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**Sichuan Baicha Baidao Industrial Co., Ltd.**

**四川百茶百道實業股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2555)**

**ANNUAL RESULTS ANNOUNCEMENT FOR  
THE YEAR ENDED 31 DECEMBER 2024**

The board of directors (the “**Board**”) of Sichuan Baicha Baidao Industrial Co., Ltd. (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2023 as follows:

**SUMMARY OF FINANCIAL PERFORMANCE**

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	<b>4,917,997</b>	5,704,307
Gross profit	<b>1,534,679</b>	1,963,782
Profit before taxation	<b>621,835</b>	1,365,848
Profit for the year	<b>479,726</b>	1,150,780
Profit for the year attributable to owners of the Company	<b>472,184</b>	1,139,211
Earnings per Share (in RMB)		
– Basic	<b>0.336</b>	0.981
– Diluted	<b>0.335</b>	0.981
Adjusted net profit (non-IFRS measure)	<b>644,970</b>	1,257,553

In this announcement, “**we**” refers to the Company and (as otherwise required by the context) 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 15 April 2024 (the “**Prospectus**”).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

In 2024, the Group recorded revenue of RMB4,918.0 million, representing a decrease of 13.8% as compared with the corresponding period last year. Our revenue from our sale of goods and equipment decreased by 14.2% as compared with the corresponding period last year. Revenue from royalty and franchising decreased by 7.9% as compared with the corresponding period last year. Other revenue decreased by 1.0% as compared with the corresponding period last year. The following table sets out the breakdown of the Group's revenue by type and the percentage of our total revenue during the periods indicated:

	2024		Year ended 31 December		Change	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except percentages)</i>						
Sale of goods and equipment <sup>(1)</sup>	4,652,382	94.6	5,419,980	95.0	(767,598)	(14.2)
Royalty and franchising <sup>(2)</sup>	213,404	4.3	231,595	4.1	(18,191)	(7.9)
Others <sup>(3)</sup>	52,211	1.1	52,732	0.9	(521)	(1.0)
Total	<u>4,917,997</u>	<u>100.0</u>	<u>5,704,307</u>	<u>100.0</u>	<u>(786,310)</u>	<u>(13.8)</u>

#### Notes:

- (1) Sale of goods and equipment: where the Group sells to franchised stores materials and ingredients for the production of tea drinks, such as dairy products, tea leaves and fruits, as well as packaging materials and store equipment. The Group also sells packaging materials to third-party purchasers that are manufactured by Senmian New Materials, such as biodegradable straws and cups.
- (2) Royalty and franchising: including non-refundable upfront initial fees, royalty income and pre-opening training service fees paid by franchisees.
- (3) Others: mainly consisted of (i) income from our design services to franchised stores; (ii) income from our online operation and management services in relation to the collaboration with third-party online delivery platforms; and (iii) income from our self-operated ChaPanda stores.

Taking into account the impact of consumer behavior shifts as affected by changes in the external environment, and the impact of changes in the market competition landscape, the Group provided more supportive policies and favourable prices of goods and equipment for franchisees and increased the overall expenses on market promotion and marketing efforts in 2024.

### Store Network

Our ChaPanda store network in China comprises stores strategically dispersed across different tiers of cities. While maintaining our position in first-tier and new first-tier cities to enhance our brand identity and keep up with the ever-changing market trend, we have been penetrating and will continue to penetrate into lower-tier cities with promising potential for consumption growth. This deliberate distribution ensures that we reach a broad spectrum of consumers and establish brand visibility across all tiers of cities.

The following table sets forth a breakdown of the Group's store coverage by city tier in China as of 31 December 2024.

	As of 31 December			
	2024		2023	
	Number of stores	%	Number of stores	%
First-tier cities	790	9.4	827	10.6
New first-tier cities	2,141	25.5	2,098	26.9
Second-tier cities	1,696	20.2	1,628	20.9
Third-tier cities	1,623	19.3	1,516	19.4
Fourth-tier and below cities	2,145	25.6	1,732	22.2
Total	<u>8,395</u>	<u>100.0</u>	<u>7,801</u>	<u>100.0</u>

The number of our stores in China continued to increase from 7,801 as of 31 December 2023 to 8,395 as of 31 December 2024, representing a year-on-year increase of 7.6%.

We strategically maintained a limited number of self-operated stores in selected cities to create an immersive consumer experience and to serve as a prominent representation of our brand. As of 31 December 2024, we had thirteen self-operated stores, compared to six as of 31 December 2023.

We are advancing our overseas business as scheduled. As of 31 December 2024, we have opened seven stores in South Korea, two in Malaysia, two in Thailand, two in Australia and one in Hong Kong, China, respectively. To satisfy the demand in the overseas market, we are improving our capabilities to conduct supply chain business, product R&D and brand promotion, which adapt to the overseas business development.

## Our Franchise Model

During the Reporting Period, our ChaPanda store network primarily consisted of franchised stores. We maintain strong oversight of franchised stores, ensuring that every aspect of store operation is properly managed and optimized for success. Our involvement throughout the operations of the franchised stores encompasses participation in planning and location selection and provision of in-depth training to franchisees and in-store staff on various aspects such as procurement, staff recruitment, quality control and daily management. Additionally, we supply raw materials and equipment, and provide logistics, operation and marketing services to support our franchisees in their pursuit of success. Franchisees primarily focus on the day-to-day operation and maintenance of their stores, on-site staff management and customer service. By dividing responsibilities in this manner, we ensure that our franchisees receive the necessary support and guidance while maintaining their autonomy in managing their stores. This approach fosters a strong partnership between us and the franchisees, contributing to the overall success and growth of ChaPanda brand. To unite our efforts, we held the nationwide franchisee conference in Chengdu, Sichuan on 30 March 2024.

The following table sets forth the movement of the number of our franchisees for the year indicated.

	<b>Number of franchisees</b>	
	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
At the beginning of the year	<b>5,538</b>	5,396
Enrolled during the year	<b>1,348</b>	805
Terminated during the year	<b>(1,144)<sup>(1)</sup></b>	(663)
At the end of the year	<b><u>5,742</u></b>	<b><u>5,538</u></b>

The following table sets forth the movement of the number of franchised stores for the year indicated.

	<b>Number of franchised stores</b>	
	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
At the beginning of the year	<b>7,795</b>	6,352
Enrolled during the year	<b>1,477</b>	1,663
Terminated during the year	<b>(890)<sup>(2)</sup></b>	(220)
At the end of the year	<b><u>8,382</u></b>	<b><u>7,795</u></b>

*Notes:*

- (1) The 1,144 franchisees with whom the collaboration was terminated in 2024 include (i) 701 franchisees who departed through transfer of stores to other franchisees; (ii) 409 franchisees who terminated collaboration with us for their own reasons or did not renew collaboration with us upon agreement expiration; and (iii) 34 franchisees with whom the collaboration was terminated by us.
- (2) The number of franchisees with whom the collaboration was terminated in 2024 is greater than the number of closed franchised stores during the same period, primarily because that for 701 franchisees with whom the collaboration was terminated in 2024, their stores were taken up by other franchisees for continuous operation. With respect to the 890 closed franchised stores during 2024, there were 453 closed franchised stores for which we also terminated relationships with the relevant franchisees, and there were 437 closed franchised stores for which we maintained relationships with the relevant franchisees as they have one or more stores under operation despite the store closure.

## **Product Development**

Our product portfolio includes a wide range of classic tea drinks, seasonal tea drinks and regional tea drinks. In ChaPanda stores, our classic tea drinks are typically available throughout the year, whereas seasonal tea drinks and regional tea drinks are only sold in limited time periods or certain regions, primarily depending on accessibility of relevant seasonal fruits or local specialty fruits, consumer acceptance and sales and marketing considerations.

During the Reporting Period, we have launched 60 new products, upgraded 42 products, and developed 372 formulas of products stored in warehousing facilities, targeting the Chinese market, highlighting our proactive approach to product development and innovation.

In order to meet the demand of consumers for health, we launched products such as Qingti Wheatgrass (清體小麥草) and Qingchang Kale (輕暢羽衣甘藍) during the Reporting Period, which gained wide popularity among customers.

## **Supply Chain Management**

The warehouse and distribution hubs in each region are responsible for serving the surrounding stores within an average distribution radius of 500 kilometers. Approximately 92% of stores can receive next-day delivery after placing an order, and approximately 95% of stores can receive delivery services twice or more times a week while there are 41 guaranteed overnight delivery routes in Beijing, Chengdu and Chongqing, etc. We set up temperature-controlled storage and delivery hubs to provide near-me delivery so that time, efficiency and frequency can be enhanced while the delivery of fresh and high-quality raw material to stores can be ensured.

As of 31 December 2024, the Group's unified delivery of fruits to ChaPanda stores has covered 71.7% of the total number of stores. The fruit supply chain has been optimized with the expansion of self-sourcing from production areas, as well as a combination of trunk line, city and express delivery.

On 27 May 2024, the production base for natural tea drinks of the Group was officially put into operation in Jin'an District, Fuzhou City, Fujian Province, further ensuring the quality of the Group's tea raw materials and the stable quality of tea beverages offered in ChaPanda stores.

To meet the needs of the overseas business development of the Company, the Group proactively engaged in import and export matters in various countries and regions, improved delivery management and promoted the application of information systems to fully support the Company's overseas business development.

## **Branding and Marketing**

We reward our dedicated clients through loyalty programs and incentivized referrals, fostering brand advocacy and solidifying consumer relationships. As of 31 December 2024, we had 139.27 million registered members, representing an increase of 53.2% compared with the number of existing members as of 31 December 2023; and 59.29 million active members as of 31 December 2024, representing an increase of 17.3% compared with the number of active members as of 31 December 2023. We have continued to expand our brand voice and influence via digitalized marketing, IP marketing, crossover cooperation, celebrity product endorsement and brand anniversary campaigns. As of 31 December 2024, "ChaPanda" brand-related major topics were read/played 14.9 billion times on mainstream public information platforms, such as Weibo, Douyin, Xiaohongshu, etc., and 1.9 billion times via official matrix media on self-media platforms; and we received over 3 billion exposures through advertising and other means.

## Digitalization

Growth through digital marketing and innovation. In 2024, we accessed four new platform sales channels, four equity cooperation channels and eight API service channels to further expand our market presence. We produced 207 creative marketing pages to introduce diverse interactive gameplay, thus delivering a flexible consumption experience for users. Takeout business through the WeChat/Alipay mini program was officially launched to refine and upgrade the experience of ordering. The online rate of stores reached 90%. The experience on the mini program tended to be diversified, and user interaction and consumption experience were significantly improved.

Operation empowered by digitalization, efficiency improvement promoted by intelligence. The security and stability of the core ordering system have been improved, while an ordering system adapted to overseas business has been developed for global expansion. Upgrade of the store automation construction system has enabled the opening of new stores within 30 days. AI self-checking and commenting, AI inspection and suggestions, AI intelligent summary and other functions have restructured the inspection and patrol system, which relies on AI large model to build a new supervision platform, thus contributing to significant improvement of the efficiency of store management. A unified store management platform for franchisees has been provided to empower them in all aspects of business management.

Product research and development enabled by digital intelligence, quality and efficiency facilitated by innovation. The research and development of intelligent milk tea machines and the implementation of store applications have been promoted to improve the efficiency and stability of serving the drinks in stores. Digital capabilities for new product development have been enhanced for continuously improving the capability of market insights through product creativity tools. The 2.0 version of the product value chain has been launched to optimize product costs. The construction of the middle platform of the supply chain has been strengthened to improve the efficiency of the ordering process, and enhance service experience in stores.

In 2024, the “ChaPanda’s Super Automation System Development for Software Intelligence and Efficiency” (茶百道軟件智效超級自動化系統建設) of the Company was accredited as a “Typical Case of 2024 Software Intelligence and Efficiency Leader” (2024 年軟件智效領航者典型案例) by the Cloud Computing and Big Data Research Institute of the China Academy of Information and Communications Technology.

## OUTLOOK

In 2025, following the Group’s development strategy, we will continue to expand our store network to further penetrate the domestic market, meanwhile strengthening exploration of overseas markets. We will also continue to strengthen product R&D capabilities and expand the product matrix to develop more products to meet market demand and consumer needs. Moreover, we will further improve overall operational efficiency by enhancing our supply chain capabilities and technical investment. Thus, our brand perception and our connection with consumers will be strengthened. With the competitive advantages of the Group in product research and development capabilities, supply chain capabilities, operation management capabilities, brand influence and digitalization capabilities, as well as the joint efforts of all employees, the Board believes the Group can effectively respond to changes in the competitive market environment, seize market opportunities, and achieve a long-term development of high quality. The Board is full of confidence in the Group’s development prospect in the future.



## **FINANCE REVIEW**

### **Revenue and gross profit**

During the Reporting Period, the Group recorded revenue of RMB4,918.0 million, representing a decrease of 13.8% as compared to RMB5,704.3 million for the same period of last year; gross profit of RMB1,534.7 million, representing a decrease of 21.9% as compared to RMB1,963.8 million for the same period of last year. During the Reporting Period, taking into account the impact of consumer behavior shifts as affected by changes in the external environment, the Company has provided more supportive policies and favourable prices of goods and equipment for franchisees in 2024 and bore marketing expenses with franchisees by providing subsidies for material sales, and the Group's gross profit margin decreased by 3.2 percentage points to 31.2% from 34.4% for the same period of last year.

### **Other income**

During the Reporting Period, the Group's other income amounted to RMB121.4 million, representing an increase of 85.4% as compared to RMB65.5 million for the same period of last year, mainly due to the significant increase in bank interest income resulting from the increase in the Company's idle funds upon the receipt of pre-IPO investments and proceeds from Global Offering.

### **Distribution and selling expenses**

During the Reporting Period, the Group's distribution and selling expenses amounted to RMB395.1 million, representing an increase of 201.6% as compared to RMB131.0 million for the same period of last year, which was mainly due to the fact that: (i) in order to cope with market competition and further enhance brand awareness, the Group continued to expand its brand volume and influence through strategies such as digital marketing, IP marketing, crossover cooperation, celebrity endorsement and anniversary events; and (ii) to implement the brand building and marketing strategy, the distribution and sales departments employed more staff compared to the same period of last year.

### **Administrative expenses**

During the Reporting Period, the administrative expenses of the Group amounted to RMB510.2 million, representing an increase of 21.4% as compared to RMB420.5 million for the same period of last year, mainly due to the increase in office expenses, such as employee salary and property leasing expense.

### **Research and development expenses**

During the Reporting Period, the Group's research and development expenses amounted to RMB33.8 million, representing an increase of 105.7% as compared to RMB16.4 million for the same period of last year, mainly due to the further expansion of research and development personnel of the digital team arising from the Group's continued efforts in digital infrastructure construction and investment in research and development.

## **Other expenses**

During the Reporting Period, the Group's other expenses amounted to RMB3.2 million, representing a decrease of 76.4% as compared to RMB13.6 million for the same period of last year, mainly due to the increase in the Group's donations to social welfare organizations last year.

## **Finance costs**

During the Reporting Period, the Group's finance costs amounted to RMB4.3 million, representing an increase of 16.6% as compared to RMB3.7 million for the same period of last year, mainly due to the increase in lease interest expenses in line with the increased leased assets, resulting from the business expansion and growth of operation scale of the Group.

## **Income tax expense**

During the Reporting Period, the Group's income tax expense was RMB142.1 million, representing a decrease of 33.9% as compared to RMB215.1 million for the same period of last year, mainly due to the decrease in taxable income.

## **Profit for the year**

As a result of the aforementioned changes, the Group's profit for the Reporting Period decreased by 58.3% from RMB1,150.8 million in the same period of last year to RMB479.7 million.

## **Non-IFRS measures**

To supplement our consolidated financial statements which are presented in accordance with IFRS, the Group also uses certain non-IFRS measures, namely, adjusted EBITDA, adjusted EBITDA margin, adjusted net profit and adjusted net profit margin, as additional financial metrics. These non-IFRS measures are not required by or presented in accordance with IFRS. The Group believes that non-IFRS measures facilitate comparisons of the Group's operating performance by eliminating potential impacts of certain items. The Group also believes that such non-IFRS measures present useful information in understanding and evaluating the Group's consolidated results of operations in the same manner as they help our management. However, the Group's presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and Shareholders and potential investors should not consider it in isolation from, or as a substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS.



The following table reconciles the Group's EBITDA (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and our adjusted net profit (non-IFRS measure) to our profit for the year presented in accordance with IFRS, for the year indicated.

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit for the year</b>	<b>479,726</b>	<b>1,150,780</b>
Add:		
Income tax expense	142,109	215,068
Depreciation and amortization	89,472	67,007
Finance costs	4,305	3,692
Interest income	(43,852)	(6,954)
<b>EBITDA (non-IFRS measure)</b>	<b>671,760</b>	<b>1,429,593</b>
Add:		
Listing expenses charged in profit or loss <sup>(1)</sup>	7,197	30,935
Equity-settled share-based payment expenses <sup>(2)</sup>	12,826	—
Loss on fair value change of redeemable shares with other preferential rights <sup>(3)</sup>	145,221	75,838
<b>Adjusted EBITDA (non-IFRS measure)</b>	<b>837,004</b>	<b>1,536,366</b>
<b>Adjusted EBITDA margin (non-IFRS measure)</b>	<b>17.0%</b>	<b>26.9%</b>
<b>Profit for the year</b>	<b>479,726</b>	<b>1,150,780</b>
Add:		
Listing expenses charged in profit or loss <sup>(1)</sup>	7,197	30,935
Equity-settled share-based payment expenses <sup>(2)</sup>	12,826	—
Loss on fair value change of redeemable shares with other preferential rights <sup>(3)</sup>	145,221	75,838
<b>Adjusted net profit (non-IFRS measure)</b>	<b>644,970</b>	<b>1,257,553</b>
<b>Adjusted net profit margin (non-IFRS measure)</b>	<b>13.1%</b>	<b>22.0%</b>

Notes:

- (1) Listing expenses charged in profit or loss are related to the Global Offering.
- (2) Equity-settled share-based payment expenses represent the fair value of the shares granted at the date of grant taking into account the consideration for subscription of the equity interests. The item is adjusted as it is non-cash, and is not expected to result in our future cash payments.
- (3) Loss on fair value change of redeemable shares with other preferential rights represents the fair value change of redeemable shares with other preferential rights. The redeemable shares with other preferential rights were redesignated from liability to equity as a result of the termination of special rights upon listing of the Company. The item is adjusted as it is non-cash and is not expected to result in our future cash payments.

## **Cash and cash equivalents**

As at 31 December 2024, the total balance of cash and cash equivalents of the Group was RMB3,559.9 million, representing an increase of 397.2% as compared to RMB716.0 million as at 31 December 2023, mainly due to the receipt of proceeds from the Global Offering.

## **Inventories**

During the Reporting Period, the Group focused on key items and improved operational efficiency. The Group's inventories increased from RMB201.2 million as at 31 December 2023 to RMB206.8 million as at 31 December 2024. Inventories turnover days increased from 19.2 days as at 31 December 2023 to 22.1 days as at 31 December 2024, which was because the production base for natural tea drinks of the Group was officially put into operation in May 2024, resulting an increase in the inventory balance of teas.

## **Trade and other receivables, deposits and prepayments**

The Group's trade and other receivables, deposits and prepayments increased from RMB62.8 million as at 31 December 2023 to RMB228.5 million as at 31 December 2024. Trade receivables turnover days increased from 0.4 days as at 31 December 2023 to 0.6 days as at 31 December 2024, which was basically flat.

## **Trade and other payables**

The Group's trade and other payables decreased from RMB770.6 million as at 31 December 2023 to RMB674.5 million as at 31 December 2024. Trade payables turnover days increased from 34.4 days as at 31 December 2023 to 35.1 days as at 31 December 2024, which was basically flat.

## **Bank borrowings**

As of 31 December 2024, the Group did not have any bank borrowings.

## **Contract liabilities**

The Group's contract liabilities decreased from RMB324.2 million as at 31 December 2023 to RMB219.3 million as at 31 December 2024, mainly due to the Group's granting of some concessions to franchisees for the sale of goods and equipment and deduction of franchise fees payable by new stores, which resulted in a decrease in prepayments from franchisees.

## **Lease liabilities**

The Group's lease liabilities increased from RMB83.5 million as at 31 December 2023 to RMB105.5 million as at 31 December 2024, mainly due to the increase in lease, with the business expansion and growth of operation scale of the Group.

## **Property, plant and equipment**

The Group's carrying amounts of property, plant and equipment decreased from RMB235.7 million as at 31 December 2023 to RMB216.5 million as at 31 December 2024, mainly due to the normal depreciation of property, plant and equipment.

## **Liquidity and capital resources**

The Group has adopted a prudential liquidity management policy. The Group attached great importance to the supply and acquisition of capital at any time and had sufficient stand-by banking facilities to support daily operations and meet funding needs for future development, so as to maintain stable liquidity. During the Reporting Period, the Group's business was mainly funded by cash generated from operating activities. As of 31 December 2023 and 31 December 2024, the Group's cash and cash equivalents amounted to RMB716.0 million and RMB3,559.9 million, respectively. The Group's cash is mainly used for the fulfillment of its business operation requirements. The Group's capital needs are satisfied by cash generated from operating activities, the proceeds from the Global Offering and other future equity or debt financings.

## **Foreign exchange risk**

The Group's principal place of business is in the PRC. The Group was mainly exposed to foreign exchange risk associated with proceeds from the Global Offering denominated in Hong Kong dollars and certain bank deposits denominated in U.S. dollars. During the Reporting Period, the Group did not conduct any foreign exchange hedging related activity. However, the Group's management, upon continuously supervising foreign exchange risk, will consider adopting appropriate hedging strategies when necessary.

## **Contingent liabilities**

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

## **Capital commitments**

As at 31 December 2024, the Group's capital commitments amounted to approximately RMB32.0 million, which mainly represents the capital expenditure in respect of the acquisition of property, plant and equipment and intangible assets contracted for but not provided in the historical financial information and commitments to investment in the joint venture.

## **Pledge of assets**

As at 31 December 2024, no assets of the Group were pledged by the Group.

## **Gearing ratio**

As of 31 December 2024, the Group did not have any bank borrowings. Accordingly, no gearing ratio is presented herein.

## **Significant investments, material acquisitions and disposals**

As of 31 December 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 31 December 2024), nor material acquisitions or disposals in relation to subsidiaries, associates and joint ventures. We subscribed for wealth management products from financial institutions for cash management. During the Reporting Period and as at the date of this announcement, there was no information in respect of subscription for such wealth management products from a single financial institution required to be disclosed pursuant to Chapter 14, Chapter 14A or Appendix D2 of the Listing Rules. The subscription for such wealth management products did not utilize the Company's proceeds from Global Offering.

## **Future plans for material investments or capital assets**

As at the date of this announcement, the Group currently had no future plans for other material investments or capital assets other than the “Future Plans and Use of Proceeds” as disclosed in the Prospectus.

## **Employees and remuneration policies**

As at 31 December 2024, the Group had 2,319 employees, and the total employee benefit expenses (including Directors’ remuneration) during the Reporting Period was RMB432.1 million. The level of salaries and benefits was determined by the Group for its employees with reference to the market and their respective individual qualifications and abilities, and incentive mechanisms such as performance bonuses were established. The Group continued to improve employee promotion policy and career development channels, and provide staff with fair career development opportunities, to motivate internal driving force and accelerate talent growth.

The Company kept optimizing the talent development system, and adopted an online-offline combination mode, offering staff an online learning platform and rich, cutting-edge curriculum resources focusing on general, professional and talent development training topics, so as to meet the learning and development needs in different scenarios, thereby supporting staff career advancement.

For the purposes of rendering improvement to the Company’s incentive mechanism, inspiring key employees to contribute their enthusiasm and creativity, facilitating sustainable growth of the Group’s performance, and bringing value-added benefits to the eligible participants while enhancing the Group’s value, so as to achieve the common development for both eligible participants and the Group, upon consideration and approval thereof at the extraordinary general meeting of the Company held on 27 June 2023, the Company adopted the Pre-IPO Employee Incentive Scheme, and established Tongchuang Gongjin, a limited partnership (serving as a Pre-IPO Employee Incentive Platform). 6,386,000 Shares were subscribed for by Tongchuang Gongjin, representing approximately 0.4322% of the total issued Shares of the Company. The awards of underlying Shares were granted to eligible participants on 10 August 2023, and all contribution payments have been fully paid. There will be no further Shares granted by the Company after the listing pursuant to the Pre-IPO Employee Incentive Scheme. For more details of the Pre-IPO Employee Incentive Scheme, please refer to “Statutory and General Information – 5. Pre-IPO Employee Incentive Scheme” in Appendix VI to the Prospectus.

## SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Since 31 December 2024 and up to the date of this announcement, the Group did not have any material events.

## USE OF PROCEEDS FROM THE LISTING

The Company was listed on the Main Board of the Stock Exchange on 23 April 2024 (the “**Listing Date**”) and 147,763,400 new Shares were issued at an offer price of HK\$17.50 per Share. After deducting underwriting commissions, fees and other expenses in relation to the Global Offering, the net proceeds from the listing amounted to approximately HK\$2,463.3 million. The proceeds from the listing were and will be utilized according to the plans disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, with details as follows:

Item	Percentage	Proceeds used for related purpose (HK\$ million)	Utilized proceeds during the Reporting Period (HK\$ million)	Unutilized proceeds as of the end of the Reporting Period (HK\$ million)	Expected timetable for the fully utilizing of unutilized proceeds
Improve our overall operation capabilities and strengthen our supply chain	51%	1,256.3	265.2	991.1	June 2027
Develop our digitalization capabilities, and engage and train professional talents	20%	492.7	93.1	399.6	June 2027
Branding and promoting activities	12%	295.6	288.4	7.2	June 2027
Promote our self-operated coffee brand and develop the coffee shop network across China	5%	123.1	1.4	121.7	June 2027
Product development and innovation, including recruiting, training and retaining in-house research and development personnel and building a research and development center at our headquarters equipped with advanced software and hardware to streamline and enhance our product development endeavors	2%	49.3	6.6	42.7	June 2027
Working capital and general corporate purposes	10%	246.3	128.2	118.1	June 2027
<b>Total</b>	<b>100%</b>	<b>2,463.3</b>	<b>782.9</b>	<b>1,680.4</b>	

We have placed the unutilized net proceeds in interest-bearing accounts of licensed commercial banks or financial institutions in China or Hong Kong. We will comply with the laws of China in relation to foreign exchange registration and remittance of the proceeds.

## **DIVIDENDS**

Pursuant to the Company's profit distribution policy, it is proposed by the Board that a cash dividend of RMB0.20 (before tax) per Share for the 2024 final dividend to all Shareholders of the Company based on the total share capital of 1,477,634,250 Shares of the Company after the listing and issuance of its H Shares, of which H Shareholders holding the Company's H Shares pursuant to the H Share Full Circulation carried out by the Company shall be paid in RMB; other H Shareholders shall be paid in Hong Kong dollars. The exchange rate of HK\$ will be calculated based on the average benchmark exchange rate of RMB to HK\$ as announced by the People's Bank of China for three business days before and including the date on which the 2024 annual general meeting is held. The Company will distribute a total cash dividend of RMB295,526,850.00. The 2024 final dividend will be financed by the Company's own funds other than proceeds from the listing.

The proposed final dividend is subject to Shareholders' approval at the 2024 annual general meeting, and is anticipated to be paid on or around Friday, 11 July 2025.

## **ANNUAL GENERAL MEETING**

The 2024 annual general meeting will be held on Wednesday, 21 May 2025. A notice convening the 2024 annual general meeting will be published in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

### ***Annual General Meeting***

For the purpose of determining the Shareholders' rights to attend and vote at the 2024 annual general meeting, the record date will be fixed at Wednesday, 21 May 2025, and the register of members of the Company will be closed from Friday, 16 May 2025 to Wednesday, 21 May 2025 (both days inclusive), during which period no transfer of H Shares will be registered.

In order to be eligible to attend and vote at the 2024 annual general meeting, holders of H Shares shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 15 May 2025.

### ***2024 Final Dividend***

For the purpose of determining the entitlement to the proposed 2024 final dividend, the record date will be fixed at Friday, 30 May 2025, and the register of members of the Company will be closed from Wednesday, 28 May 2025 to Friday, 30 May 2025 (both days inclusive), during which period no transfer of H Shares will be registered.

In order to be entitled to the proposed 2024 final dividend (subject to the approval by the Shareholders at the 2024 annual general meeting), holders of H Shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 27 May 2025.



## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the corporate governance code set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”) as its own code of corporate governance. During the period from the Listing Date and up to 31 December 2024, to the best knowledge of the Directors, the Company has complied with all applicable code provisions in Part 2 of the Corporate Governance Code. The Board will continue to review and monitor the corporate governance practices of the Company with the aim of maintaining a high standard of corporate governance.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the “**Model Code**”) as the code of conduct for securities transactions by Directors and Supervisors. As the Model Code is not applicable before the Listing Date, having made specific enquiry of all Directors and Supervisors, each of the Directors and Supervisors acknowledged that he/she had complied with the Model Code during the period from the Listing Date to 31 December 2024.

## **PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

During the period from the Listing Date to 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares (as defined under the Listing Rules)). As at 31 December 2024, the Company did not hold any treasury shares.

## **REVIEW OF THE ANNUAL RESULTS**

The Audit Committee of the Board comprises Dr. Chen Da as a non-executive Director and Mr. Yeung Chi Tat and Ms. Cheng Li as independent non-executive Directors, and Mr. Yeung Chi Tat is the chairman of the Audit Committee. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters with the management of the Company, and has also reviewed the Group’s audited consolidated results for the year ended 31 December 2024.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 28 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND 2024 ANNUAL REPORT**

This annual results announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.chabaidao.com](http://www.chabaidao.com)). The Company will release its 2024 annual report in due course and publish it on the websites of the Stock Exchange and the Company.

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 DECEMBER 2024*

	<i>NOTE</i>	<b>2024</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>
Revenue	<i>3</i>	<b>4,917,997</b>	5,704,307
Cost of sales		<b>(3,383,318)</b>	(3,740,525)
Gross profit		<b>1,534,679</b>	1,963,782
Other income	<i>4a</i>	<b>121,424</b>	65,495
Loss on fair value change of redeemable shares with other preferential rights		<b>(145,221)</b>	(75,838)
Other gains and losses, net	<i>4b</i>	<b>82,404</b>	28,483
Distribution and selling expenses		<b>(395,139)</b>	(130,996)
Administrative expenses		<b>(510,245)</b>	(420,454)
Research and development expenses		<b>(33,764)</b>	(16,417)
Other expenses		<b>(3,210)</b>	(13,580)
Listing expenses		<b>(7,197)</b>	(30,935)
Share of results of an associate and a joint venture		<b>(17,591)</b>	—
Finance costs		<b>(4,305)</b>	(3,692)
Profit before taxation		<b>621,835</b>	1,365,848
Income tax expense	<i>5</i>	<b>(142,109)</b>	(215,068)
Profit for the year	<i>6</i>	<b>479,726</b>	1,150,780
<b>Other comprehensive expense</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)		<b>(376,584)</b>	—
Income tax relating to item that will not be reclassified to profit or loss		<b>59,927</b>	—
		<b>(316,657)</b>	—
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>6,628</b>	—
Other comprehensive expense for the year, net of income tax		<b>(310,029)</b>	—
Total comprehensive income for the year		<b>169,697</b>	1,150,780

	<i>NOTE</i>	<b>2024</b> <b><i>RMB'000</i></b>	2023 <i>RMB'000</i>
Profit for the year attributable to:			
– Owners of the Company		<b>472,184</b>	1,139,211
– Non-controlling interests		<b>7,542</b>	11,569
		<b><u>479,726</u></b>	<u>1,150,780</u>
Total comprehensive income for the year attributable to:			
– Owners of the Company		<b>162,155</b>	1,139,211
– Non-controlling interests		<b>7,542</b>	11,569
		<b><u>169,697</u></b>	<u>1,150,780</u>
Earnings per share (in RMB)	8		
Basic		<b><u>0.336</u></b>	<u>0.981</u>
Diluted		<b><u>0.335</u></b>	<u>0.981</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2024**

	<i>NOTES</i>	<b>2024</b> <b><i>RMB'000</i></b>	<b>2023</b> <b><i>RMB'000</i></b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>216,485</b>	235,712
Right-of-use assets		<b>139,954</b>	110,574
Intangible assets		<b>98,833</b>	51,197
Investments in an associate and a joint venture		<b>36,909</b>	2,500
Equity instruments at FVTOCI	<i>9</i>	<b>466,978</b>	–
Financial assets at fair value through profit or loss (“FVTPL”)	<i>11</i>	<b>217,000</b>	–
Other receivables and prepayments	<i>10</i>	<b>29,579</b>	300
Deferred tax assets		<b>150,533</b>	83,367
		<b>1,356,271</b>	483,650
<b>Current assets</b>			
Inventories		<b>206,824</b>	201,171
Trade and other receivables, deposits and prepayments	<i>10</i>	<b>198,893</b>	62,519
Amounts due from related parties		<b>607</b>	607
Financial assets at FVTPL	<i>11</i>	<b>171,465</b>	1,391,562
Term deposits		–	230,000
Cash and cash equivalents		<b>3,559,917</b>	715,989
		<b>4,137,706</b>	2,601,848
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>674,522</b>	770,619
Contract liabilities		<b>136,886</b>	176,680
Income tax payables		<b>27,124</b>	38,206
Lease liabilities		<b>40,743</b>	40,948
Dividend payable	<i>7</i>	<b>531,948</b>	–
		<b>1,411,223</b>	1,026,453
<b>Net current assets</b>		<b>2,726,483</b>	1,575,395
<b>Total assets less current liabilities</b>		<b>4,082,754</b>	2,059,045

	<i>NOTE</i>	<b>2024</b> <b><i>RMB'000</i></b>	<b>2023</b> <b><i>RMB'000</i></b>
<b>Non-current liabilities</b>			
Contract liabilities		<b>82,423</b>	147,530
Lease liabilities		<b>64,766</b>	42,576
Deferred tax liabilities		<b>1,872</b>	1,293
Redeemable shares with other preferential rights		<u>–</u>	<u>1,021,000</u>
		<b>149,061</b>	<u>1,212,399</u>
<b>Net assets</b>		<b><u>3,933,693</u></b>	<b><u>846,646</u></b>
<b>Capital and reserves</b>			
Share capital	<i>13</i>	<b>147,763</b>	125,639
Reserves		<b><u>3,761,418</u></b>	<u>697,437</u>
Equity attributable to owners of the Company		<b>3,909,181</b>	823,076
Non-controlling interests		<u><b>24,512</b></u>	<u>23,570</u>
<b>Total Equity</b>		<b><u>3,933,693</u></b>	<b><u>846,646</u></b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. GENERAL INFORMATION

四川百茶百道實業股份有限公司(Sichuan Baicha Baidao Industrial Co., Ltd.) (the “Company”) was incorporated in the PRC on 31 December 2020 as a joint stock company under the Company Law of the PRC. Its parent is 四川恒盛合瑞實業集團有限公司(Sichuan Hengsheng Herui Industrial Group Co., Ltd.\*) (“Hengsheng Herui”) (established in the PRC) and its ultimate parent is 成都錦柏森企業管理有限公司(Chengdu Jinbosen Enterprise Management Co., Ltd.\*) (“Chengdu Jinbosen”) (established in the PRC). Its ultimate controlling parties are Mr. Wang Xiaokun (王霄鋸) and his spouse Ms. Liu Weihong (劉洧宏) (collectively the “Controlling Shareholders”), and Mr. Wang Xiaokun is also the chairman and an executive director of the Company. The shares of the Company had been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 23 April 2024 (the “Listing”).

The Company acts as an investment holding company and its subsidiaries are engaged in the business of sales of equipment and goods to franchisees, as well as provision of royalty and franchising services to franchisees. The principal operations and geographic markets of the Company and its subsidiaries (the “Group”) are in the PRC.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

\* *English name is for identification purpose only.*

### 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

#### Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated 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
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.



### ***New and amendments to IFRS Accounting Standards in issue but not yet effective***

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>3</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11 <sup>3</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027

Except for the new IFRS Accounting Standard mentioned below, the management of the Group considers that the application of all the amendments to IFRS Accounting Standards is unlikely to have a material impact on the Group's financial position and performance in foreseeable future.

### ***IFRS 18 Presentation and Disclosure in Financial Statements***

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss, provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statements of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

The Group's revenue is primarily derived from the sales of goods and equipment to franchisees and royalty and franchising income from franchisees in the PRC. The franchisees of the Group would usually settle by prepayments, except for the royalty income which is usually granted to franchisees for a credit period of 30 days in accordance with the terms of the contract.

#### (i) Disaggregation of revenue from contracts with customers

##### *Types of goods or service*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Sale of goods and equipment:		
– Goods	4,450,249	5,164,203
– Equipment	202,133	255,777
	<u>4,652,382</u>	<u>5,419,980</u>
Royalty and franchising income:		
– Non-refundable upfront initial fee	107,558	103,558
– Royalty income	92,279	96,468
– Pre-opening training services	13,567	31,569
	<u>213,404</u>	<u>231,595</u>
Others	<u>52,211</u>	<u>52,732</u>
Total	<u><u>4,917,997</u></u>	<u><u>5,704,307</u></u>

##### *Timing of revenue recognition*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Timing:		
– A point in time	4,686,952	5,456,858
– Over time	231,045	247,449
Total	<u><u>4,917,997</u></u>	<u><u>5,704,307</u></u>

#### (ii) Segment information

Information is reported to Mr. Wang Xiaokun, who is one of the Controlling Shareholders and also chairman of the board of directors of the Company, being the chief operating decision maker (“CODM”) of the Group, for the purposes of resource allocation and performance assessment. No other analysis of the Group's results nor assets and liabilities is regularly provided to the CODM for review and the CODM reviews the overall results and financial position of the Group as a whole. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures on revenue, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

**4a. OTHER INCOME**

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Government grant	<b>71,999</b>	54,603
Interest income on:		
– bank deposits and certificate of deposit	<b>43,852</b>	6,954
Compensations received	<b>4,248</b>	2,565
Others	<b>1,325</b>	1,373
	<u><b>121,424</b></u>	<u>65,495</u>

**4b. OTHER GAINS AND LOSSES, NET**

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Loss on disposal of property, plant and equipment	<b>(387)</b>	(148)
Gain on fair value change of financial assets at FVTPL	<b>34,901</b>	29,119
Net foreign exchange gain/(loss)	<b>48,332</b>	(75)
Others	<b>(442)</b>	(413)
	<u><b>82,404</b></u>	<u>28,483</u>

**5. INCOME TAX EXPENSE**

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	<b>148,769</b>	231,218
Deferred tax:		
Current year	<b>(6,660)</b>	(16,150)
	<u><b>142,109</b></u>	<u>215,068</u>

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and implementation regulations of the EIT Law, the statutory EIT rate of the subsidiaries of the Company operating in the PRC is 25% for both years, unless otherwise specified above.

## 6. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Auditor's remuneration	2,530	—
Directors', supervisors' and chief executive's remuneration	16,536	8,789
Other staff costs		
– Salaries and other allowances	373,761	299,519
– Retirement benefit scheme contributions	32,965	26,198
– Equity-settled share-based expense	8,860	—
Total staff costs	<u>432,122</u>	<u>334,506</u>
Cost of inventories recognised as expenses	3,109,473	3,722,433
Depreciation of property, plant and equipment	21,237	16,183
Depreciation of right-of-use assets	48,458	47,225
Amortisation of intangible assets	<u>19,777</u>	<u>3,599</u>
Total depreciation and amortisation	<u><u>89,472</u></u>	<u><u>67,007</u></u>

## 7. DIVIDENDS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Dividends for equity shareholders of the Company recognised as distribution during the year	<u>531,948</u>	<u>1,021,183</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of RMB0.20 (before tax) per ordinary share, in an aggregate amount of RMB295,527,000, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

On 3 June 2024, the board of directors of the Company proposed 2023 annual dividend distribution of RMB413,738,000, representing HKD0.31 (equivalent to approximately RMB0.28) per share, which was approved by the shareholders of the Company on 25 June 2024. Subsequently, on 29 July 2024, the board of directors of the Company proposed to withdraw the distribution, which was approved by the shareholders on 21 August 2024.

On 16 December 2024, the board of directors of the Company proposed special dividend distribution of RMB531,948,000, representing HKD0.39 (equivalent to approximately RMB0.36) per share, which was approved by the shareholders of the Company on 31 December 2024. The amount of RMB531,948,000 was recognised as dividend payables as at 31 December 2024 and was subsequently paid in January 2025.

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

### Earnings:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Earnings for the purpose of calculating basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company	<u>472,184</u>	<u>1,139,211</u>

**Number of shares:**

	<b>Number of ordinary shares</b>	
	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares for the purpose of basic earnings per share ( <i>Note (i)</i> )	<b>1,403,529,370</b>	1,160,958,904
Effect of dilutive potential ordinary shares:		
Dilutive effect of shares issued for Pre-IPO Employee Incentive Scheme	<b>4,002,699</b>	136,554
Weighted average number of ordinary shares for the purpose of diluted earnings per share ( <i>Note (ii)</i> )	<b><u>1,407,532,069</u></b>	<b><u>1,161,095,458</u></b>

**Notes:**

- (i) For the years ended 31 December 2024 and 2023, the weighted average number of ordinary shares for the purpose of basic earnings per share is determined on the assumption that the Share Subdivision as described in Note 13 had been effective at the beginning of the year.
- (ii) The computation of diluted earnings per share for the year ended 31 December 2024 does not assume the removal of other preferential rights attached on the Company's shares granted to the Pre-IPO Investors (the "Removal") and the exercise of over-allotment options as the Removal would result in an increase in earnings per share and the exercise price of those options was higher than the average market price of the shares over the over-allotment period.

**9. EQUITY INSTRUMENTS AT FVTOCI**

During the year ended 31 December 2024, the Group purchased equity instruments in certain listed entities through wholly owned funds at cash consideration of RMB511,700,000 (2023: Nil) and directly purchased equity instruments in certain listed entities at cash consideration of RMB331,862,000 (2023: Nil). These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

In addition, during the current year, the Group directly purchased equity instruments of an unlisted company at a cash consideration of RMB210,000,000 (2023: Nil) and derecognised these equity instruments at FVTOCI at their fair value of RMB210,000,000 following substantial modification of the rights attached to the instruments granted by the investee. Details are set out in Note 11.

As at 31 December 2024, the carrying amount of equity instruments at FVTOCI is RMB466,978,000 (2023: Nil), net of fair value loss recognised in the other comprehensive expense of RMB376,584,000 (2023: Nil).



# 10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 RMB'000	2023 RMB'000
<b>Current</b>		
Trade receivables ( <i>Note (i)</i> )	9,274	7,191
Other receivables	10,555	6,947
Value-added tax recoverable	21,508	15,346
Lease deposits	1,182	6,339
Advances to staff	1,422	230
Deferred issue costs	–	3,907
Prepayments to third parties		
– raw materials and others	31,129	21,253
– advertising services ( <i>Note (ii)</i> )	123,823	1,306
	<u>198,893</u>	<u>62,519</u>
<b>Non-current</b>		
Lease deposits	6,047	–
Prepayments for construction in progress	1,111	300
Prepayments for advertising services ( <i>Note (ii)</i> )	22,421	–
	<u>29,579</u>	<u>300</u>
<b>Total</b>	<u><u>228,472</u></u>	<u><u>62,819</u></u>

Notes:

- (i) The Group's trade receivables are mainly generated from certain royalty and franchising business. These primarily relate to a large number of independent shops for whom there is no significant financial difficulty and based on past experience and management's assessment, the overdue amounts can be recovered. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.
- (ii) The amounts represent certain agreements entered between the Group and various third parties for future advertising services, of which amount of RMB22,421,000 (2023: Nil) are not expected to be utilized within twelve months from the end of the reporting period. Therefore, the corresponding portion of prepayments are classified as non-current assets.

As at 1 January 2023, trade receivables amounted to RMB6,199,000.

The following is an aged analysis of trade receivables, presented based on the dates of delivery of goods/ rendering of franchising service at the end of the year.

	2024 RMB'000	2023 RMB'000
Within 90 days	<u>9,274</u>	<u>7,191</u>

The management of the Group closely monitors the credit quality of trade and other receivables and consider the debts are of a good credit quality.

The Group allows a credit period of 30 days to its franchisees for the royalty and franchising business.

## 11. FINANCIAL ASSETS AT FVTPL

Financial assets mandatorily measured at FVTPL:

	2024 RMB'000	2023 RMB'000
<b>Current</b>		
Wealth management products	–	1,391,562
Unlisted funds ( <i>Note (i)</i> )	<u>171,465</u>	<u>–</u>
	<u>171,465</u>	<u>1,391,562</u>
<b>Non-current</b>		
Investment in ordinary shares with other preferential rights ( <i>Note (ii)</i> )	<u>217,000</u>	<u>–</u>
<b>Total</b>	<u><u>388,465</u></u>	<u><u>1,391,562</u></u>

*Notes:*

- (i) Unlisted funds are classified as current as the management expects to realize these financial assets within twelve months after the reporting period.
- (ii) During the year ended 31 December 2024, the Group entered into a capital increase agreement to purchase ordinary shares of an unlisted company at a consideration of RMB210,000,000 (“the Shares”). The Group did not obtain control, joint control nor have a significant influence over the unlisted company. The directors of the Company have elected to designate the Shares as equity instruments at FVTOCI at initial recognition.

Subsequently, in July 2024, the Group entered into a separate shareholders’ agreement, which included a substantial modification on granting certain preferential rights unilaterally to all shareholders of the unlisted company. As a result of such modification, the Group derecognised the aforesaid equity instruments at FVTOCI amounting to RMB210,000,000 (as disclosed in Note 9) and recognised such instruments as financial assets at FVTPL upon the entitlement of those preferential rights.

## 12. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables ( <i>Note (i)</i> )	295,017	354,672
Deposits ( <i>Note (ii)</i> )	116,337	145,046
Operational support service fees ( <i>Note (iii)</i> )	22,792	42,069
Other payables	115,654	96,981
Payroll payable	86,548	83,393
Other tax payable	38,174	39,655
Accrued share issue costs	–	992
Accrued listing expenses	–	7,811
	<u>674,522</u>	<u>770,619</u>

### Notes:

- (i) The outstanding payables mainly represent the amounts payable to suppliers of the finished goods and equipment as at 31 December 2024 and 2023.
- (ii) These amounts represent deposits received from franchisees which will be refunded at the end of their respective franchise periods unless renewals were made.
- (iii) The amounts mainly represent service fees paid to regional agents for assisting the Group to provide operational support services mainly in relation to the franchise network in newer regions and also managing and maintaining those corresponding franchisees based on the regional agency contracts.

The credit period of trade payables is generally from 30 to 90 days from the invoice date.

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period.

	2024 RMB'000	2023 RMB'000
Within 90 days	275,361	354,003
91 to 365 days	19,373	218
Over 365 days	283	451
	<u>295,017</u>	<u>354,672</u>

### 13. SHARE CAPITAL

	Number of shares	Amount RMB'000
Ordinary shares of RMB1 each (before Share Subdivision) and RMB0.1 each (after Share Subdivision) ( <i>Note(iii)</i> )		
<b>Authorised:</b>		
At 1 January 2023	100,000,000	100,000
Increase on 2023 Shareholding Restructuring ( <i>Note(i)</i> )	25,000,000	25,000
Increase on Pre-IPO Investments	7,348,485	7,348
Increase on Pre-IPO Employee Incentive Scheme ( <i>Note (ii)</i> )	638,600	639
	<hr/>	<hr/>
At 31 December 2023	132,987,085	132,987
Increase on Share Subdivision ( <i>Note(iii)</i> )	1,196,883,765	–
Increase on issuance of new shares upon the IPO ( <i>Note(iv)</i> )	147,763,400	14,776
	<hr/>	<hr/>
At 31 December 2024	<b>1,477,634,250</b>	<b>147,763</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Issued and fully paid:</b>		
At 1 January 2023	100,000,000	100,000
Issuance of shares pursuant to the 2023 Shareholding Restructuring ( <i>Note (i)</i> )	25,000,000	25,000
Issuance of shares pursuant to the Pre-IPO Employee Incentive Scheme ( <i>Note(ii)</i> )	638,600	639
	<hr/>	<hr/>
At 31 December 2023	125,638,600	125,639
Conversion of redeemable shares with other preferential rights upon the IPO	7,348,485	7,348
Share Subdivision ( <i>Note(iii)</i> )	1,196,883,765	–
Increase on issuance of new shares upon the IPO ( <i>Note(iv)</i> )	147,763,400	14,776
	<hr/>	<hr/>
At 31 December 2024	<b>1,477,634,250</b>	<b>147,763</b>
	<hr/> <hr/>	<hr/> <hr/>

*Notes:*

- (i) Prior to the 2023 Shareholding Restructuring (as defined below), the Company was owned directly 90% by Hengsheng Herui and 10% by Mr. Wang Xiaokun. Hengsheng Herui was held as to 84.888% by Chengdu Jinbosen, 7.78% by Ms. Dai Li, 3.78% by Mr. Wang Hongxue, 2.222% by Ms. Gu Jilin and 1.33% by Mr. Cheng Keyuan, through their respective wholly-owned investment vehicles (together, the “Employee Shareholders”). On 5 May 2023, the Company passed a shareholders’ resolution in relation to (i) the increase of the share capital of the Company from RMB100,000,000 to RMB125,000,000 and (ii) the subscription of the shares by Mr. Wang Xiaokun, Ms. Liu Weihong, and the Employee Shareholders (the “2023 Shareholding Restructuring”). On 11 May 2023, the Company issued a total of 25,000,000 shares to Mr. Wang Xiaokun, Ms. Liu Weihong and the Employee Shareholders in such proportions that correspond to the respective percentages of equity interests ultimately held by them in the Company, at an aggregate consideration of RMB25,000,000. The subscription price was determined at par value of the registered capital increased.
- (ii) On 10 August 2023, 638,600 shares under the Pre-IPO Employee Incentive Scheme have been allotted and issued to 四川同創共進企業管理合夥企業(有限合夥) (Sichuan Tongchuang Gongjin Enterprise Management Partnership (Limited Partnership)\*) (“Tongchuang Gongjin”), represent treasury shares held by the Company.
- (iii) Pursuant to the resolutions of the shareholders dated 10 August 2023, the shares are split on a one-for-ten basis immediately prior to the Listing, and the nominal value of the shares is changed from RMB1.0 each to RMB0.1 each (the “Share Subdivision”). Immediately after the Share Subdivision, the authorised share capital of the Company is RMB132,987,000 with 1,329,870,850 shares in a nominal value of RMB0.1 each.
- (iv) On 24 April 2024, the Company was successfully listed on the Main Board of the Stock Exchange following the completion of issuance of 147,763,400 new shares of RMB0.1 each issued at an offer price of HK\$17.50 (equivalent to approximately RMB15.87) per share and the total proceed was HK\$2,585,860,000 (equivalent to approximately RMB2,345,038,000).

\* *English name is for identification purpose only.*

By order of the Board  
**Sichuan Baicha Baidao Industrial Co., Ltd.**  
**Mr. WANG Xiaokun**  
*Executive Director and Chairman of the Board*

Chengdu, the PRC, 28 March 2025

*As at the date of this announcement, the Board comprises Mr. Wang Xiaokun, Mr. Wang Hongxue, Ms. Dai Li and Mr. Chen Keyuan as executive directors; Dr. Chen Da as non-executive director; and Mr. Yeung Chi Tat, Dr. Tang Yong and Ms. Cheng Li as independent non-executive directors.*