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Guming Holdings Limited

古茗控股有限公司

(A company incorporated in the Cayman Islands with limited liability)

(Stock code: 01364)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The Board is pleased to announce the consolidated financial results of the Group for the year ended December 31, 2024, together with the comparative figures for the year ended December 31, 2023, as set out below.

FINANCIAL HIGHLIGHTS

The following table sets forth our key financial data for the year ended December 31, 2024, together with the comparative figures for the year ended December 31, 2023 and the change (expressed in percentages).

	For the year ended December 31,		
	2024	2023	Change
	(RMB'000)	*(RMB'000)*	*(%)*
Revenue	**8,791,355**	7,675,665	14.5
Gross profit	**2,687,485**	2,403,331	11.8
Profit for the year	**1,493,218**	1,096,354	36.2
Profit attributable to owners of the parent	**1,478,507**	1,079,628	36.9
Adjusted profit (non-IFRS measure)(1)	**1,542,385**	1,458,990	5.7
Earnings per share (in RMB)			
– Basic	**0.71**	0.58	22.4
– Diluted	**0.71**	0.52	36.5

Note:

(1) Adjusted profit is defined by profit for the year adjusted by adding back fair value changes of financial liabilities at fair value through profit or loss, share-based payment expenses and listing expenses. This is not an IFRS Accounting Standards measure. For more details, please see the section headed "Non-IFRS Measures" in this announcement.

The board of directors (the "**Board**") of Guming Holdings Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended December 31, 2024 (the "**Reporting Period**") prepared in accordance with IFRS Accounting Standards, together with the comparative figures for the year ended December 31, 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended December 31, 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
REVENUE	*4*	**8,791,355**	7,675,665
Cost of sales		**(6,103,870)**	(5,272,334)
Gross profit		**2,687,485**	2,403,331
Other income and gains	*4*	**186,826**	168,828
Selling and distribution expenses		**(479,413)**	(336,584)
Administrative expenses		**(311,439)**	(282,848)
Research and development expenses		**(232,618)**	(198,736)
Other expenses		**(17,544)**	(9,456)
OPERATING PROFIT		**1,833,297**	1,744,535
Finance costs	*6*	**(3,338)**	(5,233)
Fair value changes of financial liabilities at fair value through profit or loss		**(25,650)**	(294,215)
PROFIT BEFORE TAX	*5*	**1,804,309**	1,445,087
Income tax expense	*7*	**(311,091)**	(348,733)
PROFIT FOR THE YEAR		**1,493,218**	1,096,354
Attributable to:			
Owners of the parent		**1,478,507**	1,079,628
Non-controlling interests		**14,711**	16,726
		1,493,218	1,096,354
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For profit for the year (RMB)	*8*	**0.71**	0.58
Diluted			
– For profit for the year (RMB)	*8*	**0.71**	0.52

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2024

	2024	2023
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**1,493,218**	1,096,354
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**4,035**	(3,132)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**4,035**	(3,132)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Equity investment designated at fair value through other comprehensive income:		
Changes in fair value	**909**	(19,951)
Income tax effect	**(150)**	3,292
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**759**	(16,659)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**4,794**	(19,791)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,498,012**	1,076,563
Attributable to:		
Owners of the parent	**1,483,301**	1,059,837
Non-controlling interests	**14,711**	16,726
	1,498,012	1,076,563

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2024

	Notes	December 31, 2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**954,362**	590,058
Right-of-use assets		**160,572**	178,401
Other intangible assets		**852**	107
Equity investment designated at fair value through other comprehensive income		**258,031**	257,122
Other non-current assets		**4,732**	36,934
Deferred tax assets		**24,985**	40,245
Long-term trade receivables	*10*	**104,593**	–
Contract assets		**5,275**	–
Long-term bank deposits		**501,588**	41,390
Total non-current assets		**2,014,990**	1,144,257
CURRENT ASSETS			
Inventories		**984,244**	881,141
Trade receivables	*11*	**290,872**	70,416
Contract assets		**35,254**	9,042
Prepayments, other receivables and other assets		**327,852**	298,809
Financial assets at fair value through profit or loss		**1,244,649**	197,285
Restricted cash		**41,510**	124,000
Cash and bank balances		**1,935,264**	2,427,979
Total current assets		**4,859,645**	4,008,672
CURRENT LIABILITIES			
Trade payables	*12*	**697,891**	601,272
Other payables and accruals		**391,496**	322,219
Tax payables		**64,965**	38,813
Contract liabilities		**79,116**	76,212
Interest-bearing other borrowings		**–**	124,000
Financial liabilities at fair value through profit or loss		**3,181,663**	3,156,013
Lease liabilities		**37,157**	43,674
Total current liabilities		**4,452,288**	4,362,203
NET CURRENT ASSETS/(LIABILITIES)		**407,357**	(353,531)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,422,347**	790,726

	December 31, 2024	2023
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**136,132**	112,128
Contract liabilities	**24,973**	26,534
Interest-bearing bank borrowings	**121,233**	–
Deferred income	**10,988**	10,042
Lease liabilities	**17,003**	26,516
Total non-current liabilities	**310,329**	175,220
NET ASSETS	**2,112,018**	615,506
EQUITY		
Equity attributable to owners of the parent		
Share capital	**127**	127
Reserves	**2,066,166**	582,865
	2,066,293	582,992
Non-controlling interests	**45,725**	32,514
TOTAL EQUITY	**2,112,018**	615,506

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

1. GENERAL INFORMATION

Guming Holdings Limited (the "**Company**") is an exempted company incorporated in the Cayman Islands with limited liability on August 31, 2021. The registered office address of the Company is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries were principally engaged in the operation of a franchised retail network and trading of ingredients and other related products of freshly-made beverages and equipment in the People's Republic of China (the "**PRC**").

In the opinion of the directors of the Company, the ultimate controlling shareholders of the Company are Mr. Yun'an Wang, Mr. Xia Qi, Mr. Xiudi Ruan and Ms. Pingping Pan.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since February 12, 2025 (the "**Listing**") by way of its initial public offering ("**IPO**").

2.1 BASIS OF PREPARATION

The consolidated 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 Committee and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investment designated at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss which have been measured at fair value. These consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at January 1, 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

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

1 Effective for annual periods beginning on or after January 1, 2025
2 Effective for annual periods beginning on or after January 1, 2026
3 Effective for annual/reporting periods beginning on or after January 1, 2027
4 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised standards upon initial application. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specific totals and subtotals. It also requires disclosure of management-defined performance measures in a note and introduces new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group's presentation of the statement of profit or loss and disclosures of the Group's financial performance. So far, the Group considers that the new and revised standards are unlikely to have a significant impact on the Group's results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company. During the years ended December 31, 2024 and 2023, the Group is principally engaged in the operation of a franchised retail network and the trading of ingredients and other related products of freshly-made beverages and equipment. Management reviews the operating results of the Group's business as one operating segment for the purpose of making decisions about resource allocation and performance assessment. Therefore, the chief operating decision maker of the Company regards that there is only one segment which is used to make strategic decisions.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operations in Mainland China and no non-financial long-term assets of the Group are located outside Mainland China.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for each of the years ended December 31, 2024 and 2023.

4. REVENUE, OTHER INCOME AND GAIN

An analysis of revenue is as follows:

	2024 ***RMB'000***	2023 *RMB'000*
Revenue from contracts with customers		
Sale of goods and equipment	**7,027,475**	6,144,711
Franchise management services	**1,749,633**	1,518,646
Sales from company-operated stores	**14,247**	12,308
	8,791,355	7,675,665

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended December 31, 2024	Sale of goods and equipment *RMB'000*	Franchise management services *RMB'000*	Sales from company-operated stores *RMB'000*	Total *RMB'000*
Types of goods or services				
Sale of goods	**6,562,701**	**–**	**–**	**6,562,701**
Sale of equipment	**464,774**	**–**	**–**	**464,774**
Initial franchise fees	**–**	**120,735**	**–**	**120,735**
Continuing support services fees	**–**	**1,564,634**	**–**	**1,564,634**
Provision of training and other services	**–**	**64,264**	**–**	**64,264**
Sales from company-operated stores	**–**	**–**	**14,247**	**14,247**
	7,027,475	**1,749,633**	**14,247**	**8,791,355**
Geographical market				
Mainland China	**7,027,475**	**1,749,633**	**14,247**	**8,791,355**
Timing of revenue recognition				
Revenue recognised over time	**–**	**1,749,633**	**–**	**1,749,633**
Revenue recognised at a point in time	**7,027,475**	**–**	**14,247**	**7,041,722**
	7,027,475	**1,749,633**	**14,247**	**8,791,355**

For the year ended December 31, 2023	Sale of goods and equipment *RMB'000*	Franchise management services *RMB'000*	Sales from company-operated stores *RMB'000*	Total *RMB'000*
Types of goods or services				
Sale of goods	5,778,264	–	–	5,778,264
Sale of equipment	366,447	–	–	366,447
Initial franchise fees	–	109,509	–	109,509
Continuing support services fees	–	1,311,905	–	1,311,905
Provision of training and other services	–	97,232	–	97,232
Sales from company-operated stores	–	–	12,308	12,308
	6,144,711	1,518,646	12,308	7,675,665
Geographical market				
Mainland China	6,144,711	1,518,646	12,308	7,675,665
Timing of revenue recognition				
Revenue recognised over time	–	1,518,646	–	1,518,646
Revenue recognised at a point in time	6,144,711	–	12,308	6,157,019
	6,144,711	1,518,646	12,308	7,675,665

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:

	2024 ***RMB'000***	2023 *RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods and equipment	**9,769**	8,031
Franchise management services	**66,443**	49,489
	76,212	57,520

(b) *Performance obligations*

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

Sale of goods and equipment

The performance obligation of the sale of goods and equipment is satisfied upon delivery of the goods and equipment and payment in advance is normally required, except for sales with payments by instalments and customers with credit terms, where payment is generally due within 2 days to 90 days from delivery or issuance of billings. Some contracts provide customers with a right of return which gives rise to variable consideration.

There is unsatisfied performance obligation for the sale of goods and equipment at the end of the reporting period. As permitted under IFRS 15, the Group applies the practical expedient and does not disclose the transaction price allocated to the unsatisfied performance obligations for contracts of the sale of products, which are generally with an original expected length of one year or less.

Franchise management services

For franchise management services, the Group recognises revenue over time as services are rendered. Some initial franchise fee arrangements contain variable consideration. There was unsatisfied performance obligation for franchise management services at the end of the reporting period.

Sales from company-operated stores

The performance obligation of sales from company-operated stores is satisfied upon delivery of the products and payment is received upon delivery. There was no unsatisfied performance obligation for sales from company-operated stores at the end of the reporting period.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) related to franchise management services at the end of the reporting period, which do not include any variable consideration that are constrained, are as follows:

	2024	2023
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within 1 year	**69,918**	66,443
1 year to 2 years	**22,930**	23,118
2 years to 3 years	**2,043**	3,416
	94,891	92,977

Other income and gains

	2024	2023
	RMB'000	*RMB'000*
Other income		
Government grants		
– related to income*	**80,010**	90,009
– related to assets**	**42**	–
Bank interest income	**65,076**	53,735
Imputed interest income for long-term trade receivables and non-current portion of contract assets	**3,185**	–
Additional tax deduction***	**5,863**	3,908
Sale of scraps	**1,973**	1,100
Others	**15,171**	13,852
	171,320	162,604
Gains		
Foreign exchange differences, net	**–**	4,315
Fair value changes of financial assets at fair value through profit or loss	**15,506**	1,909
	15,506	6,224
Total other income and gains	**186,826**	168,828

* The government grants related to income mainly represent incentives received from the local government in connection with certain financial support to local business enterprises for the purpose of encouraging business development. These grants are recognised in profit or loss upon receipt of these grants. There are no unfulfilled conditions or contingencies relating to these grants.

** The Group has received certain government grants related to the investments in production plants. The grants related to assets were recognised in profit or loss over the useful lives of relevant assets.

*** The amounts represent the additional input value added tax deduction, pursuant to the announcement of the State Administration of Taxation, which became effective from April 1, 2019 onwards.

5. PROFIT BEFORE TAX

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

	2024	2023
	RMB'000	*RMB'000*
Cost of services provided and inventories sold*	**6,103,870**	5,272,334
Depreciation of property, plant and equipment	**82,179**	73,110
Depreciation of right-of-use assets	**57,864**	61,661
Amortisation of other intangible assets**	**300**	366
Lease payments not included in the measurement of lease liabilities	**21,967**	16,299
Research and development expenses***	**232,618**	198,736
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**589,661**	505,268
Equity-settled share-based payment expenses	**–**	55,537
Pension scheme contributions and social welfare****	**110,394**	63,715
	700,055	624,520
Foreign exchange differences, net	**12,672**	(4,315)
Fair value changes of financial assets at fair value through profit or loss	**(15,506)**	(1,909)
Fair value changes of financial liabilities at fair value through profit or loss	**25,650**	294,215
Losses on disposal of items of property, plant and equipment, net	**1,162**	974
Listing expenses	**23,517**	12,884
Auditor's remuneration	**1,750**	–

* Cost of services provided and inventories sold includes expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

** The amortisation of other intangible assets is included in administrative expenses in profit or loss.

*** Research and development expenses include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

**** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**2,449**	1,272
Interest on lease liabilities	**2,786**	3,961
	5,235	5,233
Less: Interest capitalised	**(1,897)**	–
	3,338	5,233

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. Pursuant to the rules and regulations of the Cayman Islands and BVI, the Company and the Group's subsidiaries incorporated in the BVI are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong were not liable for income tax as they did not have any assessable profits arising in Hong Kong during the years ended December 31, 2024 and 2023.

PRC corporate income tax has been provided at the rate of 25% on the taxable profits of the Group's PRC subsidiaries for the reporting period.

According to the notices (Zhe Zheng Ban [2015] No.66, Jing Wei Fa [2017] No.13 and Jing Zheng Ban Investment Memorandum [2020] No.22) on the economic development of Jingning She Autonomous County issued by the General Office of the People's Government of Zhejiang Province, the People's Government of Jingning She Autonomous County, and the General Office of the People's Government of Jingning She Autonomous County, respectively, investment enterprises registered in the Jingning She Autonomous County are entitled to a preferential income tax policy for 10 years since the date of registration. Accordingly, certain of the Group's PRC subsidiaries registered in the Jingning She Autonomous County are entitled to a preferential income tax exemption for the reporting period.

Certain of the Group's PRC subsidiaries are accredited as "High and New Technology Enterprises" and were therefore entitled to a preferential income tax rate of 15% during the years ended December 31, 2024 and 2023. Such qualifications are subject to review by the relevant tax authority in the PRC for every three years.

One of the Group's PRC subsidiaries is qualified as a "Double Soft Enterprise" ("**DSE**") under the Corporate Income Tax Law during the reporting period. According to the relevant tax regulations, the qualified subsidiary was exempted from corporate income tax ("**CIT**") for two years, followed by a 50% reduction in the applicable tax rates for the next three years if the criteria of DSE are met each year, commencing from 2021, the first year of profitable operation.

Certain of the Group's PRC subsidiaries are qualified as small and micro enterprises and were entitled to preferential corporate income tax rates of 5% during the years ended December 31, 2024 and 2023.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profit derived after January 1, 2008 are generally subject to a 10% PRC withholding tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be 5%.

The income tax expense of the Group for the year is analysed as follows:

	2024	2023
	RMB'000	*RMB'000*
Current – PRC		
Charge for the year	**271,977**	295,609
Deferred	**39,114**	53,124
Total	**311,091**	348,733

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit before tax	**1,804,309**	1,445,087
Tax at the PRC corporate income tax rate of 25%	**451,077**	361,272
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**24,000**	47,000
Effect of tax concessions	**(151,059)**	(114,133)
Expenses not deductible for tax	**981**	871
Research and development super deduction	**(29,261)**	(33,206)
Tax losses and temporary differences not recognised	**15,353**	86,929
Tax charge at the Group's effective rate	**311,091**	348,733

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

(a) Basic

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,091,229,320 (2023: 1,876,220,390), for the purpose of computing basic earnings per share. The number of ordinary shares has been adjusted retrospectively for the effect of the issues relating to the capitalisation issue in February 2025 and the partial exercise of the over-allotment option in March 2025, with 204,272,800 shares in aggregate, and as if the capitalisation issue and the partial exercise of the over-allotment option had been completed on January 1, 2023.

The calculation of basic earnings per share is based on:

	2024	2023
Earnings		
Profit attributable to ordinary equity holders of the parent *(RMB'000)*	**1,478,507**	1,079,628
Shares		
Weighted average number of ordinary shares outstanding during the year	**2,091,229,320**	1,876,220,390
Basic earnings per share *(RMB)*	**0.71**	0.58

(b) Diluted

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the changes in fair value of financial liabilities at fair value through profit or loss, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares which has been adjusted retrospectively for the effect of the issues relating to the capitalisation issue in February 2025 and the partial exercise of the over-allotment option in March 2025, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of the diluted earnings per share amounts does not take into account the convertible redeemable preferred shares outstanding during each of the reporting periods as their effect would have been anti-dilutive.

	2024	2023
Earnings		
Profit attributable to ordinary equity holders of the parent *(RMB'000)*	**1,478,507**	1,079,628
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**2,091,229,320**	1,876,220,390
Adjustment for:		
Share options outstanding during the year	**–**	183,107,341
Adjusted weighted average number of ordinary shares outstanding during the year used in the diluted earnings per share calculation	**2,091,229,320**	2,059,327,731
Diluted earnings per share *(RMB)*	**0.71**	0.52

9. DIVIDENDS

No dividends have been paid or declared by the Company during the years ended December 31, 2024 and 2023.

Dividends of RMB1.74 billion to the Company's existing shareholders prior to the Listing have been approved by a board resolution and shareholders resolution on January 6, 2025. These financial statements do not reflect these dividend payables.

10. LONG-TERM TRADE RECEIVABLES

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Long-term trade receivables	**249,611**	–
Less: due within one year	**(145,018)**	–
	104,593	–

According to the payment terms in the sales contracts of equipment with certain customers, instalment repayments are allowed and part of the sales consideration will be collected after one year. The above arrangements are finance lease arrangements under IFRS 16 and the Group's long-term receivables are lease receivables.

An ageing analysis of the long-term trade receivables as at the end of the reporting period, based on the dates of delivery of equipment are as follows:

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**10,847**	–
1 to 3 months	**47,453**	–
3 to 6 months	**46,293**	–
	104,593	–

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Management has assessed that the expected credit loss rate for trade receivables is minimal as at the end of the reporting period. In the opinion of the directors of the Company, the Group's long-term trade receivables relate to a large number of diversified customers with no recent history of default and the balances are considered fully recoverable considering the historical records and forward-looking information.

11. TRADE RECEIVABLES

	December 31, 2024 RMB'000	2023 RMB'000
Trade receivables	**290,872**	70,416

The Group's trade receivables arise from the sale of products. The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period generally ranges from 2 days to one month, extending up to three months for major direct sales customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. 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 dates of delivery of goods and equipment/rendering of franchising services, is as follows:

	December 31, 2024 RMB'000	2023 RMB'000
Within 1 month	**125,166**	46,664
1 to 3 months	**92,339**	16,870
3 to 6 months	**69,374**	4,479
6 months to 1 year	**3,993**	2,403
	290,872	70,416

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Management has assessed that the expected credit loss rate for trade receivables is minimal as at the end of the reporting period. In the opinion of the directors of the Company, the Group's trade receivables relate to a large number of diversified customers with no recent history of default and the balances are considered fully recoverable considering the historical records and forward-looking information.

12. TRADE PAYABLES

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

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**684,927**	594,838
3 to 6 months	**10,603**	4,088
6 months to 1 year	**2,361**	2,346
	697,891	601,272

As at December 31, 2024, included in the Group's trade payables were amounts due to the related parties of RMB1,918,000 (December 31, 2023: RMB152,000).

Trade payables are non-interest-bearing and normally settled within 30 days.

As at the end of the reporting period, the carrying amounts of trade payables approximated to their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

We are a leading and fast-growing freshly-made beverage company in China, dedicated to serving fresh, tasty and value-for-money beverages of consistently high quality. We focus on the mid-priced segment of China's freshly-made tea store market, which is the largest segment in terms of GMV in 2023, the fastest-growing segment in terms of expected GMV growth from 2023 to 2028, and a segment with intense competition. The Company recorded total revenue of RMB8,791.4 million in 2024, representing a year-on-year growth of 14.5%; our gross profit amounted to RMB2,687.5 million, representing a year-on-year growth of 11.8%.

Store Network and Store Performance

We primarily operate under a franchise model under "*Good me*" brand. We manage an extensive network of stores with steadily increasing GMV and a track record of profitability. Our store network, covering over 200 cities across all city tiers in China, encompassed 9,914 stores as of December 31, 2024, representing an increase of 10.1% from 9,001 stores as of December 31, 2023.

The following table sets forth our store count across various city tiers and as a percentage of our total store count as of December 31, 2023 and 2024, respectively.

	As of December 31,			
	2024		2023	
	Store Count	**%**	Store Count	%
First-tier cities	**282**	**3**	272	3
New first-tier cities	**1,681**	**17**	1,634	18
Second-tier and below cities	**7,951**	**80**	7,095	79
– Second-tier cities	***2,860***	***29***	*2,690*	*30*
– Third-tier cities	***2,668***	***27***	*2,349*	*26*
– Fourth-tier and below cities	***2,423***	***24***	*2,056*	*23*
Total	**9,914**	**100**	9,001	100

Under our regional densification strategy, we strategically allocate resources towards building store networks with high geographical density across all city tiers in target provinces. Leveraging our experience and advantage in provinces with a critical mass, we strategically venture into neighboring provinces. We have established provincewide networks with a critical mass in eight provinces, which collectively accounted for 83% of our GMV in 2024.

We believe that second-tier and below cities and towns (鎮) and townships (鄉) represent large untapped markets with significant potential. Our store count in second-tier and below cities accounted for 79% of our total store count as of December 31, 2023, the highest percentage as compared to those of the other top five mid-priced freshly-made tea store brands in China, and slightly increased to 80% as of December 31, 2024. In addition, as of December 31, 2023, 38% of our stores were located in towns and townships, which are administrative areas typically located away from downtown urban areas of cities. The percentage of our stores in these areas was the highest among the top five mid-priced freshly-made tea store brands in China as of December 31, 2023, and this percentage slightly grew to 41% as of December 31, 2024.

While we have steadily expanded our store network, we also experienced a larger number of store closures in 2024. The following table sets forth movement in the number of our stores for the years ended December 31, 2023 and December 31, 2024.

	For the year ended December 31,	
	2024	2023
Store count at the beginning of the year	**9,001**	6,669
Stores opened during the year	**1,587**	2,597
Stores closed during the year	**674**	265
Store count at the end of the year	**9,914**	9,001

For the year ended December 31, 2024, we opened new stores at a slower pace than we did in 2023 and closed more stores than we did in 2023, primarily because (i) the freshly-made tea store market experienced a slowdown in growth, and (ii) there was increased competition within the industry, with some players launching low-priced products. In response to these changes, we adjusted our business strategy to focus on improving the operating efficiency and business performance of our existing stores, while slowing down the pace of new store openings. In particular, (i) we promoted the sale of coffee machines to existing franchisees to help our stores diversify their product offerings and increase overall GMV; (ii) we increased our spending on promotional activities to build brand awareness; (iii) we enhanced our standards during store inspections with respect to the quality of beverages made on-site; and (iv) we placed greater importance on expected store performance when evaluating new store openings. In addition, a greater number of stores were closed in the year ended December 31, 2024, as (i) some of our per-store operating metrics experienced decreases during the year ended December 31, 2024 and more franchisees decided to close their stores and (ii) for certain stores that fail to meet our operating standards and/or are located in sites we deem to be less ideal, we proactively discussed with the relevant franchisees and reached mutual agreements to close the relevant stores.

The following table sets forth certain key performance indicators of our stores:

	For the year ended December 31,	
	2024	2023
Total GMV *(RMB in thousands)*	**22,396,545.4**	19,213,723.3
Per-store GMV *(RMB in thousands)*	**2,360.7**	2,466.4
Per-store daily GMV *(RMB in thousands)*	**6.5**	6.8
Total number of cups sold *(in thousands)*	**1,328,474.1**	1,184,648.7
Per-store number of cups sold *(in thousands)*	**140.0**	152.1
Per-store daily number of cups sold	**384**	417

For the year ended December 31, 2024, as a result of the general industry slowdown and increased competition as discussed above, we recorded smaller per-store GMV, per-store daily GMV, per-store number of cups sold and per-store daily number of cups sold as compared to 2023. Nonetheless, as we continued our store network expansion and opened a number of new stores, we continued to grow our total GMV and total number of cups sold. Our Directors are of the view that our business will inevitably be affected by the general macroeconomic conditions in China and the freshly-made tea store market in general. In the medium and long term, with the expected growth of China's economy and consumer spending as well as the projected expansion of the freshly-made tea store market, we believe we can capture opportunities in the industry as one of the leading players and regain growth momentum in various operating metrics.

Our Franchisees

We operate our store network primarily in collaboration with our franchisees. Leveraging our franchisees' local knowledge, including their insights into local consumer preferences, our franchise model drives efficient and high-quality growth. We aim to foster a mutually beneficial relationship with our franchisees, working closely together to deliver high-quality products and services to our consumers. Beginning with franchisee selections, we adopt a rigorous process to ensure we onboard individuals who resonate with our longtermist philosophy. When opening new stores, we offer various supports, such as site selection and comprehensive trainings, to ease the process. For day-to-day operations, we help optimize franchisee profitability by centrally sourcing and supplying quality ingredients at competitive prices and bearing a majority of the warehousing and logistics expenses to reduce their cost. We take a variety of approaches to monitor the business activities and daily operations of our franchisees. To ensure compliance with our protocols, we require our franchised stores to operate under the view of in-store cameras at all times, and arrange for store-specific supervisors to visit regularly to review the store's management and operation.

As of December 31, 2024, we collaborated with 4,868 franchisees (as of December 31, 2023: 4,614 franchisees). We also terminated our relationship with a larger number of franchisees in 2024. The following table sets forth movement in the number of our franchisees for the years ended December 31, 2023 and 2024, respectively.

	For the year ended December 31,	
	2024	2023
Number of franchisees at the beginning of the year	**4,614**	2,949
Number of franchisees enrolled during the year	**1,125**	2,085
Number of franchisees terminated during the year	**871**	420
Number of franchisees at the end of the year	**4,868**	4,614

Product Offerings

The "*Good me*" stores offer three categories of beverages: (i) fruit tea beverages, (ii) milk tea beverages, and (iii) coffee beverages and others.

Consistent with our slogan, "one cup a day, always enjoy it (每天一杯喝不膩)," we provide our consumers with a variety of product offerings of consistent quality. Our product development framework is firmly rooted in continuous research, analysis, and accumulation of fundamental food science knowledge. Leveraging our strong product development capabilities, we regularly launch new beverages to keep our offerings appealing. For the year ended December 31, 2024, we launched 103 beverages.

Our beverages are broadly embraced by consumers and have received excellent consumer reviews. We had accumulated approximately 151 million registered members on our mini programs as of December 31, 2024, with over 44 million quarterly active members in the three months ended December 31, 2024.

Supply Chain Management

Substantially all beverages on our menu are made from short-shelf-life fresh fruits, tea leaves and/or fresh milk that are stored and distributed through our cold-chain warehousing and logistics infrastructure. We developed sophisticated protocols to manage all stages of our supply chain, from supply procurement, to ingredient processing, to warehousing and then to transportation to stores. Our supply chain capabilities, combined with our regional densification strategy, enable us to consistently deliver fresh and quality ingredients to our thousands of stores at competitive prices.

In particular, as of December 31, 2024, we operated 22 warehouses for our business operation, 20 of which were leased or contracted from third parties, and the remaining two are self-owned properties. These warehouses have an aggregate floor area of approximately 220,000 square meters, including cold storage spaces of over 60,000 cubic meter supporting various temperature ranges. As of December 31, 2024, approximately 75% of our stores are located within 150 kilometers of one of our warehouses. As a result, we can also provide cold-chain supply delivery to approximately 97% of our stores every two days upon request as of December 31, 2024.

We also possess strong logistics capabilities to transport products between our warehouses and from our warehouses to our stores. As of December 31, 2024, we directly owned and operated 323 vehicles to make deliveries between our warehouses and from our warehouses to our stores. Our vehicles are equipped with specialized equipment that can accomplish precise control over the temperature of our delivered products, thereby enabling effective and quality cold-chain delivery from our warehouses to our stores. We believe our cold-chain logistics capabilities sets us apart from many others in the industry, as we directly own and operate many of the vehicles used for cold-chain delivery and are able to ensure that our products are well-stored in cold environments throughout the delivery trips.

With our regional densification strategy, combined with our extensive warehousing and logistics infrastructure, we supply our franchised stores at relatively low cost. For the year ended December 31, 2024, the logistics cost for delivery from our warehouses to stores was approximately 1% of our total GMV.

Our Technologies

We place great importance on harnessing the power of technology to improve our operating efficiency, enhance our management of franchisees and drive our long-term growth.

We have implemented store systems that encompass in-house developed store management modules and connected appliances integrated with IoT, to digitalize their operations and enhance their operating efficiency. For instance, our proprietary tea brewer can automatically adjust brewing parameters based on our centralized inputs, delivering a consistent, optimal tea flavor across our stores. For our franchisees, our online management system offers comprehensive support, such as site selection recommendations based on our expanding database of over 23,000 store sites as of December 31, 2024. The system also generates tailored routes and store-specific checklists for our store supervisors to ensure comprehensive and efficient supervision. For consumer engagement, we have accumulated a large and loyal member base through our membership program and are able to dynamically customize our user engagement strategies.

OUTLOOK

2025 is the first year after the successful listing of our Shares on the Stock Exchange. Looking forward, we will continue to pursue the following strategies which will drive further growth.

Expand our store network and solidify our position in the industry

We will continue increasing our store density in the 17 provinces where we have presence. We expect that our products of consistently high quality and strong store performance will help extend our consumer reach and drive our growth in these markets. Leveraging our rich experience executing the regional densification strategy, we intend to expand into new areas and capture the untapped market opportunities. As of December 31, 2024, there were 17 provinces in China where we had yet to have presence, providing us with ample room for growth. We will strategically venture into provinces adjacent to where we have presence. We will also continually evaluate opportunities to enter overseas markets, prioritizing markets where freshly-made beverages have large growth potential and also factoring in the development of supply chain infrastructures and the extension of our platform to support our overseas store network.

Enhance our technologies to improve operating efficiency

We plan to continue to recruit and cultivate technology talents and intend to increase investment in our proprietary technologies to further strengthen our adaptive platform, thereby continuously empowering and digitalizing our operations. We will continue to invest in technologies related to our business management, such as our cloud server facilities, accounting management system, office software and other third-party applications, enabling efficient coordination internally and with our franchisees and other business partners. In respect of store systems that integrate software and connected appliances for our store operations, we will further enhance these technologies to improve our stores' operating efficiency and ensure the consistency of offerings across our stores. Leveraging our accumulated business insights, we aim to strengthen our business intelligence tools to optimize various aspects of our operation, including product development, procurement, warehousing and logistics, and sales and marketing, among others.

Continue to invest in product research and development to refine and expand our product offerings

We will continue to focus on research on food science and strengthen our product development capabilities. Going forward, we will continue to refine our existing products and launch beverages that cater to evolving consumer preferences and attract a broader consumer base. We will also deepen our collaborations with universities and research institutions, including Zhejiang University, to further enhance our research capabilities.

As we solidify our position in the freshly-made tea beverage market, we plan to enrich our product mix and expand into new categories, such as further enriching freshly-made coffee beverage offerings, to capture more cross-selling opportunities and fulfill more diversified consumer needs. We believe these new offerings will help expand consumer base and increase consumer purchase frequencies, which will further drive our revenue growth.

Strengthen our branding and consumer engagement efforts

We plan to continue investing in branding and consumer engagement activities to upgrade our brand image and strengthen our reputation. We plan to upgrade the interior design of our stores, and will launch diverse consumer engagement activities to elevate our brand image and enhance consumer recognition. At our stores, we will continue to intensify engagement with our consumers. We plan to further leverage online marketing methods such as developing creative online promotional content related to trending topics and events and collaborating with key opinion leaders. We will enhance consumer interaction through online social media and content platforms, and we will also create new collaborations with popular media content, such as anime and television shows.

In addition, we will further develop our membership program by offering more tailored member engagement activities and marketing campaigns to improve consumer experience and enhance consumer loyalty.

Enhance our supply chain capabilities

We will further invest in our industry-leading supply chain infrastructure, which will support our store network expansion and enable us to consistently deliver fresh and quality ingredients to our stores. We plan to focus on the following areas:

- *Procurement.* As our business continues to scale up and our brand receives greater recognition, we expect to enjoy greater bargaining power when procuring our supplies. We will continue to procure quality ingredients, such as tea leaves and fresh fruits, directly from their source to ensure their freshness.

- *Ingredient processing.* We expect to continue investing in our processing facilities, including one facility constructed in Zhuji, Zhejiang in the second half of 2024, which will enhance our ingredient processing capacity and capabilities.

- *Warehousing and logistics.* As we expand our store network to new regions or increase our presence in existing markets, we will holistically evaluate our warehousing cost and delivery efficiency, and strategically invest in our warehousing and logistics infrastructure. We intend to invest in intelligent equipment and software for our warehouses, which will support automatic storage, packaging, inventory management and information tracking. We also plan to strengthen our logistics infrastructure by increasing and upgrading our freight vehicles. We will continue to refine our cold-chain capabilities to deliver short-shelf-life ingredients, such as fresh fruits, to our stores, including those in lower-tier cities, and maintain the stability of our deliveries and the quality of our ingredients.

FINANCIAL REVIEW

Revenue

During the year ended December 31, 2024, the vast majority of our revenue was contributed by our franchised stores, which accounted for 96.6% of our total revenue (2023: 97.1%).

Our revenue increased by 14.5% from RMB7,675.7 million for the year ended December 31, 2023 to RMB8,791.4 million for the year ended December 31, 2024. We generate revenue mainly from the sales of goods and equipment and the provision of services to our franchisees. Our revenue from sales of goods and equipment accounted for the majority of the Group's revenue, representing 80.1% and 79.9% of our total revenue in 2023 and 2024, respectively. Such revenue increased from RMB6,144.7 million for the year ended December 31, 2023 to RMB7,027.5 million for the year ended December 31, 2024. In particular, our revenue from sales of goods increased by 13.6% from RMB5,778.3 million for the year ended December 31, 2023 to RMB6,562.7 million for the year ended December 31, 2024 as our store network expanded and the total GMV increased, which leads to higher demands of goods from us. Our revenue from sales of equipment increased by 26.8% from RMB366.4 million for the year ended December 31, 2023 to RMB464.8 million for the year ended December 31, 2024, primarily due to the increased sales of coffee machines.

Cost of Sales

Our cost of sales increased by 15.8% from RMB5,272.3 million for the year ended December 31, 2023 to RMB6,103.9 million for the year ended December 31, 2024. The increase in our cost of sales is generally in line with our revenue growth.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 11.8% from RMB2,403.3 million for the year ended December 31, 2023 to RMB2,687.5 million for the year ended December 31, 2024. Our gross profit margin decreased slightly to 30.6% for the year ended December 31, 2024 from 31.3% for the year ended December 31, 2023.

Other Income and Gains

Our other income and gains increased by 10.7% from RMB168.8 million for the year ended December 31, 2023 to RMB186.8 million for the year ended December 31, 2024, primarily due to an increase of RMB13.6 million in fair value changes of financial assets at fair value through profit or loss and an increase of RMB11.3 million in bank interest income, which is partially offset by a decrease of RMB10.0 million in government grants.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 42.4% from RMB336.6 million for the year ended December 31, 2023 to RMB479.4 million for the year ended December 31, 2024, primarily due to (i) an increase in advertising and promoting fees, mainly as a result of our increasing marketing and promotional efforts, primarily consisting of fees relating to IP collaborations where we pay owners of popular IPs for collaboration events and new product launches; and (ii) an increase in warehousing and transportation expenses, primarily attributable to our expanding store network.

Administrative Expenses

Our administrative expenses increased by 10.1% from RMB282.8 million for the year ended December 31, 2023 to RMB311.4 million for the year ended December 31, 2024. The increase in our administrative expenses is generally in line with our business growth.

Research and Development Expenses

Our research and development expenses increased by 17.0% from RMB198.7 million for the year ended December 31, 2023 to RMB232.6 million for the year ended December 31, 2024, primarily due to increased employee costs for our research and development staff and increased information technology fees.

Fair Value Changes of Financial Liabilities at Fair Value through Profit or Loss

In 2020, we issued redeemable ordinary shares to certain investors, who have the right to mandate us to repurchase their equity interests at the price agreed under certain circumstances. In 2022, we replaced the redeemable ordinary shares with warrants and convertible redeemable Series A Preferred Shares, which have been converted to ordinary shares upon the Listing. The investments from these investors were classified as financial liabilities and designated at fair value through profit or loss.

We recorded losses from fair value changes of financial liabilities through profit or loss of RMB294.2 million and RMB25.7 million for the year ended December 31, 2023 and 2024, respectively, primarily attributable to changes in the valuation of the Company. We do not expect to record any further fair value changes of financial liabilities at fair value through profit or loss after Listing as preferred shares liabilities have been re-designated and reclassified from liabilities to equity as a result of the automatic conversion into ordinary shares upon the Listing.

Income Tax Expense

Our income tax expenses decreased by 10.8% from RMB348.7 million for the year ended December 31, 2023 to RMB311.1 million for the year ended December 31, 2024. The decrease in our income tax expense was primarily due to more of our entities enjoying preferential income tax policies.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 36.2% from a net profit of RMB1,096.4 million for the year ended December 31, 2023 to a net profit of RMB1,493.2 million for the year ended December 31, 2024.

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We believe these non-IFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items.

The following table reconciles our adjusted profit (non-IFRS measure) for the year presented in accordance with IFRS Accounting Standards, which is profit for the year.

	For the year ended December 31,	
	2024	2023
	(RMB'000)	*(RMB'000)*
Reconciliation of profit for the year to adjusted profit (non-IFRS measure):		
Profit for the year	**1,493,218**	1,096,354
Add:		
Fair value changes of financial liabilities at fair value through profit or loss[(1)]	**25,650**	294,215
Share-based payment expenses[(2)]	**–**	55,537
Listing expenses[(3)]	**23,517**	12,884
Adjusted profit (non-IFRS measure)	**1,542,385**	1,458,990
Adjusted profit margin (non-IFRS measure)	**17.5%**	19.0%

Notes:

(1) Fair value changes of financial liabilities at fair value through profit or loss mainly represent changes in the fair value of the convertible redeemable preferred shares issued by us and relate to changes in our valuation. We do not expect to record any further fair value changes of financial liabilities at fair value through profit or loss after Listing as preferred shares liabilities have been re-designated and reclassified from liabilities to equity as a result of the automatic conversion into ordinary shares upon the Listing.

(2) Share-based payment expenses represent the non-cash employee benefit expenses incurred in connection with our award to key employees. Such expenses in any specific period are not expected to result in future cash payments.

(3) Listing expenses relate to the Global Offering of the Company.

Our adjusted profit for the year ended December 31, 2024 increased by 5.7% to RMB1,542.4 million as compared with RMB1,459.0 million for the year ended December 31, 2023. Our adjusted profit margin for the year ended December 31, 2024 decreased to 17.5% from 19.0% for the year ended December 31, 2023.

The following table reconciles our adjusted EBITDA (non-IFRS measure) for the year presented in accordance with IFRS Accounting Standards, which is profit for the year.

	For the year ended December 31,	
	2024	2023
	(RMB'000)	*(RMB'000)*
Reconciliation of profit for the year to adjusted EBITDA (non-IFRS measure):		
Profit for the year	**1,493,218**	1,096,354
Add:		
Income tax expense	**311,091**	348,733
Finance costs	**3,338**	5,233
Depreciation and amortization	**140,343**	135,137
Less:		
Interest income	**(65,076)**	(53,735)
EBITDA	**1,882,914**	1,531,722
Add:		
Fair value changes of financial liabilities at fair value through profit or loss	**25,650**	294,215
Share-based payment expenses	**–**	55,537
Listing expenses	**23,517**	12,884
Adjusted EBITDA (non-IFRS measure)	**1,932,081**	1,894,358

We define adjusted EBITDA (non-IFRS measure) as profit for the year, excluding income tax expense, finance costs, interest income, depreciation and amortization, fair value changes of financial liabilities at fair value through profit or loss, share-based payment expenses and listing expenses. For the same reasons stated above, we have made the adjustments of fair value changes of financial liabilities at fair value through profit or loss, share-based payment expenses and listing expenses.

Our adjusted EBITDA for the year ended December 31, 2024 increased by 2.0% to RMB1,932.1 million as compared with RMB1,894.4 million for the year ended December 31, 2023.

We believe that adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they helped our management. However, our presentation of adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

Inventories

Our inventories for the year increased by 11.7% from RMB881.1 million as of December 31, 2023 to RMB984.2 million as of December 31, 2024. The increase in our inventories is generally in line with our revenue growth.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss represent wealth management products, which we purchased, issued by banks in Mainland China with a maturity period within one year or due on demand. Our financial assets at fair value through profit or loss increased from RMB197.3 million as of December 31, 2023 to RMB1,244.6 million as of December 31, 2024. The changes in our financial assets at fair value through profit or loss were primarily because we adjusted our investment amounts in wealth management products due to changes in the interest rates of bank deposits and investment return rates of wealth management products.

Cash and Bank Balances

Our cash and bank balances primarily consist of (i) cash on hand and cash at bank, and (ii) short-term bank deposits. Our cash and bank balances decreased from RMB2,428.0 million as of December 31, 2023 to RMB1,935.3 million as of December 31, 2024, primarily due to the purchase of wealth management products.

Property, Plant and Equipment

The carrying amount of our property, plant and equipment increased from RMB590.1 million as of December 31, 2023 to RMB954.4 million as of December 31, 2024, primarily due to (i) ongoing construction of an office building in Taizhou and (ii) construction and completion of our processing facility in Zhuji, which has been put into operation in 2024.

Trade Payables

Our trade payables increased to RMB697.9 million as of December 31, 2024, as compared to RMB601.3 million as of December 31, 2023, primarily attributable to the increase in our purchase amounts. Our trade payable turnover days increased slightly from 34 days in 2023 to 39 days in 2024.

Financial Liabilities at Fair Value through Profit or Loss

In 2020, we issued redeemable ordinary shares to certain investors and further replaced the redeemable ordinary shares with warrants and convertible redeemable Series A Preferred Shares in 2022, which have been converted to ordinary shares upon the Listing. The investments from these investors were classified as financial liabilities and designated at fair value through profit or loss.

Our financial liabilities at fair value through profit or loss increased slightly from RMB3,156.0 million as of December 31, 2023 to RMB3,181.7 million as of December 31, 2024. The increase was primarily due to the slight increase in the fair value of our convertible redeemable preferred shares as a result of changes in the valuation of the Company.

Liquidity and Capital Resources

During the year ended December 31, 2024, we funded our cash requirements principally from cash flows from operating activities. Our net cash flows from operating activities for the Reporting Period was approximately RMB1,320.6 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) depreciation of property, plant and equipment, and (ii) depreciation of right-of-use assets.

As of December 31, 2024, we had cash and cash equivalents of RMB1,865.2 million (as of December 31, 2023: RMB2,358.0 million), comprising cash on hand and cash at banks. As of December 31, 2024, our interest-bearing bank and other borrowings amounted to approximately RMB121.2 million (as of December 31, 2023: RMB124.0 million). As of December 31, 2024, our bank facilities amounted to RMB881.5 million, of which RMB128.0 million had been utilized with an effective interest rate of 3.01% per annum. All of these bank facilities are guaranteed by our subsidiaries and secured by the buildings and restricted cash held by our subsidiaries.

The Group adopts a prudent financial management approach for its treasury policy to ensure that the Group's liquidity structure comprising assets, liabilities and other commitments is able to always meet its capital requirements. Taking into account the financial resources available to us, including cash generated from our operating activities, cash and cash equivalents, available facilities of the Company and the net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital required for the Group's operations.

Gearing Ratio

As at December 31, 2024, the Group's gearing ratio, which is calculated as total liabilities minus financial liabilities at fair value through profit or loss, divided by total assets, was 23.0%, as compared with 26.8% as at December 31, 2023.

Foreign Currency Risk

During the year ended December 31, 2024, we operated mainly in the PRC with most of the transactions settled in Renminbi. We seek to limit our exposure to foreign currency risk by minimizing our net foreign currency position. We consider that our business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of ours are denominated in the currencies other than the respective functional currencies of our entities, so that we do not hedge against any fluctuation in foreign currency.

Contingent Liabilities

As of December 31, 2024, the Group had no material contingent liabilities.

Capital Commitments

As of December 31, 2024, the Group's capital commitments amounted to RMB49.3 million (as of December 31, 2023: RMB183.1 million), which are mainly related to ongoing construction and completion of our warehouses, processing facilities and office building to support our business expansion.

Material Acquisitions and Disposals and Significant Investments

As of December 31, 2024, the Group neither had any significant investments (including any investments in an investee with a value of 5% or more of the Group's total assets as of December 31, 2024), nor material acquisitions and disposals of subsidiaries, associates and joint ventures. We subscribed for wealth management products from financial institutions for cash management during the Reporting Period. Since the Listing Date and as at the date of this announcement, there was no information in respect of subscription for such wealth management products from single financial institution required to be disclosed pursuant to Chapter 14, Chapter 14A or Appendix D2 of the Listing Rules.

Future Plan for Material Investments or Capital Assets

As at December 31, 2024, save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and further explained in section headed "Use of Proceeds from the Global Offering" below, the Group had no future plan for material investments or capital assets.

Pledge of Assets

As of December 31, 2024, all of the Group's bank facilities are guaranteed by subsidiaries of the Company and secured by the buildings with net carrying amounts of approximately RMB240.5 million and restricted cash with amounts of approximately RMB20.0 million held by subsidiaries of the Company (as at December 31, 2023, restricted cash of RMB124.0 million was pledged for the Group's interest-bearing other borrowings).

Capital Expenditure

For the year ended December 31, 2024, our total capital expenditure was approximately RMB450.1 million, compared to approximately RMB398.8 million for the year ended December 31, 2023. Our capital expenditures are primarily incurred for purchases of property, plant and equipment and purchases of other intangible assets. We intend to fund our future capital expenditures with our existing cash balance, cash generated primarily from operating activities. See the section headed "Future Plans and Use of Proceeds" in the Prospectus for more details. We may reallocate the fund to be utilized on capital expenditures and long-term investments based on our ongoing business needs.

Employees and Remuneration Policies

As of December 31, 2024, we had 2,726 full-time employees (as of December 31, 2023: 2,437 employees). The employee benefit expense (including directors' and chief executive's remuneration), comprising wages and salaries, as well as pension scheme contributions and social welfare, were approximately RMB700.1 million for the year ended December 31, 2024.

We recruit our employees primarily from the open market through recruitment advertisements, agencies, online platforms and referrals. We attract and retain suitable personnel by offering competitive wages and benefits. The level of salaries and benefits of the Group's employees is determined by with reference to the market and their respective individual qualifications and abilities, and incentive mechanisms such as performance bonuses were established.

We encourage everyone within our organization to pursue professional development opportunities. In furtherance of this goal, we have been offering trainings and career development programs to our employees to support their growth and upward mobility. We encourage our young employees to take leadership roles. We provide a large variety of professional development training. We conduct employee assessments at the end of each year to provide feedback and guidance, and, depending on their performance and responsibilities, provide promotion and training opportunities.

The Post-IPO Share Scheme was approved by way of Shareholders' resolutions dated January 27, 2025 with effect from Listing Date. The purpose of the Post-IPO Share Scheme is to provide selected participants with the opportunity to acquire shareholding interests in the Company so as to align the interests of the selected participants with those of the Company and to encourage selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole. The Post-IPO Share Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to selected participants. The principal terms of the Post-IPO Share Scheme are summarized in the section headed "Statutory and General Information – Post-IPO Share Scheme" in Appendix IV to the Prospectus.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on February 12, 2025. The net proceeds received from the Global Offering (taking into account the partial exercise of the over-allotment option and after deduction of the underwriting fees and commissions and other estimated offering expenses payable by the Company in connection with the Global Offering) were approximately HK$1,930 million.

There has been no change in the intended use of the net proceeds as set out in the Prospectus under the section headed "Future Plans and Use of Proceeds". Since the Listing Date and up to the date of this announcement, the Company has not utilized any part of the net proceeds. The net proceeds will be utilized in the same manner, proportion and expected timeframe as set out in the Prospectus.

OTHER INFORMATION

Dividends

As set out in the Prospectus, in January 2025, the Company passed a Board resolution and Shareholders resolution, declaring a dividend of RMB1.74 billion based on the Company's share premium and retained profits from our subsidiaries as of September 30, 2024 to the existing Shareholders whose names appeared in the register of members of the Company on December 31, 2024 (the "**Dividend**"). As of December 31, 2024, the total amount of our cash and bank balances and financial assets at fair value through profit or loss was RMB3.2 billion. We have not and will not apply any proceeds from the Global Offering for settlement of the Dividend. As at the date of this announcement, we have paid RMB0.84 billion of the Dividend. We will settle the remaining RMB0.9 billion of the Dividend by March 2026 with the funds received from the dividend declared by our subsidiaries and/or other financial resources.

As further set out in the Prospectus, the Company intends to declare and distribute by December 2025 a special dividend (the "**Special Dividend**") in an amount of no less than RMB2 billion to our Shareholders (including our new Shareholders after the Listing) based on the Company's retained profits from our subsidiaries as of December 31, 2024 and share premium included in capital reserve, upon Special Dividend declaration. The Company will make announcements in due course in respect of the declaration and payment of the foregoing Special Dividend. The Controlling Shareholders have undertaken to vote in favor of the Shareholders' resolution for the declaration and payment of such Special Dividend.

Other than the foregoing Dividend declared in January 2025 and the Special Dividend, no further dividend will be declared in 2025 in respect of the Company's retained profits from the Company and/or our subsidiaries as of December 31, 2024 or under the Group's general dividend policy. For details of the Group's general dividend policy, see the section headed "Financial Information – Dividends" in the Prospectus.

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

As the Company's Shares had not been 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 sale of treasury shares) during the Reporting Period. As at the date of this announcement, no treasury shares (as defined under the Listing Rules) were held by the Company.

Audit Committee

From the Listing Date and up to the date of this announcement, the Audit Committee of the Company consists of two independent non-executive directors, Mr. Yue Zhuo (chairperson of the Audit Committee) and Mr. Jianbo Li, and one non-executive Director, namely Mr. Yaoxin Huang. The primary responsibilities of the Audit Committee are to inspect, review and supervise financial data and reporting process for financial data of the Company. The Audit Committee has reviewed the consolidated annual results of the Group for the Reporting Period and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

Scope of Work of Ernst & Young

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Reporting Period as set out in the preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. 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.

Compliance with the Corporate Governance Code

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code.

As the Company's Shares had not been listed on the Stock Exchange as of December 31, 2024, the CG Code was not applicable to the Company during the Reporting Period. The Board is of the view that the Company has complied with all code provisions as set out in Part 2 of the CG Code from the Listing Date and up to the date of this announcement, except for deviation from the code provision C.2.1 of the CG Code concerning the separation of the roles of chairman and chief executive officer. Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. The Company has appointed Mr. Yun'an Wang to serve as both the chairman and the chief executive officer of the Company. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct regarding the transactions of securities of the Company by its Directors and the relevant employees who would likely possess inside information of the Company.

As the Company's Shares had not been listed on the Stock Exchange as of December 31, 2024, the Model Code was not applicable to the Company during the Reporting Period. However, specific enquiry has been made to all Directors and all of them have confirmed that they have complied with the Model Code from the Listing Date and up to the date of this announcement.

Events after the Reporting Period

In January 2025, the Company declared a Dividend of RMB1.74 billion to its existing Shareholders whose names appeared in the Company's register of members on December 31, 2024. As at the date of this announcement, RMB0.84 billion of the Dividend was paid, and we will settle the remaining RMB0.9 billion of the Dividend by March 2026.

On February 12, 2025, the Company's Shares were listed on the Main Board of the Stock Exchange, where 182,403,600 Shares (taking into account the full exercise of the offer size adjustment option but before any exercise of the over-allotment option) were issued and subscribed for at an offer price of HK$9.94 per Share by way of initial public offering to Hong Kong and overseas investors. Net proceeds from these issues amounted to approximately HK$1,721 million.

On March 12, 2025, pursuant to the partial exercise of the over-allotment option by the overall coordinators (on behalf of the international underwriters) of the Global Offering, the Company issued and allotted an aggregate of additional 21,869,200 Shares at the offer price of HK$9.94 per Share. The additional net proceeds from the partial exercise of over-allotment option amounted to approximately HK$209 million.

Saved as disclosed above, no important event affecting the Group has occurred since the end of the Reporting Period and up to the date of this announcement.

Annual General Meeting

The AGM will be held on June 19, 2025. The notice of AGM will be published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.gumingnc.com) in due course.

Closure of Register of Members

For the purpose of determining the Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Monday, June 16, 2025 to Thursday, June 19, 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, June 13, 2025. Shareholders whose names appear on the register of members of the Company on Thursday, June 19, 2025 (the record date) will be entitled to attend and vote at the AGM.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.gumingnc.com). The annual report for the Reporting Period will be published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"active members"	members that placed at least one order through one of our mini programs or over the counter in a given period
"AGM"	annual general meeting of the Company
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Company"	Guming Holdings Limited (古茗控股有限公司), a company with limited liability incorporated in the Cayman Islands on August 31, 2021
"Controlling Shareholders"	has the meaning ascribed to it in the Prospectus
"critical mass"	in the context of discussing our regional densification strategy, a province or the store network in a province achieving "critical mass" refers to at least 500 "*Good me*" stores opened in the province
"Director(s)"	the director(s) of the Company
"Global Offering"	has the meaning ascribed to it in the Prospectus
"GMV"	gross merchandise value
"Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing"	the listing of Shares on the Main Board of the Stock Exchange on February 12, 2025
"Listing Date"	February 12, 2025, being the date on which the Shares were listed on the Main Board of the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"per-store GMV"	calculated by multiplying the per-store daily GMV by the number of days in the relevant period. The number of days for the years ended December 31 is 365 days. The per-store daily GMV is calculated by dividing the total GMV generated by our stores in a given period by the aggregate of the number of days that each of our stores could be open for business in the given period, which is measured by the number of days from (i) the latter of a store's launch day and the first day of the year, to (ii) the earlier of a store's closure day and the last day of the period. Launch day refers to the first day a newly launched store opens for business
"per-store number of cups sold"	calculated by multiplying the per-store daily number of cups sold by the number of days in the relevant period. The number of days for the years ended December 31 is 365 days. The per-store daily number of cups sold is calculated by dividing the total number of cups sold by our stores in a given period by the aggregate of the number of days that each of our stores could be open for business in the given period, which is measured by the number of days from (i) the latter of a store's launch day and the first day of the period, to (ii) the earlier of a store's closure day and the last day of the period. Launch day refers to the first day a newly launched store opens for business
"Post-IPO Share Scheme"	the share incentive plan approved and adopted by the Company on January 27, 2025, and amended from time to time, the principal terms of which are set out in "Statutory and General Information – Post-IPO Share Scheme" in Appendix IV of the Prospectus
"PRC", "China" or "Mainland China"	the People's Republic of China, excluding, for the purposes of this announcement, Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"presence"	in the context of discussing our regional densification strategy, establishing "presence" in a province refers to at least 10 "*Good me*" stores opened in the province

"Prospectus"	the prospectus issued by the Company on February 4, 2025 in connection with the Hong Kong public offering of the Shares
"Reporting Period"	the year from January 1, 2024 to December 31, 2024
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Series A Preferred Shares"	series A preferred shares with par value of US$0.00001 each in the share capital of the Company, comprising of Series A-1, Series A-2, Series A-3, Series A-4 preferred shares of the Company
"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of US$0.00001 each
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"towns and townships"	when used together, towns (鎮) and townships (鄉) refer to all of China's township-level administrative areas excluding subdistricts (街道), which are typically located in relatively developed, downtown urban areas
"US$"	United States dollar(s), the lawful currency of the United States of America
"%"	per cent.

By Order of the Board
Guming Holdings Limited
古茗控股有限公司
Mr. Yun'an Wang
Chairman of the Board

Hong Kong, March 28, 2025

As at the date of this announcement, the Board comprises (i) Mr. Yun'an Wang, Mr. Xia Qi, Mr. Xiudi Ruan, Ms. Yayu Jin and Mr. Yunjiang Cai as executive Directors; (ii) Mr. Yaoxin Huang as non-executive Director; and (iii) Mr. Yue Zhuo, Ms. Xiaodong Zheng and Mr. Jianbo Li as independent non-executive Directors.