

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MIXUE Group
蜜雪冰城股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2097)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the “**Board**”) of directors (the “**Directors**”) of MIXUE Group (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the consolidated annual results of the Company for the year ended December 31, 2024 (the “**Reporting Period**”), together with the comparative figures for the year ended December 31, 2023.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the prospectus of the Company dated February 21, 2025 (the “**Prospectus**”).

ANNUAL RESULTS HIGHLIGHTS

	For the year ended December 31,		
	2024	2023	Year-on-year change
	RMB'000	RMB'000	
Revenue	24,828,874	20,302,465	22.3%
Gross profit	8,060,207	5,998,967	34.4%
Profit for the year	4,454,203	3,186,605	39.8%
Basic earnings per share (RMB)	12.32	8.71	41.4%

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The Group recorded a revenue of RMB24,828.9 million in 2024, representing an increase of 22.3% as compared with RMB20,302.5 million in 2023. Such increase was primarily attributed to increased revenue generated from sales of goods and equipment, and to a lesser extent, from franchise and related services.

Revenue from sales of goods and equipment increased by 21.7% from RMB19,896.8 million in 2023 to RMB24,208.8 million in 2024. Revenue from franchise and related services increased by 52.8% from RMB405.7 million in 2023 to RMB620.1 million in 2024. Such increase was primarily fueled by the expansion of our store network.

Cost of sales

Our cost of sales increased by 17.2% from RMB14,303.5 million in 2023 to RMB16,768.7 million in 2024, primarily driven by the increase in sales.

Gross profit

In 2024, the gross profit of the Group was RMB8,060.2 million, representing an increase of 34.4% as compared with RMB5,999.0 million in 2023. The increase in our overall gross profit was primarily driven by the increase in the gross profit margin for sales of goods and equipment.

In particular, the gross profit margin for sales of goods increased from 28.8% in 2023 to 31.6% in 2024, primarily attributed to enhanced supply chain efficiency as well as decreased purchase cost for certain raw materials.

The gross profit margin of our franchise and related services improved from 79.6% in 2023 to 80.4% in 2024, primarily due to enhanced economies of scale as our franchised store network continued to expand.

Other income and gains, net

Our other income and gains, net decreased by 11.3% from RMB247.6 million in 2023 to RMB219.5 million in 2024. This was primarily due to decreases in government grants as the timing of receiving such subsidies is usually uncertain, resulting in fluctuations in their amounts, partially offset by the rise in interest income in line with our increasing time deposits.

Selling and distribution expenses

Our selling and distribution expenses increased by 21.3% from RMB1,318.6 million in 2023 to RMB1,599.5 million in 2024. Sales and distribution expenses accounted for 6.4% of our total revenue, remaining relatively steady as compared with 6.5% in 2023.

Administrative expenses

Our administrative expenses increased by 23.7% from RMB610.6 million in 2023 to RMB755.1 million in 2024. Administrative expenses accounted for 3.0% of our total revenue, remaining steady as compared with 3.0% in 2023.

Research and development expenses

Our research and development expenses increased by 23.4% from RMB85.0 million in 2023 to RMB104.9 million in 2024. Research and development expenses accounted for 0.4% of our total revenue, remaining steady as compared with 0.4% in 2023.

Finance costs

Our finance costs decreased by 56.5% from RMB14.7 million in 2023 to RMB6.4 million in 2024, primarily due to repayment of bank borrowings.

Income tax expense

Our income tax expense increased from RMB967.4 million in 2023 to RMB1,356.4 million in 2024, primarily due to our increased profit before tax.

Profit for the year

As a result of the aforementioned changes, our profit for the year increased by 39.8% from RMB3,186.6 million in 2023 to RMB4,454.2 million in 2024.

Liquidity and source of funding

The Group has adopted a prudent liquidity management policy. During the year ended December 31, 2024, we funded our cash requirements principally through cash generated from our operations. As of December 31, 2024, the Group's cash and cash equivalents, time deposits and restricted cash and financial assets at fair value through profit or loss amounted to RMB11,109.5 million, representing an increase of 63.8% compared to RMB6,783.6 million as of December 31, 2023.

Interest-bearing bank and other borrowings

As of December 31, 2024, the Group did not have any interest-bearing bank and other borrowings.

Significant investments

The Group did not make or hold any significant investments on a standalone basis as of December 31, 2024 (including any investment in an investee company with a value of 5% or more of the Group's total assets as of December 31, 2024).

Material acquisitions and disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the year ended December 31, 2024.

Pledge of assets

As of December 31, 2024, the Group did not have any pledge of assets.

Future plans for material investments or capital asset

The Group did not have detailed future plans for material investments or capital assets as of December 31, 2024.

Gearing ratio

As of December 31, 2024, the Group's gearing ratio (i.e. total liability divided by total assets as of the end of the period and multiplied by 100%) was 23.9%, compared with 27.4% as of December 31, 2023.

Foreign exchange exposure

During the Reporting Period, the vast majority of our revenue and expenditures were denominated in Renminbi, while the net proceeds from the Global Offering were in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the proceeds from our Global Offering. We manage our foreign exchange risk by performing regular reviews of our Group's net foreign exchange exposures and trying to minimize these exposures through natural hedges, wherever possible.

Contingent liabilities

The Group had no material contingent liabilities as of December 31, 2024.

Capital commitment

As of December 31, 2024, capital commitment of the Group was RMB398.6 million (as of December 31, 2023: RMB580.0 million), which was in line with our progress in the construction and completion of our production bases.

Employees and remuneration

As of December 31, 2024, the Group had a total of 7,025 employees. The total employee remuneration expenses for the year ended December 31, 2024, including share-based compensation expenses, were RMB1,448.0 million, as compared to RMB1,168.2 million for the year ended December 31, 2023.

Our employees' remuneration mainly comprises salaries, bonuses and social security contributions. We participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, and unemployment benefit plans.

We provide our employees with opportunities to develop their knowledge and skills. We have an effective training system, including orientation and continuous on-the-job training, to improve the knowledge and skill levels of our workforce. Our orientation for newly joined employees covers corporate culture and policies, as well as an introduction to our business and daily operational processes. Our periodic on-the-job training encompasses subjects ranging from day-to-day operations to general management skills, consistently enhancing employees' overall professional capabilities.

BUSINESS REVIEW

We are a global leading freshly-made drinks company. We are committed to providing value-for-money products to consumers, including freshly-made fruit drinks, tea drinks, ice cream and coffee, typically priced around one U.S. dollar (approximately RMB6) per item. We have two major brands – freshly-made tea drinks brand Mixue and freshly-made coffee brand Lucky Cup. Through a franchise model, we have cultivated a network of over 46,000 stores spanning China and 11 overseas countries as of December 31, 2024.

Our Brands and Products

Our Freshly-Made Tea Drinks Brand – Mixue

Mixue primarily offers freshly-made fruit drinks, tea drinks and ice cream to consumers both in China and overseas through an extensive store network. Our core Mixue products typically have a price range of RMB2 to RMB8. Our Mixue product offerings include both classic drinks and seasonal and regional drinks.

Our Freshly-Made Coffee Brand – Lucky Cup

Building on Mixue's success, we launched our freshly-made coffee brand Lucky Cup in 2017 to further expand our product categories. At Lucky Cup, we offer value-for-money coffee made with meticulously selected ingredients and equipment. Lucky Cup primarily offers freshly-made coffee drinks, ranging from classic products to trendy, innovative ones. Our core Lucky Cup products typically have a price range of RMB5 to RMB10.

Our Store Network

Our store network spans over 46,000 stores serving consumers both in and outside mainland China. As of December 31, 2024, we have established a store presence across 31 provinces, autonomous regions and municipalities, including over 300 cities of all tiers. This extensive geographic reach and deep penetration set us apart from other freshly-made drinks brands in mainland China. We have also established a growing presence in markets outside mainland China, with approximately 4,900 stores as of December 31, 2024.

The following table sets forth the number of our stores in and outside mainland China as of the dates indicated.

	As of December 31,	
	2023	2024
Mainland China	33,234	41,584
Outside mainland China	<u>4,331</u>	<u>4,895</u>
Total	<u><u>37,565</u></u>	<u><u>46,479</u></u>

The following table sets forth the number of our stores in mainland China by city tier and their percentages of the total number of stores in mainland China as of the dates indicated.

	As of December 31,			
	2023		2024	
First-tier cities	1,513	4.6%	1,983	4.8%
New first-tier cities	6,886	20.7%	8,143	19.6%
Second-tier cities	5,955	17.9%	7,600	18.2%
Third-tier and below cities	<u>18,880</u>	<u>56.8%</u>	<u>23,858</u>	<u>57.4%</u>
Total number of stores in mainland China	<u><u>33,234</u></u>	<u><u>100.0%</u></u>	<u><u>41,584</u></u>	<u><u>100.0%</u></u>

Our Franchise Model

We primarily employ a franchise model to grow our store network. Under our franchise model, we authorize our franchisees to sell freshly-made drinks through franchised stores under our brands, while purchasing store supplies and equipment from us as part of their daily operations. Franchisees are the owners of these stores and are accountable for their results of operations. We also stipulate that franchisees adhere to our comprehensive, standardized operational procedures and requirements.

We believe our interest-aligned franchise model drives our franchisees' decision to partner with us. To align interests with our franchisees, we have systematically devised a range of policies and measures. In terms of our revenue model, franchise and related service fees are not our primary sources of revenue. In 2024, 2.5% of our revenue was generated from franchise and related services. Our expansive and highly efficient supply chain provides franchisees with a competitive one-stop solution, improving their profitability and elevating consumer experience. We also demonstrate our interest-aligned cooperation with franchisees through standardized management and continuous support, empowering them with a highly digitalized operational system to boost their efficiency. Under the philosophy of aligning interests with franchisees, we have together achieved an unparalleled store scale and built a healthy and sustainable franchise model.

The following table sets forth the movement of the number of our franchised stores in and outside mainland China for the periods indicated.

	As of December 31,	
	2023	2024
At the beginning of the year	28,929	37,516
Openings during the year	9,894	10,555
Closures during the year	(1,307)	(1,609)
	<hr/>	<hr/>
At the end of the year	37,516	46,462
	<hr/>	<hr/>

Our strong brands and products drove a substantial rise in the number of our franchised stores during the Reporting Period. The number of our franchised stores increased from 37,516 as of December 31, 2023 to 46,462 as of December 31, 2024. The number of franchised store closures was 1,307 and 1,609 in 2023 and 2024, respectively.

As our business grew, the number of franchisees joining us increased substantially during the Reporting Period. The number of our franchisees increased from 16,784 as of December 31, 2023 to 20,976 as of December 31, 2024.

We strategically opened a limited number of self-operated stores primarily to gain operating insights and reinforce our brands. The number of our self-operated stores was 49 and 17 as of December 31, 2023 and 2024, respectively.

Our Supply Chain

As the first company to establish centralized factories in the freshly-made drinks industry in China, we operate an expansive and highly digitalized end-to-end supply chain, with the core ingredients being 100% self-produced.

- **Procurement.** Our extensive global procurement network gives us access to quality raw materials, and we also utilize digital tools to ensure the quality and stability of our supplies. Our raw materials procurement primarily comprises food commodities, agricultural products and other auxiliary materials. With our global procurement network extended to the origins of raw materials, and our large procurement scale, we are able to secure many core raw materials at prices below the industry average. This enables us to attract consumers and franchisees by offering products with greater value for money. In December 2024, we entered into a strategic collaboration with Junlebao, a leading dairy company in China, to jointly establish a Snow King Dairy Farm. Through this collaboration, we expect to further secure priority access to quality raw milk, augmenting our supply chain capabilities and product quality.
- **Production.** In 2012, we became the first company to establish centralized factories in the freshly-made drinks industry in China. Currently, we have five production bases in Henan, Hainan, Guangxi, Chongqing and Anhui. Through our in-house R&D and production capabilities, we offer a one-stop ingredients solution covering full product categories including syrups, milk, tea, coffee, fruit, grains and condiments. These cost advantages, brought by our extensive scale and our sophisticated and intelligent production management, make it difficult for other companies within our industry to replicate and achieve the same level of quality and value for money for core ingredients. In 2024, we obtained a food production license for liquid milk products. This milestone has paved the way for in-house fresh milk production and expanded opportunities to refine our product offerings.
- **Logistics.** As early as 2014, we became the first player in China's freshly-made drinks industry to build our own logistics system. Our self-operated warehouse system and dedicated delivery network support an extensive store network. As of December 31, 2024, our warehouse system in mainland China consists of 27 warehouses, and we have established a local warehouse system in four overseas countries. Our distribution network covers 31 provinces, autonomous regions and municipalities, including over 300 cities in mainland China. As of December 31, 2024, our distribution network also covers four overseas countries.
- **R&D.** Our R&D efforts focus on application R&D for product flavors and recipes, as well as fundamental R&D for ingredient-related technologies, production techniques, recipes and equipment. Our key strength is our ability to seamlessly and synergistically integrate both application and fundamental R&D into our freshly made drinks, allowing us to continuously upgrade our core ingredients while consistently offering value for money freshly-made drinks for consumers. The fresh milk blend base we developed in 2024 is a prime example of these capabilities. To meet consumers' growing demand for health-conscious options while also elevating our drinks' flavor, we developed a proprietary production technique for a fresh milk blend base. This technique allows us to make fresher, healthier drinks while achieving a velvety texture and rich, indulgent taste.

- **Quality control.** We maintain and implement robust quality control standards to ensure the consistent high quality of outputs throughout our entire supply chain.

Our Iconic IP – Snow King (雪王)

In 2018, to humanize our Mixue brand and deepen our emotional connection with consumers, we introduced Snow King, an endearing cartoon character who holds an ice cream scepter, as our Mixue lifelong brand ambassador. Since his debut, Snow King has endeared himself to fans with his upright, friendly, passionate, and determined personality. Centered around Snow King’s adorable persona, we consistently create and release a variety of high-quality audio and video content that is fun and engaging. Most notably, Snow King stars in the music video of our catchy and melodious Mixue theme song, “I Love You, You Love Me, Mixue Ice Cream & Tea”. In August 2023, we launched an animated TV series, “The Legend of Snow King”, bringing Snow King’s adorable persona and sweet stories to life. Building on a loyal following, we launched another animated TV series, “Snow King and the Sands of Mystery”, on December 21, 2024. Through years of content creation and IP operations, Snow King has become the sole iconic IP in China’s freshly-made drinks industry, setting our brand apart from other brands in the industry.

Marketing

Our value proposition of offering value-for-money products and our brand culture centered around sweetness and love have enabled Mixue to become a household brand with a vast consumer and fan base.

We have established a comprehensive online branding and marketing matrix to accelerate brand building. We leverage social media and creative content to promote Snow King IP-related marketing online. As of December 31, 2024, the hashtag #Mixue had garnered over 43.5 billion views on Douyin. Offline, we connect with our vast consumer base through our expansive network of over 46,000 stores and a variety of activities such as Snow King parades and music festivals. We also seamlessly integrate online-offline events for effective marketing campaigns.

Digitalization

Digitalization plays a key role in our operations, enhancing operational efficiency and contributing to our sustainable growth. Our digital infrastructure encompasses integrated digital management systems designed to support various key aspects of our business, including online ordering, store operations, supply chain and corporate management, among others. Moreover, we directly interact with our consumers through our proprietary Mixue app and our Mini Programs on Weixin and Alipay, allowing us to accumulate first-hand consumer insights.

BUSINESS OUTLOOK

For over 20 years, we have built strong and successful brands by staying simple and focused. We will continue to capture changing trends and build sustainable global brands lasting for centuries with the following strategies:

- ***Solidifying our strong leadership in China’s freshly-made drinks industry and pursuing overseas expansion opportunities***

We will continue to grow our store network in China. For Mixue, we will further enter into new markets and expand in existing markets to cover a broader consumer base. For Lucky Cup, we plan to leverage our Group’s robust supply chain and strong operational capabilities to accelerate our nationwide store expansion. Primarily offering mass-market freshly-made drinks, we believe our penetration and expansion plans will address consumers’ common demands for quality products with value for money.

Overseas, while our specific plans for each country or region will be adjusted based on the local operational environment and our performance, we will remain focused on cultivating the Southeast Asia market, and continue to expand our franchised store network locally. Additionally, we plan to tap into other markets in due course to build a more globalized brand. We use a holistic approach in determining the specific markets to enter, taking into account population size, economic growth, income level, local culture, consumer preferences, etc.

- ***Further strengthening infrastructure and operational systems to fulfill our vision to build brands lasting for centuries***

First, we will enhance our end-to-end supply chain. In China, we will continue to elevate the breadth and depth of our supply chain, secure more diverse premium resources, build a more agile and efficient logistics system, continue to invest steadily in production capacity expansion, and enhance R&D and innovation driven by new technologies and new materials. Internationally, we aim to establish a more versatile and dynamic global supply chain platform to effectively support our globalization strategies and overseas business expansion.

Additionally, we are committed to advancing our digitalization and intelligization efforts across business processes, enhancing operational efficiency and quality. For example, we will continue to refine our digital marketing and consumer management system to address market demands more effectively. We will also continuously strengthen our smart store solutions, covering site selection, store operations, and store supply replenishment systems, to empower our franchisees. To improve production efficiency and quality, we will further enhance our advanced manufacturing capabilities across automation, digitalization, and intelligentization and fully utilize leading equipment, robotics and advanced production management systems.

Furthermore, we will further cultivate our brand IP. Our goal is to elevate Snow King into a distinctive global cultural symbol by extending his cultural significance beyond the realm of drinks into everyday life, enriching his cultural connotation and unlocking his cultural potential. Specifically, we will broaden Snow King’s content matrix by curating additional high-quality content in diverse formats including but not limited to animated series, movies and featured merchandise, and continue to launch IP collaboration with various leading brands to expand our brand influence.

Lastly, we are dedicated to long-term sustainability and continuously creating social value. Our social responsibility efforts will concentrate on technological innovation, ecological environment, education, and rural revitalization.

CORPORATE GOVERNANCE

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders and to enhance corporate value and accountability.

Compliance with the Code on Corporate Governance Practices

As the H shares of the Company (the “**H Shares**”) were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on March 3, 2025 (the “**Listing Date**”), the Corporate Governance Code (the “**Corporate Governance Code**”) set forth in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) is only applicable to the Company since the Listing Date. The Company has complied with all applicable code provisions set out in the Corporate Governance Code throughout the period from the Listing Date up to the date of this announcement.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules, to regulate all dealings by Directors, Supervisors and relevant employees of securities in the Company and other matters covered by the Model Code since the Listing Date.

As the Company was listed on March 3, 2025, it was not required to comply with the Model Code during the year ended December 31, 2024. All Directors, Supervisors and relevant employees, having made specific enquiries, confirmed that they have been in compliance with the Model Code during the period from the Listing Date up to the date of this announcement.

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely Mr. Huang Sidney Xuande (chairman), Ms. Poon Philana Wai Yin and Mr. Chu Gary Hsi. Mr. Huang Sidney Xuande and Mr. Chu Gary Hsi hold the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed the audited consolidated financial statements for the year ended December 31, 2024 with the management of the Company.

The Audit Committee considers the annual results to be in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended December 31, 2024 as set out in this announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year ended December 31, 2024. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities or Sale of Treasury Shares

As the Company's H Shares were not listed on the Stock Exchange as of December 31, 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares (as defined under the Listing Rules)) during the year ended December 31, 2024. As of December 31, 2024, the Company did not hold any treasury shares (as defined under the Listing Rules).

Use of Proceeds

With the Company's H Shares listing on the Stock Exchange on March 3, 2025, the actual net proceeds from the Global Offering received by the Company were approximately HK\$3,313 million after deducting underwriting commissions and offering expenses, which will be utilized for the purposes set out in the Prospectus.

As of the date of this announcement, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. To the extent that net proceeds are not immediately used for the intended use and to the extent permitted by relevant laws and regulations, the Company will place the net proceeds as short-term deposits only at licensed banks or financial institutions. For details of the breakdown of the use of proceeds, please refer to the annual report of the Company to be published in due course.

Material Litigation

The Company was not involved in any material litigation or arbitration during the year ended December 31, 2024 which could have a material and adverse effect on our financial condition or results of operations. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period and up to the date of this announcement which could have a material and adverse effect on our financial condition or results of operations.

Events after the Reporting Period

On March 3, 2025, the Company's H Shares were listed on the Main Board of the Stock Exchange, where 17,059,900 H Shares were issued and subscribed at an offer price of HK\$202.50 per H Share by way of initial public offering to Hong Kong and overseas investors. Gross proceeds from these issues amounted to approximately HK\$3,455 million.

Save as disclosed above, the Company is not aware of any material subsequent events from December 31, 2024 to the date of this announcement.

DIVIDEND

The Board did not recommend the distribution of an annual dividend for the year ended December 31, 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended December 31, 2024

		Year ended 31 December	
	Notes	2024	2023
		RMB'000	RMB'000
REVENUE	3	24,828,874	20,302,465
Cost of sales		<u>(16,768,667)</u>	<u>(14,303,498)</u>
Gross profit		8,060,207	5,998,967
Other income and gains, net	4	219,547	247,632
Selling and distribution expenses		(1,599,474)	(1,318,588)
Administrative expenses		(755,115)	(610,622)
Research and development expenses		(104,870)	(85,000)
Finance costs	6	(6,367)	(14,697)
(Impairment losses)/reversal of impairment losses on financial assets		(329)	1,638
Impairment of property, plant and equipment		–	(65,524)
Share of (losses)/profits of an associate		<u>(3,016)</u>	<u>196</u>
PROFIT BEFORE TAX	5	5,810,583	4,154,002
Income tax expense	7	<u>(1,356,380)</u>	<u>(967,397)</u>
PROFIT FOR THE YEAR		<u>4,454,203</u>	<u>3,186,605</u>
Profit attributable to:			
Owners of the parent		4,436,504	3,137,341
Non-controlling interests		<u>17,699</u>	<u>49,264</u>
		<u>4,454,203</u>	<u>3,186,605</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)	9	<u>12.32</u>	<u>8.71</u>
Diluted (RMB)	9	<u>12.32</u>	<u>8.71</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*Year ended December 31, 2024*

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
PROFIT FOR THE YEAR	<u>4,454,203</u>	<u>3,186,605</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(3,237)</u>	<u>131</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(3,237)</u>	<u>131</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments designated at fair value through other comprehensive income	<u>(870)</u>	<u>(940)</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(870)</u>	<u>(940)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>(4,107)</u>	<u>(809)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>4,450,096</u>	<u>3,185,796</u>
Attributable to:		
Owners of the parent	4,432,740	3,136,269
Non-controlling interests	<u>17,356</u>	<u>49,527</u>
	<u>4,450,096</u>	<u>3,185,796</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

		As at 31 December	
	Notes	2024	2023
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		5,317,826	3,390,053
Right-of-use assets		382,189	426,986
Other intangible assets		41,964	25,624
Investment in an associate		–	3,016
Equity investment designated at fair value through other comprehensive income		6,590	10,460
Deferred tax assets		76,005	111,889
Time deposits and restricted cash		1,966,926	300,000
Other non-current assets		95,771	1,177,353
Total non-current assets		7,887,271	5,445,381
CURRENT ASSETS			
Inventories		2,215,352	2,231,714
Trade receivables	10	25,624	28,473
Prepayments, other receivables and other assets		512,505	404,428
Financial assets at fair value through profit or loss		3,491,643	746,046
Time deposits and restricted cash		1,315,804	115,620
Cash and cash equivalents		4,335,123	5,621,904
Total current assets		11,896,051	9,148,185
CURRENT LIABILITIES			
Trade payables	11	1,767,263	1,316,780
Other payables and accruals		2,043,625	1,571,615
Contract liabilities		359,636	259,271
Interest-bearing bank and other borrowings		–	259,748
Lease liabilities		52,004	72,065
Tax payable		294,310	254,834
Total current liabilities		4,516,838	3,734,313
NET CURRENT ASSETS		7,379,213	5,413,872
TOTAL ASSETS LESS CURRENT LIABILITIES		15,266,484	10,859,253

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*As at December 31, 2024*

	As at 31 December	
<i>Notes</i>	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Deferred income	134,090	122,407
Lease liabilities	40,548	54,360
Other payables and accruals	20,712	60,408
Deferred tax liabilities	2,492	1,638
Contract liabilities	7,822	24,975
	<hr/>	<hr/>
Total non-current liabilities	205,664	263,788
	<hr/>	<hr/>
NET ASSETS	15,060,820	10,595,465
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	360,000	360,000
Reserves	14,595,519	10,146,993
	<hr/>	<hr/>
	14,955,519	10,506,993
	<hr/>	<hr/>
Non-controlling interests	105,301	88,472
	<hr/>	<hr/>
Total equity	15,060,820	10,595,465
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance.

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2024, together with the relevant transitional provisions, have been early adopted by the Group from 1 January 2021 (the date of transition to IFRS Accounting Standards).

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to IAS 21	<i>Lack of Exchangeability</i> ¹
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i> ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

2. OPERATING SEGMENT INFORMATION

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no reportable segment information is presented.

Geographical information

(i) Revenue from external customers

The majority of the Group's revenue and operating profits are derived from Mainland China.

Information about major customers

No sales to a single customer accounted for 10% or more of the Group's revenue for each of the years ended 31 December 2024 and 2023.

3. REVENUE

Revenue represents income from the sales of goods and equipment to franchisees, and the provision of franchise and related services. An analysis of revenue is as follows:

(i) Disaggregated revenue information

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue from contracts with customers		
<i>Sales of goods and equipment</i>		
Sales of goods	23,452,457	19,160,210
Sales of equipment	756,372	736,537
<i>Franchise and related services*</i>	620,045	405,718
Total revenue from contracts with customers	24,828,874	20,302,465
Timing of revenue recognition		
Goods and services transferred at a point in time	24,253,615	19,927,974
Services transferred over time	575,259	374,491
Total revenue from contracts with customers	24,828,874	20,302,465

* The franchise and related services fees are fixed with no variable considerations in accordance with the terms of the contracts.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Sales of goods and equipment	25,711	74,436
Franchise and related services	233,560	123,869
	259,271	198,305

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of goods and equipment

The performance obligation is satisfied when customers take possession of and accept the deliveries in stores or appointed locations. For the majority of the sales transactions, customers make advance payments before the goods and equipment and services are delivered to them.

Franchise and related services

Almost all performance obligations are satisfied over time when services are rendered. Generally, franchise and related services contracts are for periods ranging from three or four years. Advances are required for the franchise and related services on an annual basis.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Amounts expected to be recognised as revenue:		
Within one year	359,636	259,271
After one year	7,822	24,975
	<u>367,458</u>	<u>284,246</u>

The majority of the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The Group does not have variable consideration which is constrained.

4. OTHER INCOME AND GAINS, NET

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants	32,784	115,821
Interest income	107,015	53,801
Investment income on financial assets at fair value through profit or loss:		
– Wealth management products	45,170	53,333
(Loss)/gain on disposal of items of property, plant and equipment, net	(5,836)	198
Foreign exchange differences, net	5,620	31,963
Donations	(14,108)	(41,152)
Others	48,902	33,668
	<u>219,547</u>	<u>247,632</u>

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Cost of inventories sold*	15,558,470	13,502,499
Transportation expenses	778,570	624,565
Depreciation of property, plant and equipment	314,887	160,504
Depreciation of right-of-use assets	99,178	103,472
Amortisation of other intangible assets	5,290	3,800
Employee benefit expenses (including directors', chief executive's and supervisors' remuneration as set out):		
Wages and salaries	1,209,429	952,416
Equity-settled share-based payment expenses	15,786	16,427
Pension scheme contributions, social welfare and other welfare	222,780	199,403
Professional service fees	55,792	80,552
Impairment of inventories	36,995	32,189
Impairment/(reversal of impairment) of prepayments, other receivables and other assets, net	160	(4,986)
Impairment of trade receivables, net	169	3,348
Expense relating to short-term leases	16,475	12,921
Listing expense	59,069	10,900
Auditor's remuneration	3,158	—

* The amount of cost of inventories sold as stated above excludes the costs included in the depreciation of property, plant and equipment, depreciation of right-of-use assets, impairment of inventories, employee benefit expenses, short-term lease expenses and transportation expenses.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Interest on bank borrowings	2,240	7,241
Interest on lease liabilities	4,127	7,456
	<u>6,367</u>	<u>14,697</u>

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

PRC corporate income tax

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the EIT rate of the Group’s PRC subsidiaries is 25% unless subject to tax exemption set out below.

Certain subsidiaries that are engaged in businesses in the “Encouraged Industries in the Western Region” and eligible for the preferential EIT rate of 15%.

Certain subsidiaries that are domiciled and operate in Hainan Free Trade Port which meet the criteria of having more than 60% of the revenue generated from their core businesses are eligible for the preferential EIT rate of 15%.

Certain subsidiaries are engaged in agricultural product pre-treatment and eligible for relevant tax exemptions.

Hong Kong profit tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the years ended 31 December 2024 and 2023, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Others

Subsidiaries incorporated in other countries are subject to the respective applicable corporate income tax rates of the countries where they are resident. Domestic statutory corporate income tax rate in Indonesia was 22% for the years ended 31 December 2024 and 2023. The income tax rate applicable to subsidiaries in Vietnam was 20% for the years ended 31 December 2024 and 2023.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax	1,319,642	1,036,131
Deferred income tax	36,738	(68,734)
	<u>1,356,380</u>	<u>967,397</u>

8. DIVIDENDS

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Dividends declared by the Company	<u>–</u>	<u>100,000</u>

On 27 February 2023, the Company’s shareholders approved the 2023 profit distribution plan at an annual general meeting, pursuant to which a dividend in an aggregate amount of RMB100,000,000 approximately RMB0.28 for each share of the Company’s 360,000,000 shares was paid in March 2023 to shareholders of the Company.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the parent, and the weighted average numbers of ordinary shares of 360,000,000 (2023: 360,000,000) outstanding during the year.

	Year ended 31 December	
	2024	2023
Earnings		
Profit attributable to owners of the parent (RMB'000)	<u>4,436,504</u>	<u>3,137,341</u>
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	<u>360,000,000</u>	<u>360,000,000</u>
Basic earnings per share (RMB)	<u>12.32</u>	<u>8.71</u>

The Group has no dilutive potential ordinary shares and accordingly, the diluted earnings per share for the years ended 31 December 2024 and 2023 were the same as the basic earnings per share.

10. TRADE RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables	25,946	32,191
Impairment	<u>(322)</u>	<u>(3,718)</u>
Total	<u>25,624</u>	<u>28,473</u>

Advance payment is normally required for the sale to franchisees. For certain non-franchisee customers, the credit period granted is generally one month and extending up to three months for some customers. The Group seeks to maintain strict control over its receivables to minimise credit risk. In view of the aforementioned and the fact that the Group's trade receivables relate to various diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Within 1 year	<u>25,624</u>	<u>28,473</u>
	<u>25,624</u>	<u>28,473</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
At beginning of year	3,718	903
Impairment loss, net	169	3,348
Amount written off as uncollectible	(3,565)	(533)
	<hr/>	<hr/>
At end of year	322	3,718
	<hr/> <hr/>	<hr/> <hr/>

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Group considers the characteristics of the shared credit risk and the ageing of the trade receivables to measure the expected credit losses. Majority of the receivables were neither past due nor impaired and relate to diversified customers.

To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Forward-looking information was also incorporated. The expected credit loss rate was 1.24% as at 31 December 2024 (2023: 11.55%).

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the year, based on the invoice date, is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Within 1 month	1,719,436	1,178,493
1 to 3 months	35,422	130,038
3 to 6 months	6,613	4,904
6 months to 1 year	1,259	2,374
Over 1 year	4,533	971
	<hr/>	<hr/>
	1,767,263	1,316,780
	<hr/> <hr/>	<hr/> <hr/>

Trade payables are non-interest-bearing and normally settled on terms of within 30 days. Amounts due to the related parties included in the Group's trade payables are RMB7,824,000 as at 31 December 2024 (2023: RMB1,694,000).

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mxbc.com). The annual report of the Company for the year ended December 31, 2024 will be made available for review on the same websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

By order of the Board
MIXUE Group
Mr. Zhang Hongfu
Executive Director and Chief Executive Officer

Hong Kong, March 26, 2025

As at the date of this announcement, the Board comprises: (i) Mr. Zhang Hongchao, Mr. Zhang Hongfu, Ms. Cai Weimiao and Ms. Zhao Hongguo as executive Directors and (ii) Ms. Poon Philana Wai Yin, Mr. Chu Gary Hsi and Mr. Huang Sidney Xuande as independent non-executive Directors.