5	20.2	24.3
– License fees, sales-based royalties, and sales-based management and consultation service fees:					
– Revenue from franchisees					
– License fees	100.0	100.0	100.0	100.0	100.0
– Sales-based royalties	100.0	100.0	100.0	100.0	100.0
– Sales-based management and consultation service fees	100.0	100.0	100.0	100.0	100.0
– Revenue from offline distributors					
– License fees	100.0	100.0	100.0	100.0	100.0
Sub-total	100.0	100.0	100.0	100.0	100.0
– Others	55.3	42.8	33.1	36.3	21.3
Total	26.7	30.4	26.8	26.7	29.3

Our gross profit margin for sales of lifestyle and pop toy products in self-operated stores increased from 22.5% for the six months ended December 31, 2020 to 74.9% for the six months ended December 31, 2021, primarily because (i) we conducted sales promotions mainly in overseas markets in response to the negative impact of the COVID-19 pandemic for the six months ended December 31, 2020 and such sales promotions were significantly reduced for the six months ended December 31, 2021 as our business operations in overseas markets gradually recovered from the pandemic, (ii) an increase in revenue from co-branded IP products, which generally have higher gross profit margins, and (iii) an increase in revenue from self-operated stores in overseas markets, which generally have higher gross profit margins.

Our gross profit margin of the sales of lifestyle and pop toy products decreased from 24.8% in the fiscal year ended June 30, 2020 to 20.5% in the fiscal year ended June 30, 2021, primarily due to (i) a decrease in the gross profit margin of retail sales in self-operated stores from 46.3% to 41.7%, (ii) a decrease in the gross profit margin of product sales to franchisees from 18.4% to 16.7%, and (iii) a decrease in the gross profit margin of online sales from 25.9% to 18.9%, as a result of our efforts to accelerate the growth of our business through promotions to mitigate the impact of the restrictions imposed due to COVID-19.

Our gross profit margin of the others, which mainly represents sales of fixtures to franchisees and distributors, decreased from 42.8% in the fiscal year ended June 30, 2020 to 33.1% in the fiscal year ended June 30, 2021. Our gross profit margin of the others also decreased from 36.3% in the six months ended December 31, 2020 to 21.3% in the six months ended December 31, 2021. Both changes are primarily due to a higher sales of fixtures to franchisees at a relatively concessionary price.

Our revenue generated from sales of lifestyle and pop toy products to offline distributors decreased from RMB3.1 billion for the fiscal year ended June 30, 2019 to RMB2.7 billion for the fiscal year ended June 30, 2020 and further to RMB1.5 billion for the fiscal year ended June 30, 2021, primarily due to negative impacts of the COVID-19 pandemic in overseas markets. Our gross profit margin for sales of lifestyle and pop toy products to offline distributors was 22.8% for the fiscal year ended June 30, 2019, lower than 32.2% for the fiscal year ended June 30, 2020 and 30.3% for the fiscal year ended June 30, 2021, primarily due to (i) higher value-added tax rate we were subject to for the fiscal year ended June 30, 2019 before the Chinese government lowered the tax rate, and (ii) a lower portion of co-branded IP products for the fiscal year ended June 30, 2019, which generally have a higher gross profit margin.

The following table sets forth the components of our revenue by amounts and percentages of our total revenue broken down by brand for the periods presented:

	For the fiscal year ended June 30,							For the six months ended December 31,				
	2019		2020		2021			2020		2021		
	RMB	*%*	*RMB*	*%*	*RMB*	*US$*	*%*	*RMB*	*%*	*RMB*	*US$*	*%*
								(Unaudited)				
	(in thousands, except for percentages)											
Revenue:												
MINISO brand	9,143,883	97.3	8,721,620	97.1	8,735,947	1,370,861	96.3	4,237,663	97.0	5,074,106	796,238	93.5
TOP TOY brand	–	–	–	–	98,241	15,416	1.1	2,617	0.1	240,328	37,713	4.4
Others[(1)]	251,028	2.7	257,366	2.9	237,471	37,265	2.6	129,580	2.9	112,474	17,649	2.1
Total	9,394,911	100.0	8,978,986	100.0	9,071,659	1,423,542	100.0	4,369,860	100.0	5,426,908	851,600	100.0

Note:

(1) "Others" mainly represents "WonderLife" brand.

The following tables sets forth our gross profit and gross profit margin broken down by brand for the periods presented:

	For the fiscal year ended June 30,				For the six months ended December 31,		
	2019	2020	2021		2020	2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*RMB*	*US$*
					(Unaudited)		
				(in thousands)			
Gross profit:							
MINISO brand	2,465,501	2,673,959	2,372,677	372,325	1,137,240	1,559,260	244,682
TOP TOY brand	–	–	11,536	1,810	1,086	7,592	1,191
Others(1)	45,479	58,539	46,473	7,293	26,818	24,490	3,843
Total	2,510,980	2,732,498	2,430,686	381,428	1,165,144	1,591,342	249,716

Note:

(1) "Others" mainly represents "WonderLife" brand.

	For the fiscal year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
				(Unaudited)	
Gross profit margin (%):					
MINISO brand	27.0	30.7	27.2	26.8	30.7
TOP TOY brand	–	–	11.7	41.5	3.2
Others(1)	18.1	22.7	19.6	20.7	21.8
Total	26.7	30.4	26.8	26.7	29.3

Note:

(1) "Others" mainly represents "WonderLife" brand.

Our gross profit margin of TOP TOY brand decreased from 41.5% in the six months ended December 31, 2020 to 11.7% in the full year ended June 30, 2021 primarily due to the change in the mix of sales channels of TOP TOY brand with a significantly increasing portion of sales to franchisees as we only launched this brand in December 2020, and it further dropped to 3.2% in the six months ended December 31, 2021 resulting from the increase in sales to franchisees and a higher sales of fixtures to franchisees at a relatively concessionary price, in the six months ended December 31, 2021.

We adopt a cost plus mark-up pricing strategy for products we sell. The products we sell are manufactured by third-party manufacturers. We set prices for the products to be sold to customers based on purchase costs plus a mark-up and the vast majority of the products under different categories have similar gross profit margins. As a result, the level of our gross profit margin is dependent on the level of mark-ups we added on top of costs we incurred.

The following table sets forth a breakdown of revenue from TOP TOY business for the periods presented:

	For the fiscal year ended June 30,				For the six months ended December 31,		
	2019	2020	2021		2020	2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*RMB*	*US$*
					(Unaudited)		
				(in thousands)			
Sales of pop toys	–	–	60,606	9,510	2,327	172,262	27,032
License fees, sales-based royalties, sales-based management and consultation service fees	–	–	4,617	725	–	7,460	1,171
Others(1)	–	–	33,018	5,181	290	60,606	9,510
Total	–	–	98,241	15,416	2,617	240,328	37,713

Note:

(1) "Others" mainly represents sales of fixtures to franchisees.

We launched TOP TOY business in December 2020. Revenue from TOP TOY brand increased from RMB2.6 million in the six months ended December 31, 2020 to RMB240.3 million in the six months ended December 31, 2021, primarily due to an increase in the number of TOP TOY stores. The number of TOP TOY stores increased rapidly to 89 as of December 31, 2021. Also, we further launched online sales of products under TOP TOY brand in 2021 and generated a revenue of RMB15.9 million in the six month ended December 31, 2021, which also contributed to the revenue growth from the six months ended December 31, 2020 to the six months ended December 31, 2021. Others mainly represents sales of fixtures to franchisees, which increased significantly from RMB0.3 million in the six months ended December 31, 2020 to RMB60.6 million in the six months ended December 31, 2021. The increase was primarily due to the rapid increase in the number of TOP TOY stores and our retail partners purchased store construction and decoration materials from us for stores they operate.

The following table breaks down our revenue by geographic region for the periods presented:

	For the fiscal year ended June 30,							For the six months ended December 31,				
	2019		2020		2021			2020		2021		
	RMB	*%*	*RMB*	*%*	*RMB*	*US$*	*%*	*RMB*	*%*	*RMB*	*US$*	*%*
								(Unaudited)				
	(in thousands, except for percentages)											
Revenue:												
China	6,363,998	67.7	6,044,100	67.3	7,291,219	1,144,152	80.4	3,556,678	81.4	4,086,285	641,227	75.3
Asian countries excluding China	1,738,348	18.5	1,428,035	15.9	961,622	150,899	10.6	424,878	9.7	571,636	89,702	10.5
Americas	1,049,334	11.2	1,221,058	13.6	584,630	91,741	6.4	277,743	6.4	595,630	93,467	11.0
Europe	124,600	1.3	172,169	1.9	117,214	18,393	1.3	64,260	1.5	119,013	18,676	2.2
Others	118,631	1.3	113,624	1.3	116,974	18,357	1.3	46,301	1.0	54,344	8,528	1.0
Total	9,394,911	100.0	8,978,986	100.0	9,071,659	1,423,542	100.0	4,369,860	100.0	5,426,908	851,600	100.0

The following tables sets forth our gross profit and gross profit margin for our operations in China and overseas markets for the periods presented:

	For the fiscal year ended June 30,				For the six months ended December 31,		
	2019	2020	2021		2020	2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*RMB*	*US$*
					(Unaudited)		
	(in thousands)						
Gross profit:							
China	1,636,030	1,662,512	1,813,068	284,510	893,868	1,026,520	161,083
Overseas markets	874,950	1,069,986	617,618	96,918	271,276	564,822	88,633
Total	2,510,980	2,732,498	2,430,686	381,428	1,165,144	1,591,342	249,716

	For the fiscal year ended June 30,			For the six months ended December 31,	
	2019	2020	2021	2020	2021
				(Unaudited)	
Gross profit margin (%):					
China	25.7	27.5	24.9	25.1	25.1
Overseas markets	28.9	36.5	34.7	33.4	42.1
Overall	26.7	30.4	26.8	26.7	29.3

Our gross profit margin of our operations in China increased from 25.7% in the fiscal year ended June 30, 2019 to 27.5% in the fiscal year ended June 30, 2020, and our gross profit margin in overseas markets increased from 28.9% in the fiscal year ended June 30, 2019 to 36.5% in the fiscal year ended June 30, 2020. Both changes are primarily due to (i) a decrease in our applicable value-added tax rate, and (ii) the overall expansion of our co-branded IP product offering, which typically has a higher gross profit margin. For the fiscal year ended June 30, 2020, we launched cooperation with Disney and realized a substantial growth in the number of SKUs co-developed with Marvel.

Our gross profit margin of our operations in China decreased from 27.5% in the fiscal year ended June 30, 2020 to 24.9% in the fiscal year ended June 30, 2021, and our gross profit margin in overseas markets decreased from 36.5% in the fiscal year ended June 30, 2020 to 34.7% in the fiscal year ended June 30, 2021. Both changes are primarily due to our efforts to accelerate the growth of our business through promotions to mitigate the impact of the restrictions imposed due to COVID-19.

Our gross profit margin of our operations in China remained stable in the six months ended December 31, 2020 and 2021, respectively. Our gross profit margin of our operations in overseas markets increased from 33.4% in the six months ended December 31, 2020 to 42.1% in the six months ended December 31, 2021, primarily due to an increased revenue contribution from our directly operated markets, which generally have a higher gross profit margin. In addition, our gross profit margin was also positively affected by our expanded IP product offering, which generally has a higher gross profit margin. For the six months ended December 31, 2021, we further expanded our cooperation with IP licensors and realized a substantial growth in the number of SKUs co-developed with IP licensors such as Marvel and Disney.

Our revenue decreased by 4.4% from RMB9,394.9 million in the fiscal year ended June 30, 2019 to RMB8,979.0 million in the fiscal year ended June 30, 2020, which was attributable to a decrease in sales of our products by 4.8% from RMB8,464.7 million to RMB8,055.4 million, as well as a decrease in revenue from license fees, sales-based royalties, and management and consultation service fees by 4.1% from RMB612.6 million to RMB587.6 million.

The decrease in our revenue was mainly attributable to the negative impact of COVID-19 on our China and international operations during the period. As a result of the temporary store closures, reduction of operating hours and shipment suspensions caused by COVID-19, our revenue generated from China market decreased by 5.0% from RMB6,364.0 million in the fiscal year ended June 30, 2019 to RMB6,044.1 million in the fiscal year ended June 30, 2020, and our revenue generated from international markets decreased by 3.2% from RMB3,030.9 million to RMB2,934.9 million during the same period. See "Financial Information – Impact of COVID-19 on Our Operations and Financial Performance."

Our revenue increased by 1.0% from RMB8,979.0 million in the fiscal year ended June 30, 2020 to RMB9,071.7 million (US$1,423.5 million) in the fiscal year ended June 30, 2021, mainly attributable to an increase in revenue generated from our operations in China, partially offset by a decrease in our revenue generated from international markets. Revenue generated from our operations in China was RMB7,291.2 million (US$1,144.2 million) in the fiscal year ended June 30, 2021, increasing by 20.6% from RMB6,044.1 million in the fiscal year ended June 30, 2020. The increase in revenue from the China market was primarily due to (i) an increase in the average number of MINISO stores and revenue per MINISO store in China, (ii) an increase in revenue from e-commerce business as we put in more resources in e-commerce business to counter the negative impact of the pandemic, and (iii) a revenue contribution from TOP TOY business, which we launched in December 2020.

The COVID-19 pandemic continued to impact our operations and results, especially in our international operations during the fiscal year ended June 30, 2021. As a result of the temporary store closures, reduction of operating hours and shipment suspensions caused by COVID-19, our revenue generated from international markets decreased by 39.3% from RMB2,934.9 million in the fiscal year ended June 30, 2020 to RMB1,780.5 million (US$279.4 million) in the fiscal year ended June 30, 2021. See "Financial Information – Impact of COVID-19 on Our Operations and Financial Performance."

Our revenue increased by 24.2% from RMB4,369.9 million in the six months ended December 31, 2020 to RMB5,426.9 million (US$851.6 million) in the six months ended December 31, 2021, mainly attributable to an increase in revenue generated from sales of lifestyle products and pop toys, which increased by 24.4% from RMB3,873.2 million in the six months ended December 31, 2020 to RMB4,817.6 million (US$756.0 million) in the six months ended December 31, 2021. The increase in revenue generated from sales of lifestyle products and pop toys was mainly due to (i) an increase in the number of MINISO stores and TOP TOY stores, (ii) gradual recovery of business operations of MINISO stores from the COVID-19 pandemic in overseas markets in the second half of 2021 compared to the second half of 2020, and (iii) increases in revenue from online sales and other sales channels as a result of our continued efforts in e-commerce initiative.

Selected Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of June 30,				As of December 31,	
	2019	2020	2021		2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*US$*
			(in thousands)			
Non-current assets						
Property, plant and equipment	115,845	88,062	76,316	11,976	376,021	59,006
Right-of-use assets	460,868	502,867	689,887	108,258	2,391,803	375,326
Intangible assets	49,876	69,091	61,005	9,573	53,319	8,367
Goodwill	–	–	19,640	3,082	19,640	3,082
Deferred tax assets	87,807	183,520	168,552	26,449	161,018	25,267
Prepayments	–	6,112	138,481	21,731	203,390	31,916
Interest in an equity-accounted investee	–	–	352,062	55,246	–	–
Total non-current assets	714,396	849,652	1,505,943	236,315	3,205,191	502,964
Current assets						
Other investments	356,265	–	102,968	16,158	208,289	32,685
Inventories	1,308,957	1,395,674	1,496,061	234,765	1,360,994	213,570
Trade and other receivables	830,751	729,889	824,725	129,417	1,113,506	174,733
Cash and cash equivalents	1,546,280	2,853,980	6,771,653	1,062,620	5,151,456	808,376
Restricted cash	8,917	7,056	3,680	577	7,347	1,153
Assets held for sale	460,549	–	–	–	–	–
Total current assets	4,511,719	4,986,599	9,199,087	1,443,537	7,841,592	1,230,517
Total assets	5,226,115	5,836,251	10,705,030	1,679,853	11,046,783	1,733,481
Equity						
(Deficit)/equity attributable to equity shareholders of the Company	(124,789)	(336,629)	6,658,966	1,044,937	6,736,339	1,057,079
Non-controlling interests	10,815	13,583	(6,812)	(1,069)	(4,562)	(716)
Total (deficit)/equity	(113,974)	(323,046)	6,652,154	1,043,868	6,731,777	1,056,363

	As of June 30,				As of December 31,	
	2019	2020	2021		2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*US$*
			(in thousands)			
Non-current liabilities						
Contract liabilities	77,673	74,226	59,947	9,407	53,572	8,407
Loans and borrowings	5,310	15,207	6,925	1,087	6,369	999
Lease liabilities	309,833	378,894	483,144	75,816	411,304	64,543
Deferred income	–	–	20,005	3,139	16,729	2,625
Paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights	1,701,294	2,381,327	–	–	–	–
Total non-current liabilities	2,094,110	2,849,654	570,021	89,449	487,974	76,574
Current liabilities						
Loans and borrowings	2,750	401,182	13,669	2,145	5,182	813
Trade and other payables	2,363,739	2,419,795	2,809,182	440,822	3,189,086	500,437
Contract liabilities	243,873	218,287	266,919	41,885	276,537	43,395
Lease liabilities	186,737	224,080	321,268	50,414	268,425	42,122
Deferred income	–	–	6,060	951	5,980	938
Current taxation	84,216	46,299	65,757	10,319	81,822	12,840
Liabilities directly associated with the assets held for sale	364,664	–	–	–	–	–
Total current liabilities	3,245,979	3,309,643	3,482,855	546,536	3,827,032	600,545
Total liabilities	5,340,089	6,159,297	4,052,876	635,985	4,315,006	677,119
Net Current Assets	1,265,740	1,676,956	5,716,232	897,001	4,014,560	629,972

We have net current assets as of each balance sheet dates above. The significant increase in net current assets from RMB1,677.0 million as of June 30, 2020 to RMB5,716.2 million (US$897.0 million) as of June 30, 2021 was primarily due to an increase in cash and cash equivalents mainly as a result of the proceeds we received from our initial public offering in the United States. The decrease in net current assets from RMB5,716.2 million (US$897.0

million) as of June 30, 2021 to RMB4,014.6 million (US$630.0 million) as of December 31, 2021 was primarily due to a decrease in our cash and cash equivalents, which was mainly because we invested our cash in our headquarters building project.

The increase in our total non-current assets from RMB849.7 million as of June 30, 2020 to RMB1,505.9 million (US$236.3 million) as of June 30, 2021 was primarily due to (i) an increase in interest in an equity-accounted investee, YGF Investment V Limited, of RMB352.1 million, (ii) an increase in right-of-use assets of RMB187.0 million mainly in relation to the new leases of offices, and (iii) an increase in prepayments of RMB132.4 million mainly in relation to the purchase of apartments for the use of staff accommodation in the future. The further increase in our total non-current assets to RMB3,205.2 million (US$503.0 million) as of December 31, 2021 was primarily due to the obtainance of a land use right of a parcel of land through the acquisition of 80% remaining interest in YGF Investment V Limited. The increase in our total non-current liabilities from RMB2,094.1 million as of June 30, 2019 to RMB2,849.7 million as of June 30, 2020 was primarily due to an increase of fair value of redeemable shares with other preferential rights. The decrease in our total non-current liabilities from RMB2,849.7 million as of June 30, 2020 to RMB570.0 million (US$89.4 million) as of June 30, 2021 was primarily due to the fact that all Series A preferred shares were converted and re-designated into Class A ordinary shares upon our listing on the NYSE on October 15, 2020, and the balance of redeemable shares and other preferential rights became zero.

We had net liabilities of RMB114.0 million as of June 30, 2019 and RMB323.0 million as of June 30, 2020. The increase in net liabilities was primarily due to the loss for the year of RMB260.2 million which was mainly as a result of the loss related to fair value changes of paid-in capital subject to redemption and other preferential rights/redeemable shares with other preferential rights and loss from discontinued operations. We had net assets of RMB6,652.2 million as of June 30, 2021, compared to net liabilities of RMB323.0 million as of June 30, 2020. The significant change from net liabilities to net assets was mainly due to the increase in net assets of RMB4,178.9 million due to the issuance of ordinary shares relating to initial public offering and the increase in share capital and additional paid-in capital of RMB3,963.8 million due to the conversion of Series A preferred shares into Class A ordinary shares upon completion of our initial public offering in the United States. We had net assets of RMB6,652.2 million as of June 30, 2021 and RMB6,731.8 million as of December 31, 2021. The increase in net assets was mainly due to the profit for the period of RMB338.6 million, which was partially offset by the dividend declared amounting to RMB306.3 million during the six months ended December 31, 2021.

Key Financial Ratios

The following table sets forth our key financial ratios for the year/period indicated:

	For the Fiscal Years Ended June 30,			For the Six Months Ended December 31,	
	2019	**2020**	**2021**	**2020**	**2021**
Gross margin (%)[1]	26.7	30.4	26.8	26.7	29.3
Adjusted net margin, a non-IFRS measure (%)[2]	9.0	10.4	5.3	4.3	7.2

	As of June 30,			As of December 31,
	2019	**2020**	**2021**	**2021**
Gearing ratio (%)[3]	N/A[4]	N/A[4]	0.3	0.2
Current ratio[5]	1.4	1.5	2.6	2.1

Notes:

(1) Gross margin equals gross profit divided by revenues for the year/period and multiplied by 100%.

(2) Adjusted net margin, a non-IFRS measure, equals adjusted profit divided by revenues for the year/period and multiplied by 100%. See "– Non-IFRS Financial Measure."

(3) Gearing ratio equals loans and borrowings (the sum of loans and borrowings under current liabilities and loans and borrowings under non-current liabilities) divided by total equity as of the end of the year/period and multiplied by 100%.

(4) The gearing ratio is not applicable as we recognized total deficit as of June 30, 2019 and 2020, respectively.

(5) Current ratio equals current assets divided by current liabilities as of the end of the year/period.

Our gross margin decreased from 30.4% in the fiscal year ended June 30, 2020 to 26.8% in the fiscal year ended June 30, 2021, mainly driven by a decrease in revenue contribution from our international operations, which generally have a higher gross margin than our operations in China.

Our adjusted net margin, a non-IFRS measure, decreased from 10.4% for the fiscal year ended June 30, 2020 to 5.3% for the fiscal year ended June 30, 2021, primarily due to the decrease in our gross margin as a result of the negative impact of the COVID-19 pandemic mainly in overseas markets.

Our gearing ratio decreased from 0.3% as of June 30, 2021 to 0.2% as of December 31, 2021, primarily due to a decrease in loans and borrowings under current liabilities from RMB13.7 million as of June 30, 2021 to RMB5.2 million as of December 31, 2021.

Our current ratio increased significantly from 1.5 as of June 30, 2020 to 2.6 as of June 30, 2021, primarily due to a significant increase in total current assets of RMB4,212.5 million, as a result of an increase in cash and cash equivalents of RMB4,020.6 million, and an increase in other investments of RMB103.0 million, which was mainly due to our receipts of proceeds from our U.S. IPO and cash flow generated from our operations.

Our current ratio decreased from 2.6 as of June 30, 2021 to 2.1 as of December 31, 2021, primarily due to a decrease in total current assets of RMB1,357.5 million, which in turn was a result of a decrease in cash and cash equivalents of RMB1,620.2 million, partially offset by an increase in other investments of RMB105.3 million, mainly due to our acquisition of 80% remaining interest in YGF Investment V Limited.

Summary Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	For the fiscal year ended June 30,				For the six months ended December 31,		
	2019	2020	2021		2020	2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*RMB*	*US$*
				(in thousands)			
					(Unaudited)		
Net cash generated from operating activities	1,038,471	826,484	916,320	143,791	806,423	731,741	114,826
Net cash (used in)/generated from investing activities	(210,915)	462,815	(518,797)	(81,411)	(428,989)	(1,836,613)	(288,205)
Net cash generated from/(used in) financing activities	619,858	(117,706)	3,536,184	554,904	3,639,642	(496,714)	(77,945)
Net increase/(decrease) in cash and cash equivalents	1,447,414	1,171,593	3,933,707	617,284	4,017,076	(1,601,586)	(251,324)
Cash and cash equivalents at beginning of year/period as presented in the consolidated statement of cash flows	228,106	1,686,218	2,853,980	447,852	2,853,980	6,771,653	1,062,620
Effect of movements in exchange rates on cash held	10,698	(3,831)	(16,034)	(2,516)	(30,582)	(18,611)	(2,920)

	For the fiscal year ended June 30,				For the six months ended December 31,		
	2019	2020	2021		2020	2021	
	RMB	*RMB*	*RMB*	*US$*	*RMB*	*RMB*	*US$*
				(in thousands)			
					(Unaudited)		
Cash and cash equivalents at end of year/period as presented in the consolidated statement of cash flows	1,686,218	2,853,980	6,771,653	1,062,620	6,840,474	5,151,456	808,376
Cash and cash equivalents of discontinued operations	(139,938)	–	–	–	–	–	
Cash and cash equivalents at end of year/period as presented in the consolidated statement of financial position	1,546,280	2,853,980	6,771,653	1,062,620	6,840,474	5,151,456	808,376

OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, Mr. Ye, our Founder, chairman of the Board, executive Director and chief executive officer, and Ms. Yunyun Yang, spouse of Mr. Ye and our vice president, held approximately 64.4% of the total issued share capital of the Company, representing approximately 76.8% of the aggregate voting power of our total issued and outstanding Shares, after taking into account the super-voting rights of the 328,290,482 Class B ordinary shares controlled by them through Mini Investment Limited and after the termination and transfer of the voting proxy (accounting for approximately 4.3% of the aggregate voting power of the Company) previously granted to Mr. Ye by the share incentive award holding vehicles to other employees and senior management member of our Company in March 2022. Each Class B ordinary share is entitled to three votes, and each Class A ordinary share is entitled to one vote at a general meeting of our Company.

Unwinding of our Weighted Voting Rights Structure

We will convene an AGM before the Listing for the purpose of approving the proposals to amend and restate our memorandum and articles of association to (a) unwind our weighted voting rights structure (by re-designating all of the issued and outstanding Class B ordinary shares into ordinary shares which entitle holders to one vote for each Share) and (b) comply with the applicable Listing Rules, which will take effect upon the Listing. At the AGM, shareholders of the Company will approve the adoption of the resolutions to amend and restate the currently effective second amended and restated memorandum and articles of association of our Company by the deletion in their entirety and by substitution in their place of the Memorandum and Articles of Association. For further details, see “Share Capital – Our Voting Structure before and after the Listing” and “Appendix IV – Summary of the Constitution of the Company and Cayman Islands Company Law”.

Upon Listing, our weighted voting rights structure will be unwound and all the issued Shares (including the Shares held by Mr. Ye and Ms. Yang through Mini Investment Limited) will be converted and re-designated into ordinary shares which entitle holders to one vote for each Share at the general meeting of our Company pursuant to the Articles of Association to take effect upon Listing.

Accordingly, following the completion of the Global Offering and upon the unwinding of the weighted voting rights structure, Mr. Ye and Ms. Yang, through Mini Investment Limited, YGF MC Limited, YYY MC Limited and YYY Development Limited, will be interested in approximately 62.3% of our total issued Shares and will be entitled to exercise approximately 62.3% of voting rights of our issued Shares in general meetings. All of Mr. Ye, Ms. Yang, Mini Investment Limited, YGF MC, YGF Development, YYY MC and YYY Development are a group of controlling shareholders of our Company. Based on the above, prior to and upon Listing, Mr. Ye and Ms. Yang (together with the intermediary companies specified above) will continue to be the Controlling Shareholders of our Company. See "Relationship with the Controlling Shareholders" for further details.

RECENT DEVELOPMENTS

Impact of COVID-19 on Our Operations and Financial Performance

The outbreak of COVID-19 has severely impacted China and the rest of the world. Our business and operations have also been affected as a result. In an effort to contain the spread of COVID-19 and its variants, many countries, including China, have taken precautionary measures, such as imposing travel restrictions, quarantining individuals infected with or suspected of having COVID-19, encouraging employees of enterprises to work remotely, and cancelling public activities, among others. To protect the health and well-being of our employees and consumers and in support of efforts to control the spread of the outbreak, we closed or reduced working hours at our headquarters and offices and made remote working arrangements in early 2020. Our headquarters and offices had been reopened in an orderly manner, and the majority of MINISO stores in China were open and operating under normal business hours by June 30, 2020. During the period from July 2020 to December 2021, the emergence of new variants of COVID-19 in China adversely impacted our store operations, which caused temporary store closures and reduced operating hours on occasion, as a result of governmental restrictions in public places to reduce the spread of virus. As of December 31, 2021, about 3% of our MINISO stores in China were temporarily closed. The recent lock-downs and other restrictive measures imposed in a number of cities in China have led to reduced numbers of visitors to the commercial areas of these cities and additional temporary closures of MINISO stores, both of which have affected the business of MINISO stores. As of April 30, 2022, about 11% of our MINISO stores in China were temporarily closed. Compared with the average monthly GMV of the quarter ended March 31, 2022, our GMV in China decreased by approximately 35% in April 2022. To mitigate the impact of the restrictions imposed due to COVID-19, we have been making efforts to accelerate the growth of our online business and, through promotions and other measures, accelerate the inventory turnover in certain cities to ensure healthy working capital to tackle the continuous impact of COVID-19.

As the COVID-19 situation continues to evolve globally and new variants have emerged, MINISO stores in overseas markets have also been impacted by temporary store closures, reduced opening hours and/or reduced consumer traffic from late March 2020 to December 2021. As of December 31, 2021, about 4% of MINISO stores in overseas markets were temporarily closed. For those stores that resumed operations, a majority of them were half-opened or had operating hours reduced due to regional resurgences of COVID-19. Such negative impact of COVID-19 also adversely affected our store network expansion. The COVID-19 situation has recently eased to some extent in certain regions of the world. Although as of April 30, 2022, about 4% of our MINISO stores in overseas markets remained temporarily closed, our GMV in overseas markets grew in April 2022 by approximately 10% compared with the average monthly GMV of the quarter ended March 31, 2022.

The recent outbreak of the Delta and Omicron variants of COVID-19 in several provinces in China has caused disruptions to the operation of our logistics and transportation service providers, which has also negatively impacted our product shipment and delivery. As a result, delivery of products from warehouses to MINISO stores and delivery of products from China to overseas markets were delayed. We and our overseas distributors incurred increased costs on product delivery.

In terms of financial results, negative impact of COVID-19 on our business operations has resulted in a decrease in our revenue generated from overseas operations and slower sales growth in China. Our revenue generated from international markets decreased by 3.2% from RMB3,030.9 million in the fiscal year ended June 30, 2019 to RMB2,934.9 million in the fiscal year ended June 30, 2020, and further decreased by 39.3% to RMB1,780.5 million (US$279.4 million) in the fiscal year ended June 30, 2021. Our revenue generated from international markets increased by 64.9% from RMB813.2 million in the six months ended December 31, 2020 to RMB1,340.6 million (US$210.4 million) in the six months ended December 31, 2021. In China, although our sales growth in 2021 was also negatively affected by the outbreaks of the Delta variant and Omicron variant of COVID-19 in certain provinces, we managed to realize a growth in revenue from China of 20.6% from RMB6,044.1 million in the fiscal year ended June 30, 2020 to RMB7,291.2 million (US$1,144.2 million) in the fiscal year ended June 30, 2021. Our revenue generated from China also increased by 14.9% from RMB3,556.7 million in the six months ended December 31, 2020 to RMB4,086.3 million (US$641.2 million) in the six months ended December 31, 2021.

Our revenue increased by 5.0% from RMB2,229.4 million in the three months ended March 31, 2021 to RMB2,341.0 million in the three months ended March 31, 2022, primarily driven by the recovery of our international operations. Our revenue generated from China increased by 1.9% from RMB1,788.3 million in the three months ended March 31, 2021 to RMB1,823.0 million in the three months ended March 31, 2022, and our revenue generated from the international markets increased by 17.4% from RMB441.1 million in the three months ended March 31, 2021 to RMB518.0 million in the three months ended March 31, 2022. In the recent lock-down of cities on our business operation, such as Shenzhen, Hangzhou and Shanghai in China, due to the reoccurrence of COVID-19, a number of MINISO stores in China have been temporarily closed for a while at different points since early 2022. In particular, as of April 30, 2022, all of the 126 MINISO stores in Shanghai, covering no more than 3% of our total MINISO stores, had been temporarily closed. The recent lock-down in Shanghai has not caused material adverse impact on our overall business, financial condition and results of operations because GMV from the MINISO stores in Shanghai only accounted for 3-4% of our total GMV from MINISO stores throughout the Track Record Period.

Selected Operating Data

The following table provides a breakdown of the number of MINISO and TOP TOY stores as of March 31, 2022:

Number of MINISO stores	**5,113**
China	**3,197**
Directly operated stores	11
Stores operated under MINISO Retail Partner model	3,169
Stores operated under distributor model	17
Overseas	**1,916**
Directly operated stores	136
Stores operated under MINISO Retail Partner model	207
Stores operated under distributor model	1,573
Number of TOP TOY stores	**92**
Directly operated stores	4
Stores operated under MINISO Retail Partner model	88

In the quarter ended March 31, 2022, GMV of MINISO stores in China and overseas markets reached RMB2.6 billion and RMB1.5 billion, respectively. In the same period, GMV of TOP TOY stores reached RMB159.8 million.

Financial Updates

The selected unaudited consolidated statements of profit or loss and other comprehensive income and cash flows data presented below for the nine months ended March 31, 2021 and 2022 and the unaudited consolidated statement of financial position data as of March 31, 2022 have been derived from Appendix IB to this document. The unaudited condensed interim financial statements in Appendix IB to this document have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting issued by the International Accounting Standards Board and in accordance with the same accounting policies adopted in our annual consolidated financial statements as of and for the year ended June 30, 2021.

The interim financial information below should be read in conjunction with, and is qualified in its entirety by reference to, our historical financial Information included in Appendix IA to this document. Our historical results do not necessarily indicate results expected for any future periods, and the results of operations for the nine months ended March 31, 2022 are not necessarily indicative of the results to be expected for the full fiscal year ending June 30, 2022. Please refer to "Financial Information," "Risk Factors" and "Business" included elsewhere in this document for information regarding trends and other factors that may affect our results of operations.

Unless otherwise stated, all translations of Renminbi into U.S. dollars in this "Financial Updates" section were made at RMB6.3393 to US$1.00, the exchange rate on March 31, 2022 as set forth in the H.10 statistical release of the Federal Reserve Board. Percentages are calculated based on the Renminbi amounts and there may be minor differences due to rounding.

	For the nine months ended March 31,		
	2021	**2022**	
	RMB	*RMB*	*US$*
	(in thousands, except for per share data)		
Selected Unaudited Consolidated Statements of Operations Data:			
Revenue	6,599,304	7,767,943	1,225,363
Cost of sales	(4,807,691)	(5,470,085)	(862,885)
Gross profit	**1,791,613**	**2,297,858**	**362,478**
Other income	48,088	20,882	3,294
Selling and distribution expenses	(923,958)	(1,087,622)	(171,568)
General and administrative expenses	(610,694)	(631,418)	(99,604)
Other net (loss)/income	(62,329)	46,463	7,329
Credit loss on trade and other receivables	(29,510)	(24,762)	(3,906)
Impairment loss on non-current assets	–	(11,467)	(1,809)
Operating profit	**213,210**	**609,934**	**96,214**
Finance income	31,690	39,181	6,181
Finance costs	(20,267)	(25,407)	(4,008)
Net finance income	11,423	13,774	2,173
Fair value changes of redeemable shares with other preferential rights	(1,625,287)	–	–
Share of loss of an equity-accounted investee, net of tax	(825)	(8,162)	(1,287)
(Loss)/profit before taxation	**(1,401,479)**	**615,546**	**97,100**
Income tax expense	(139,118)	(184,256)	(29,066)
(Loss)/profit for the period	**(1,540,597)**	**431,290**	**68,034**

Revenue

Our revenue increased by 17.7% from RMB6,599.3 million in the nine months ended March 31, 2021 to RMB7,767.9 million (US$1,225.4 million) in the nine months ended March 31, 2022, mainly attributable to an increase in revenue generated from sales of lifestyle products and pop toys, which increased by 18.1% from RMB5,849.6 million in the nine months ended March 31, 2021 to RMB6,907.9 million (US$1,089.7 million) in the nine months ended March 31, 2022. The increase in revenue generated from sales of lifestyle products and pop toys was mainly due to (i) an increase in the number of MINISO stores and TOP TOY stores, (ii) gradual recovery of business operations of MINISO stores from the COVID-19 pandemic in overseas markets in the nine months ended March 31, 2022 compared to the nine months ended March 31, 2021, and (iii) increases in revenue from online sales and other sales channels as a result of our continued efforts in e-commerce initiative.

In terms of geographical locations, revenue generated from our operations in China was RMB5,909.3 million (US$932.2 million) in the nine months ended March 31, 2022, increasing by 10.6% from RMB5,345.0 million in the nine months ended March 31, 2021. Revenue generated from international markets also increased by 48.2% from RMB1,254.3 million in the nine months ended March 31, 2021 to RMB1,858.7 million (US$293.2 million) in the nine months ended March 31, 2022, primarily because the operations of MINISO stores in overseas markets gradually recovered from the COVID-19 pandemic.

Cost of sales

Our cost of sales increased by 13.8% from RMB4,807.7 million in the nine months ended March 31, 2021 to RMB5,470.1 million (US$862.9 million) in the nine months ended March 31, 2022, primarily due to an increase in cost of inventories, which increased by 12.5% from RMB4,764.8 million in the nine months ended March 31, 2021 to RMB5,360.5 million (US$845.6 million) in the nine months ended March 31, 2022. The increase in cost of inventories is generally consistent with the growth of our revenue.

Gross profit and gross margin

Gross profit increased by 28.3% from RMB1,791.6 million in the nine months ended March 31, 2021 to RMB2,297.9 million (US$362.5 million) in the nine months ended March 31, 2022, and gross margin increased from 27.1% to 29.6% during the same period. The increase in gross profit and gross margin was mainly driven by (i) an increase in revenue contribution from our international operations, which generally have a higher gross margin than our operations in China and contributed 23.9% of our total revenue in the nine months ended March 31, 2022, compared to 19.0% in the nine months ended March 31, 2021, and (ii) higher gross margin contributed by certain products launched after our strategic upgrade of MINISO brand in China. We have been upgrading MINISO brand in China since 2022 mainly by upgrading the brand image as a global retailer that entered into approximately 100 countries and regions with its network of more than 5,000 stores worldwide, and by offering premium products to meet consumers' diversified consumption demand.

Selling and distribution expenses

Our selling and distribution expenses increased by 17.7% from RMB924.0 million in the nine months ended March 31, 2021 to RMB1,087.6 million (US$171.6 million) in the nine months ended March 31, 2022. Excluding equity-settled share-based payment expenses, our selling and distribution expenses increased by 28.7% from RMB811.8 million to RMB1,044.7 million (US$164.8 million) during the same period. Such increase was mainly due to (i) increased personnel-related expenses, (ii) increased licensing expenses, and (iii) increased promotion and advertising expenses.

General and administrative expenses

Our general and administrative expenses increased by 3.4% from RMB610.7 million in the nine months ended March 31, 2021 to RMB631.4 million (US$99.6 million) in the nine months ended March 31, 2022. Excluding equity-settled share-based payment expenses, our general and administrative expenses increased by 28.2% from RMB472.5 million to RMB605.9 million (US$95.6 million) during the same period, which was primarily due to (i) increased depreciation and amortization expenses in relation to the land use right of our headquarters building project, (ii) increased personnel-related expenses, and (iii) increased IT service fee.

Cash Flows and Working Capital

Our cash, cash equivalents, restricted cash and other investments amounted to RMB5,486.3 million (US$865.4 million) as of March 31, 2022.

Our inventories primarily consist of finished goods. Our inventories decreased by 14.5% from RMB1,361.0 million as of December 31, 2021 to RMB1,163.0 million (US$183.5 million) as of March 31, 2022, primarily due to our efforts in optimizing working capital management and accelerating inventory turnover rate.

Our trade and other receivables mainly consist of trade receivables and miscellaneous expenses paid on behalf of franchisees. Miscellaneous expenses paid on behalf of franchisees mainly include labor costs and store decoration expenses. Our trade and other receivables was RMB1,113.5 million as of December 31, 2021, compared to RMB1,060.6 million (US$167.3 million) as of March 31, 2022.

Our trade and other payables mainly consist of trade payables and deposits. Deposits represent deposits received from suppliers, distributors and franchisees. 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. Our trade and other payables decreased from RMB3.2 billion as of December 31, 2021 to RMB3.0 billion (US$470.1 million) as of March 31, 2022, primarily due to a decrease in trade payables, which was primarily due to a short-term decrease in purchases amount in March 2022 from suppliers in southern China which were experiencing certain level of resurgence of the COVID-19 pandemic caused by the omicron variant at the end of March 2022.

Net cash from operating activities

Net cash from operating activities for the nine months ended March 31, 2022 was RMB1,048.2 million (US$165.3 million). This amount was primarily attributable to a profit for the period of RMB431.3 million (US$68.0 million) for the nine months ended March 31, 2022, net of income tax paid of RMB171.3 million (US$27.0 million), as adjusted by certain non-cash items, primarily consisting of (i) depreciation and amortization of RMB283.8 million (US$44.8 million), (ii) tax expenses of RMB184.3 million (US$29.1 million), and (iii) equity-settled share-based payment expenses of RMB68.4 million (US$10.8 million), and changes in certain working capital accounts that affected operating cash flows, primarily consisting of (i) a decrease in inventories of RMB333.0 million (US$52.5 million), (ii) an increase in trade and other payables of RMB86.0 million (US$13.6 million), and (iii) an increase in contract liabilities of RMB52.5 million (US$8.3 million), which were partially offset by an increase in trade and other receivables of RMB189.4 million (US$29.9 million). The decrease in inventories was primarily due to (i) accelerated inventory turnover rate, and (ii) a short-term decrease in purchase amount in March 2022 from suppliers in southern China as they were experiencing certain level of resurgence of the COVID-19 pandemic caused by the omicron variant at the end of March 2022. The increase in trade and other payables was mainly due to the increase in deposits as a result of an increased number of stores. The increase in contract liabilities was primarily due to prepaid membership fees we received. The increase in trade and other receivables was primarily due to increases in trade receivables, value-added tax recoverable and miscellaneous expenses paid on behalf of franchisees.

Net cash used in investing activities

Net cash used in investing activities for the nine months ended March 31, 2022 was RMB1,894.2 million (US$298.8 million), consisting primarily of purchase of other investments of RMB10,985.5 million (US$1,732.9 million), payment for acquisition of land use right of RMB891.4 million (US$140.6 million), payments for purchases of property, plant, equipment and intangible assets of RMB312.7 million (US$49.3 million), and acquisition of a subsidiary, net of cash acquired RMB683.5 million (US$107.8 million), partially offset by proceeds for disposal of other investments of RMB10,885.5 million (US$1,717.1 million).

Net cash used in financing activities

Net cash used in financing activities for the nine months ended March 31, 2022 was RMB629.7 million (US$99.3 million), primarily due to dividend payment of RMB306.3 million (US$48.3 million) and payment of capital element and interest element of lease liabilities of RMB245.9 million (US$38.8 million).

Capital expenditures

Our capital expenditures are primarily incurred for the purposes of building our new headquarters project, purchasing IT systems and renovating MINISO stores that we directly operated. Our capital expenditures were RMB36.2 million and RMB1,204.1 million (US$189.9

million) in the nine months ended March 31, 2021 and 2022, respectively. We intend to fund our future capital expenditures with our existing cash balance, short-term investments and anticipated cash flows from operations. We will continue to make well-planned capital expenditures to meet the expected growth of our business.

Recent Regulatory Developments

The regulatory environment in the PRC has been undergoing a number of recent changes and reforms in various areas, including the recent publication of the Cybersecurity Review Measures (《網絡安全審查辦法》) and the Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》). On December 24, 2021, the CSRC published the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》) (together, "**Draft Regulations on Listing**"), which set out the new regulatory requirements and filing procedures for Chinese companies seeking direct or indirect listing in overseas markets. The Draft Regulations on Listing, among others, provide that (i) Chinese companies that seek to offer and list securities in overseas markets shall fulfill the filing procedures with and report relevant information to the CSRC, and that an initial filing shall be submitted within three working days after the application for an initial public offering is submitted, and a second filing shall be submitted after the listing is completed, and (ii) in the event that Chinese companies that have directly or indirectly listed securities in overseas markets intend to conduct follow-on offerings in overseas markets, such companies shall fulfill the filing procedures with and report relevant information to the CSRC, and such filing shall be submitted within three working days after such follow-on offering is completed. Under these regulations and draft regulations, the approval of the CSRC, the CAC or other PRC government authorities may be required in connection with the Global Offering, in which case we cannot predict whether or for how long we will be able to obtain such approval. For further details, please see "Risk Factors – Risks Related to Doing Business in China," "Regulations – PRC – Regulations Relating to Overseas Listing" and "Regulations – PRC – Regulations Relating to Data, Cyber and Information Security" in this document.

Cybersecurity Review Measures (《網絡安全審查辦法》) and Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》)

During the course of ordinary business operations in China, we may collect, process or store various types of data concerning our customers, business partners and employees. The collection, procession or storage of such data would be considered as data processing activities under PRC laws. As advised by our PRC Legal Adviser, we believe that, the Cybersecurity Review Measures and the Draft Regulations, if being implemented in its current form, would be applicable to the data processing activities of our PRC subsidiaries to the extent that such PRC subsidiaries are data processors in respect of their data processing activities.

The Draft Regulations provide that (i) a data processor who processes personal information of more than one million users seeking to list abroad (赴國外上市), or (ii) a data processor seeking to list in Hong Kong (赴香港上市) which affects or may affect national security is required to apply for cybersecurity review under relevant rules and regulations. As of the Latest Practicable Date, the Draft Regulations have not been formally adopted and would be subject to further guidance from the CAC. Currently, only the "Cybersecurity Review Measures" have been promulgated after the release of the Draft Regulations, and current effective laws and regulations do not require a "data processor seeking to listing in Hong Kong which affects or may affect national security" to apply for the cybersecurity review before seeking to list in Hong Kong.

Based on the real-name phone consultation regarding our Company's proposed listing plan conducted on March 25, 2022 by our PRC Legal Adviser, Joint Sponsors and their legal advisers with the China Cybersecurity Review Technology and Certification Center, which is delegated by the CAC to accept consultation and applications for cybersecurity review, (i) we do not need to apply for the cybersecurity review, (ii) we are seeking to get listed in Hong Kong and therefore are not required to apply the rules in respect of seeking to listing abroad, (iii) a listing in Hong Kong is not treated as a listing abroad within the meaning of the Cybersecurity Review Measures, and (iv) the Draft Regulations have not been formally adopted and the anticipated effective date and implementation remain uncertain, therefore we do not need to comply with the Draft Regulations at the current stage. Furthermore, we did not engage in any activities that might give rise to national security risks based on the factors set out in Article 10 of the Cybersecurity Review Measures during the Track Record Period and up to the Latest Practicable Date. Therefore, our Directors and PRC Legal Adviser are of the view that the Cybersecurity Review Measures and the Draft Regulations would not have a material adverse impact on our business operations or our proposed listing on the Stock Exchange. As of the Latest Practicable Date, we have not received any PRC government interview requests or enquiry in relation to cybersecurity. During the Track Record Period and up to the Latest Practicable Date, we have not encountered any incident of data or personal information leakage, violation of data protection and privacy laws and regulations or investigation or other legal proceeding against us that will adversely affect our business operation. However, we cannot rule out the possibility that the cybersecurity review would apply to us, and we cannot assure you that the relevant government authorities will not interpret the regulations in ways that may negatively affect our business operations in the future.

Since our Directors will (i) closely monitor the legislative development in connection with cybersecurity laws, including its interpretation or implementation rules; and (ii) take appropriate steps to ensure compliance with new regulatory requirements within the time limits of any new laws, and (iii) engage external consultants to advise on cybersecurity and data protection requirements, if needed, we are of the view, and the PRC Legal Adviser concurs, that we will be able to comply with the Cybersecurity Review Measures and the Draft Regulations if implemented in their current forms.

Nothing has come to the attention of the Joint Sponsors that causes them to raise objection to the view and basis of the Company and the PRC Legal Adviser above based on the series of independent due diligence work performed by the Joint Sponsors including: (i) conducted due diligence discussion with the management of the Company to understand among others, the applicability of the Cybersecurity Review Measures and the Draft Regulations to the Group's data processing activities that relevant to the Draft Regulation; (ii) conducted on-site visit on the selected stores of the Group and interviewed with some of the store managers and understood that, among others, the collection and management of the personal data collected at the visited stores, including types of personal information collected, and data security and protection measures are in place; (iii) discussed with the PRC Legal Adviser and reviewed the data and cybersecurity report prepared by the PRC Legal Adviser to understand, among others, (a) the legal implications of the Cybersecurity Review Measures and the Draft Regulations, the applicability of the Cybersecurity Review Measures and the Draft Regulations to the Group's data processing activities, and whether the Company complies with the Cybersecurity Review Measures and the Draft Regulations if being implemented in current form, and (b) the basis of such opinions; and (iv) conducted phone consultation with the China Cybersecurity Review Technology and Certification Center (the "**CCRC**") on named basis and CCRC confirmed that (a) the Company does not need to apply for the cybersecurity review and (b) no filing or notification in writing is required for the Company's proposed dual primary listing in Hong Kong.

Draft Regulations on Listing

As of the Latest Practicable Date, the Draft Regulations on Listing have not been formally adopted. The provisions of the Draft Regulations on Listing are subject to changes and interpretation, and its anticipated effective date and implementation remain uncertain. In the event that the current form of the Draft Regulations on Listing are promulgated, based on the fact that (i) we do not fall within the scope that is prohibited from overseas offering and listing, (ii) according to the Answers of Relevant Representative of CSRC in Press Conference (證監會有關負責人答記者問) publicized by the CSRC on December 24, 2021, the purpose of the Draft Regulations on Listing is to "improve the supervisory and regulatory system for the overseas listing of enterprises, not to tighten the regulatory policies for overseas listing" and "to support enterprises to use overseas capital markets for financing and development in accordance with laws and regulations", and (iii) as of the Latest Practicable Date and before and after our listing application was publicized on the website of the Stock Exchange, we did not receive any notice or order prohibiting us from getting listed on the Stock Exchange, our Directors and our PRC Legal Adviser are of the view that, (i) the Draft Regulations on Listing is not in effect and there are various uncertainties regarding details of its implementation, including, without limitation, that the Draft Regulations on Listing are not clear on whether a qualified issuer which has submitted the application for a listing overseas but has not yet completed the listing process shall be subject to the CSRC filing requirements, (ii) based on the Answers of Relevant Representative of CSRC in Press Conference (證監會有關負責人答記者問) publicized by the CSRC on December 24, 2021, the likelihood that the Draft Regulations on Listing would be applied retrospectively is remote, and (iii) there would not be material legal impediments in obtaining the approval from and completing the filing procedure with the CSRC. However, since the Draft Regulations on Listing have not been formally adopted, the effective date and implementation remain uncertain and the rules are still subject to changes.

No Material Adverse Change

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2021, which is the end date of the periods reported on in the Accountants' Report included in Appendix IA to this document, and there is no event since December 31, 2021 that would materially affect the information as set out in the and the Accountants' Report included in Appendix IA to this document.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

The ADSs of our Company, each of which represents four Shares, were listed and began trading on the NYSE under the symbol "MNSO" on October 15, 2020. We have applied to the Listing Committee of the Stock Exchange for a dual primary listing of our Shares (as detailed below) on the Main Board of the Stock Exchange.

We have applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, (a) the Shares in issue and to be issued pursuant to the Global Offering (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option); and (b) the Shares to be issued pursuant to the 2020 Share Incentive Plan.

We satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the fiscal year ended June 30, 2021, being approximately RMB9,071.7 million (equivalent to HK$11.1 billion), is over HK$500 million, and (ii) our expected market capitalization at the time of Listing, which, based on the maximum Public Offer Price of HK$22.10 per Offer Share, exceeds HK$4 billion.

DIVIDENDS

We are a holding company incorporated under the laws of the Cayman Islands. In order for us to distribute any dividends to our shareholders, we may rely on dividends distributed by our PRC subsidiaries for our cash requirements. PRC laws require that dividends be paid by PRC companies only out of the profit for the year calculated according to PRC accounting principles. Due to the continuous convergence of PRC accounting principles and IFRS, there is no significant difference between these two accounting standards. PRC laws also require a PRC company to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends. As advised by our PRC Legal Adviser, according to the PRC Company Law, each of the PRC subsidiaries of the Company can pay dividend from the after-tax profit once (i) it sets aside as general reserves at least 10% of its after-tax profit until the cumulative amount of its reserves reaches 50% of its registered capital, and (ii) any losses of the PRC subsidiaries from prior fiscal years have been offset. Dividend distribution to our Shareholders is recognized as a liability in the period in which the dividends are approved by our Shareholders or Directors, where appropriate. On August 19, 2021, our Directors declared a cash dividend in the amount of US$0.156 per ADS, or US$0.039 per ordinary share, payable as of the close of business on September 9, 2021 to shareholders of record as of the close of business on August 31, 2021. The aggregate amount of cash dividends paid was approximately US$47.2 million, which was funded by surplus cash on our balance sheet. During the Track Record Period, no other dividends have been paid or declared by us.

DISTRIBUTABLE RESERVES

As of December 31, 2021, we had distributable reserves of RMB6,647.1 million (US$1,043.0 million).

GLOBAL OFFERING

This document is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises of:

(a) the Hong Kong Public Offering of initially 4,110,000 Offer Shares (subject to reallocation) in Hong Kong as described in "Structure of the Global Offering – The Hong Kong Public Offering"; and

(b) the International Offering of an aggregate of initially 36,990,000 Offer Shares (subject to reallocation and the Over-allotment Option) pursuant to the registration statement on Form F-3ASR that was initially filed with the SEC on March 31, 2022, including the preliminary prospectus supplement dated June 29, 2022 and the final prospectus supplement to be filed with SEC on or about July 6, 2022, pursuant thereto, including the documents incorporated by reference therein.

The Offer Shares will represent approximately 3.2% of the issued share capital of the Company immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised. If the Over-allotment Option is exercised in full and no further Shares are issued under the 2020 Share Incentive Plan, the Offer Shares will represent approximately 3.7% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering.

OFFERING STATISTICS

	Based on maximum Public Offer Price of HK$22.10 per Offer Share
Market capitalization of our Shares[1]	HK$27,993 million
Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share[2]	HK$6.81

Notes:

(1) The calculation of market capitalization is based on 1,266,666,355 Shares expected to be in issue immediately upon completion of the Global Offering assuming the Over-allotment Option is not exercised.

(2) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per share is arrived at after the adjustments for the estimated net proceeds from the Global Offering payable by the Group as described in Appendix II and on the basis that a total of 1,266,666,355 shares were in issue assuming that the Global Offering was completed on December 31, 2021, but does not take into account of any shares which may be issued upon the exercise of the Over-Allotment Option or any options which may be granted under the 2020 Share Incentive Plan, and excluding any shares which may be issued or repurchased by the Company pursuant to the general mandates.

No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to December 31, 2021, including but not limited to the 4,722,236 shares repurchased during the period from January 1, 2022 to the Latest Practicable Date under the share repurchase program. Had such share repurchases occurred before or as at December 31, 2021, our unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company would have decreased by RMB60,795,000, and our unaudited pro forma consolidated net tangible assets attributable to equity shareholders of the Company per Share and per ADS would have decreased by RMB0.05 and RMB0.20, respectively.

LISTING EXPENSE

Based on the maximum Public Offer Price of HK$22.10 per Offer Share and assuming the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the 2020 Share Incentive Plan. The total estimated listing expenses in relation to the Global Offering is approximately RMB91.0 million, RMB8.1 million of which we estimate will be charged to our consolidated statements of profit or loss. The balance of approximately RMB82.9 million, which mainly includes underwriting commission, is expected to be accounted for as a deduction from equity upon the completion of the Global Offering. The total estimated listing expenses constitute approximately 11.8% of the gross proceeds and are mainly comprised of (a) underwriting-related expense of approximately HK$40.9 million (RMB34.8 million), and (b) non-underwriting related expense of approximately HK$66.0 million (RMB56.2 million), which are comprised of (1) accountants and legal advisers fees and expenses of approximately HK$51.6 million (RMB43.9 million) and (2) printing and other fees and expenses of approximately HK$14.4 million (RMB12.3 million). No such expenses were recognized and charged during the Track Record Period.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$801.5 million after deducting the estimated underwriting fees and the estimated offering expenses payable by us, assuming the Over-allotment Option is not exercised and based on the maximum Public Offer Price of HK$22.10 per Share for both the Hong Kong Public Offering and the International Offering, or approximately HK$931.6 million if the Over-allotment Option is exercised in full.

We plan to use the net proceeds of the Global Offering for the purposes and in the amounts set forth below:

(a) Approximately 25% (approximately HK$200.4 million, assuming the Over-allotment Option is not exercised) is expected to be used for our store network expansion and upgrade in the next 36 to 48 months, including:

- Approximately 10% (approximately HK$80.1 million, assuming the Over-allotment Option is not exercised) of the net proceeds is expected to be used to upgrade and expand our store network in China with a focus on deepening store network penetration in lower-tier cities.

- Approximately 15% (approximately HK$120.2 million, assuming the Over-allotment Option is not exercised) of the net proceeds is expected to be used to upgrade and expand our store network in international markets.

(b) Approximately 20% (approximately HK$160.3 million, assuming the Over-allotment Option is not exercised) is expected to be used for supply chain improvement and product development in the next 24 to 36 months, including:

- Approximately 5% (approximately HK$40.1 million, assuming the Over-allotment Option is not exercised) of the net proceeds is expected to be used to upgrade and expand our warehouse and logistics network in both China and overseas markets to meet the needs of our expanding business operation.

- Approximately 5% (approximately HK$40.1 million, assuming the Over-allotment Option is not exercised) of the net proceeds is expected to be used to improve our local sourcing capabilities in overseas markets.

- Approximately 5% (approximately HK$40.1 million, assuming the Over-allotment Option is not exercised) of the net proceeds is expected to be used to develop and/or acquire new IPs.

- Approximately 5% (approximately HK$40.1 million, assuming the Over-allotment Option is not exercised) of the net proceeds is expected to be used to expand our designer network.

(c) Approximately 20% (approximately HK$160.3 million, assuming the Over-allotment Option is not exercised) is expected to be used to strengthen our technology capabilities in the next 24 to 36 months, including:

- Approximately 5% (approximately HK$40.1 million, assuming the Over-allotment Option is not exercised) of the net proceeds is expected to be used to further develop and enhance our own technology systems, modules, and other applications for our operation in China.

- Approximately 10% (approximately HK$80.1 million, assuming the Over-allotment Option is not exercised) of the net proceeds is expected to be used to further develop and enhance our own technology systems, modules, and other applications for our international operations.

- Approximately 5% (approximately HK$40.1 million, assuming the Over-allotment Option is not exercised) of the net proceeds is expected to be used to purchase or license technologies or technology systems from third parties and upgrade our core technology platform to improve our operational efficiency.

(d) Approximately 20% (approximately HK$160.3 million, assuming the Over-allotment Option is not exercised) is expected to be used to continue to invest in brand promotion and incubation in the next 12 to 36 months, including:

- Approximately 10% (approximately HK$80.1 million, assuming the Over-allotment Option is not exercised) of the net proceeds is expected to be used to further promote and develop our TOP TOY brand.

- Approximately 5% (approximately HK$40.1 million, assuming the Over-allotment Option is not exercised) of the net proceeds is expected to be used to invest in branding activities and upgrade our brand positioning for the MINISO brand.

- Approximately 5% (approximately HK$40.1 million, assuming the Over-allotment Option is not exercised) of the net proceeds is expected to be used to continue to incubate new brands in the future.

(e) **approximately 5% (approximately HK$40.1 million, assuming the Over-allotment Option is not exercised) is expected to be used for capital expenditures, which may include, among others, acquisitions of, or investments in, businesses or assets that complement our business, although as of the Latest Practicable Date we had no commitments or agreements to enter into any acquisitions or investments.**

(f) **approximately 10% (approximately HK$80.1 million, assuming the Over-allotment Option is not exercised) is expected to be used for working capital and general corporate purposes.**

To the extent that the net proceeds we receive from the Global Offering are not immediately applied for the above purposes, we will invest the net proceeds in short-term deposits in licensed banks or authorised financial institutions so long as it is deemed to be in our best interests. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

See "Future Plans and Use of Proceeds" for more information.