



MNS BUSINESS PRODUCTS

BY

ZHAOLONG ZHANG

AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENT FOR THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (INTERNATIONAL PROGRAM)

SOUTHEAST ASIA UNIVERSITY

ACADEMIC YEAR 2022

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Abstract

This research is qualitative analysis. The objective is startup business. The Miniso, headquartered in Pazhou Artificial Intelligence and Digital Economy Pilot Zone, Guangzhou, is a new consumer retail enterprise driven by design and R&D and jointly developed online and offline. The financial results show that, Quick ratio is 2.21, Current ratio is 2.64, Total debt to equity ratio is 60.76%. The company will try to keep the debt-to-equity ratio not more than two times that represents the company is in a good position in terms of total debt to equity ratio, the company has low risks in debt.

Keywords: miniso, brand, product.

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Zhaolong Zhang

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SECTION 1

EXECUTIVE SUMMARY

MINISO's have realized the rapid penetration of the future consumption concept, so that the brand can quickly gain a foothold in the market, and win the love and pursuit of rational consumers. It attracts more than 100 million people to shop every year, leading the new trend of the global consumption trend of high-quality life products.

Founded by Mr. Ye Guofu in 2013, MINISO, headquartered in Pazhou Artificial Intelligence and Digital Economy Pilot Zone, Guangzhou, is a new consumer retail enterprise driven by design and R&D and jointly developed online and offline. It has been awarded the "Top 500 Enterprises in China" and "Top 100 Franchised Enterprises in China".

With the continuous deepening of the global market and the in-depth insight into consumers, MINISO Product has put forward the concept of "interest consumption" for the first time in the industry, and has continuously launched "good-looking, fun, and easy to use" products to the global market through "IP co branding, excellent design, and black technology" to maximize the material pursuit and emotional value of consumer groups.

On October 15, 2020, MINISO, a private brand value retailer, officially landed on the New York Stock Exchange with the stock code of "MNSO". On July 13, 2022,

MINISO was officially listed on the Hong Kong Stock Exchange, with the stock code of "9896. HK".

In 2022, the famous innovative and high-quality products officially launched the brand upgrading strategy, and launched a new brand slogan, "Lighting up a Better Life in 99 Countries". Now, famous innovative and high-quality products have successfully entered more than 100 countries and regions in the world, with more than 5000 stores worldwide, covering the core business circles of global famous cities such as New York, Los Angeles, Paris, London, Dubai, Sydney, Istanbul, etc. Relying on high-quality products and services, the famous and innovative products continue to create a better and high-quality life experience for hundreds of millions of consumers around the world.

SECTION 2

COMPANY DESCRIPTION

2.1 Company History

2.1.1. Brand Profile

Founded by Mr. Ye Guofu in 2013, Miniso, headquartered in Pazhou Artificial Intelligence and Digital Economy Pilot Zone, Guangzhou, is a new consumer retail enterprise driven by design and R&D and jointly developed online and offline. It has been awarded the "Top 500 Enterprises in China" and "Top 100 Franchised Enterprises in China".

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2.1.2. Brand concept

With high-quality products and services, more people can easily enjoy a better life with quality, which is the original intention of the famous brand. Provide consumers with high-quality products with high face value at a price that is close to the people, and create a product label of "ultimate cost performance".

2.1.3. Product features

"High quality, creativity, low price and environmental protection"

2.1.4. Brand culture

Life philosophy: "simple, natural and rich in texture"

Brand proposition: "return to nature and restore the essence of products"

There are hundreds of stores of MINISO famous innovative products in Asia.

In 2017, Miniso opened more than 1100 stores in two years.

Miniso has won strategic investment of 1 billion yuan from Hillhouse Capital and Tencent. In five years, it has opened 3500 stores in 79 countries and regions around the world, with an annual revenue of 18 billion yuan.

The financial report data in 2021 shows that the total revenue of famous innovative products in the third quarter reached 2.65 billion yuan, a year-on-year increase of 28% compared with the same period in 2021. Among them, the domestic revenue was 2.03 billion yuan, up 18% year on year; Overseas revenue was 620 million yuan, up 78% year on year. Non IFRS net profit in the quarter was 180 million yuan, up 80% year on year, with a net profit margin of 7%, a new high in nearly six quarters since the outbreak of the epidemic.

In 2022, the famous innovative and high-quality products officially launched the brand upgrading strategy, and launched a new brand slogan, "Lighting up a Better Life in 99 Countries". Famous and innovative products have successfully entered 100 countries and regions around the world, with more than 5000 stores around the world, covering the core business districts of global famous cities such as New York, Los Angeles, Paris, London, Dubai, Sydney and Istanbul.

On March 31, 2022, according to the documents disclosed by the Hong Kong Stock Exchange, Miniso Group Holding Co., Ltd. submitted its listing application to

the Hong Kong Stock Exchange. In June, Miniso's listing in Hong Kong for US \$100 million was approved by the Hong Kong Stock Exchange. On June 27, according to the disclosure of Hong Kong Stock Exchange, Miniso passed the listing hearing of Hong Kong Stock Exchange, with Bank of America Securities, Haitong International and UBS Securities as joint sponsors. Miniso will seek "dual main listing" in Hong Kong, which can meet the access conditions of Shanghai Hong Kong Stock Connect and Shenzhen Hong Kong Stock Connect, and facilitate A-share investors to actively trade shares with the help of Hong Kong Stock Connect. In July, Miniso announced that the final offering price of both the international offering and the Hong Kong public offering had been determined as HK \$13.80 per share. On July 11, Miniso released an announcement that the company had been listed on the Hong Kong Stock Exchange since July 13. On July 13, Miniso was officially traded on the main board of the Hong Kong Stock Exchange, with the securities code of 09896.HK and the selling price of HK \$13.80 per share. In October, the 2000th overseas store of Miniso was opened in Lyon, France.

With the unprecedented prosperity of the world economy, on the one hand, luxury brands from Europe and the United States have been blindly pursued by consumers; On the other hand, the market is flooded with counterfeit low-quality goods.

These two aspects lead to a polarization phenomenon in the way people consume.

As a reflection and criticism of this prevailing situation, MINISO famous innovative products were born

MINISO's famous innovative products focus on the real value of quality to the brand, and at the same time maintain a reasonable balance between life and the items that improve life, becoming a leading explorer and leader in the global consumer market for high-quality products.

2.2 Mission Statement

MINISO's famous and innovative products pursue a simple, natural and textured life philosophy, design and manufacture "genuine" goods, take into account the issues related to earth resources, environment, recycling, etc. while developing goods, and truly return to

MINISO famous innovative products are not only brands, but also a way of life. She does not deliberately emphasize the so-called fashion or personality, nor does she agree that popular brands should raise their value. On the contrary, MINISO famous creative and excellent products are developed from the perspective of future consumption, that is, "restore the essence of the product", and return to the original.

MINISO's famous and innovative products make daily necessities have a rich appearance, while taking into account the rationality of the price; Like a compass, it points to the "basic" and "plain" aspects of life and provides simple and easy to use

life products.

2.3 Product and Services

2.3.1 Product

2.3.1.1 Origin of product

More than 80% of the product designs come from China and other places.

2.3.1.2 Design

Design is a process of overall planning, which can fully tap the value of the product itself while satisfying the sense of consumption.

2.3.1.3 Material

The high quality of products is the goal of MINISO's famous and innovative products, and the material quality is the basis of high quality products. Through large-scale procurement, MINISO famous innovative products select appropriate materials from all over the world.

2.3.1.4 Function

In addition to aesthetic feeling, functional practicality is the root of the product. From the perspective of users, MINISO's famous innovative products focus on the rationality of product functions and the durability of use.

2.3.1.5 Technology

In addition to retaining the traditional process, MINISO's famous innovative products continue to improve and innovate technology to improve productivity and

reduce production costs through technology

The MINISO's products cover 11 categories, including perfume, cosmetics, beauty tools, electronics and appliances, skin care and washing, leisure food, textiles, packaging accessories, stationery and gifts, home furnishing, toy series, etc., providing consumers with about 8800 core SKUs of good life products.

MINISO's famous innovative products pursue a simple and unadorned design style. The research and development of each product focuses on the rationality and durability of the product from the perspective of users.

With the continuous deepening of the global market and the in-depth insight into consumers, the famous innovative and excellent products have continuously innovated and upgraded in the value pursuit of "extreme cost performance", and put forward the concept of "interest consumption" for the first time in the industry. In order to meet the upgrading needs of young consumers, the famous innovative products, based on "interest consumption", continuously enable product innovation through "IP co branding, excellent design, and black technology", and launch "easy-to-use, fun, and good-looking" products to the global market. Meet the material pursuit and emotional value of young consumers.

2.3.2 Production Management

MINISO observes quality, production capacity and industry reputation before using any possible manufacturer. They currently work with over 600 suppliers, some

of which are global household names of OEM suppliers, Miniso regularly provides counseling to their suppliers regarding product quality, production efficiency and cost management and even dispatches product managers to the factories to offer on-site guidance.

2.4 Legal status and ownership Selecting the name for Business

There are 4 departments to constitute the functional departments which are product safety to ensure the quality of product, Procurement to find out the long-term and qualified suppliers, IT to create and protect all the internet and Finance to secure the safety of money cycle.

SECTION 3

INDUSTRY ANALYSIS

3.1 Industry Size, Growth Rate and Sale projections

With the continuous progress of science and technology and the development of the Internet, people's production and living styles have also changed. People living in the Internet era enjoy the convenience brought by the Internet, and e-commerce also relies on the vast number of consumers to develop rapidly. At the same time, the traditional offline retail market has been constantly eroded by e-commerce, and the operation is bleak. As a leader in the physical retail industry, MINISO has constantly investigated the market, actively studied and explored new models of physical retail and the Internet, and found effective offline retail methods. Since 2013, it has established only 27 stores. As of November 2019, MINISO has opened more than 3600 stores worldwide. With a new business model, products that meet the psychological needs of social consumers at that time, and extremely short supply channels, It mainly focuses on offline FMCG retail industry and has achieved unprecedented success. This paper first introduces the general situation of famous and innovative products, and then analyzes their marketing strategies through STP theory and 4P theory, hoping to provide reference for the development of China's physical retail industry.

The development process and operating status of famous, innovative and high-quality products

MINISO was jointly founded by Ye Guofu and well-known Japanese designer Shun Miyake in 2013. In November of the same year, the first store was opened in Guangzhou Zhonghua Square. Ye Guofu and Miyake Shunya served as the CEO and chief designer of MINISO. Famous and innovative products mainly focus on fashionable and leisure daily necessities, including creative home furnishing, daily necessities, fashion accessories, digital accessories, food and more than 10000 kinds of products. The life philosophy of MINISO is "simple, natural and rich in quality". The brand advocates "returning to nature and restoring the essence of the product". With the core advantages of a batch of cool new products every seven days, taking the route of high quality and low price, and positioning the chain of intelligent consumer goods, MINISO has won the favor and popularity of consumers, and has created the trend of "personalized intelligent consumption" in the front market of home consumption. Famous innovative and excellent products have spread rapidly throughout the country since the first store was opened in 2013. In 2014, the number of famous innovative and excellent products stores exceeded 300 and began to enter overseas. The speed of opening a store almost every few days. In 2015, the number of stores exceeded 1000. Famous, innovative and high-quality products did not drift with the tide of e-commerce, but seized the opportunity to integrate their own supply chain by using the Internet to achieve the current scale.

In 2019, the total number of MINISO stores exceeded 3600, the number of overseas stores alone exceeded 1000, and there were more than 70 stores in countries and regions. In 2019, at the Global New Product Ordering Exhibition held in Guangzhou by the famous innovative products, there were more than 6000 new SKUs [SKU: inventory holding unit], 6357 new products were developed in four months, and 3 SKUs were born every hour on average. This product development speed is really amazing compared with the update speed of other physical retail products.

3.2 Industry Characteristics (Industry Structure, Nature of Participants, Ratios, Key Success factors)

3.2.1 Basic characteristics of retail industry

The new characteristics and changes of the current retail market are inherently relevant. On the one hand, it reflects that in the process of China's rapid economic growth, the influence of circulation and even sales terminals on the entire economy is increasing; On the other hand, it reflects that the more fierce the competition is, the more large and even super large enterprises will emerge.

(1) Fierce competition and dominant market behavior

First, there are a large number of enterprises in the retail industry, with high price transparency, small differentiation and high substitutability, leading to fierce competition among enterprises, and price war is very common. Second, the

government regards commercial retail and catering service industry as a competitive industry, and its development resources, development direction, development scale and development form are completely allocated, selected and adjusted by the market.

(2) The separation of traditional state-owned commerce, private enterprises and foreign-funded enterprises

In the modern commercial retail industry, although the traditional Guohe business occupies a place, affected by the traditional management ideas, the fundamental problems of establishing new systems such as management ideas, enterprise systems, operating mechanisms, industrial structures, forms of business, development resources, scientific and technological progress, and management structures are basically not well transformed according to the model of modern circulation industry. Except for large department stores, the new systems include chain supermarkets, warehouse stores Convenience stores, exclusive stores, professional stores and other modern retail formats do not play a leading and decisive role. However, enterprises in other sectors of society, industries and other economic sectors, including industry, agriculture, transportation, construction and real estate sectors, have many commercial retail businesses. Especially in recent years, with the rapid development of the domestic economy and the increase of consumption, many foreign retail enterprises have been attracted to China to speed up their expansion. They have made use of the government's commercial policies

and mainly cooperated with non-commercial institutions and enterprises outside the international cooperation business to gain greater autonomy and initiative in business management.

(3) Low technical composition

The management of domestic retail enterprises mainly depends on traditional management methods and methods, lacking innovation ability and market segmentation. In terms of commodity mix, service standards, prices, promotion and store layout, the use of standardized management is insufficient, especially the lack of high-tech support, low degree of informatization, and the lack of modern electronic information technology in enterprise management; With management information system, electronic data processing system and decision support system as the core, foreign retail enterprises have formed automatic management assisted by network, which is completely different from the traditional retail operation mode.

(4) Strong periodicity resistance

The anti-cyclical characteristics of the retail industry are obvious, which can withstand the negative impact of the economic slowdown. In 2008-2009, affected by the financial crisis, the retail industry as a whole still showed the anti cyclical characteristics when the growth of most industries declined to varying degrees. The total retail sales of consumer goods increased by 21.6% and 15.5% year on year respectively.

3.2.2 Global procurement: design based; material based

Design is the soul, which can catch the eyes of consumers; On the basis of materials, it can firmly lock in consumers, transform from new customers to old customers, and become loyal old customers. MINISO's famous and innovative products firmly grasp these two priorities and focus on the development of design and raw materials as well as the monitoring of quality, so that consumers can have feelings, hobbies and attachment to the brand.

In order to realize the future consumption concept of the brand, MINISO Famous and Excellent Products has set up the world's first "life quality product consumption" laboratory (SPLCL). From design to procurement, MINISO Famous and Excellent Products think of consumers and do what consumers need. From simple design, they look for the most natural and essential product raw materials, form a strategic cooperation mode with excellent manufacturers around the world, and output design prototypes, technicians and quality supervision, Control the product cost from the source, and check the product quality from the source, so that there are new and high-quality products on the shelves every week, and quickly realize the off shelf operation of obsolete products through database and field analysis and research, so that all products meet the actual needs of consumers.

As a pioneer and leading brand in the field of global consumption of high-quality products, MINISO's famous and innovative products strive to provide consumers with safer, more reliable and cheaper living products by selecting

appropriate materials from all over the world through large-scale global procurement. More than 80% of the products produced by MINISO are from Japan, South Korea, Singapore, Malaysia, etc; MINISO's famous and innovative products have always been the wind vane of the global consumption trend of life quality products in terms of the pulse and design of the fashion trend of life quality products.

3.2.3 Series production: general merchandise first covers life

In the world of numerous brands, due to the excessive publicity of a single product brand and the excessive consumption of the channel link, the prices of most products contain too much added value. The MINISO famous and innovative products bypass the molding and publicity of a single category of product brands, so that on the basis of ensuring product quality and convenience and practicality, through large-scale procurement and direct marketing channels, the maximum discount of each category of single product price can be ensured.

Today's MINISO famous innovative products mainly focus on living and leisure department stores, including eight categories of creative home furnishing, health and beauty, fashion accessories, office supplies, sports gifts, seasonal products, and more than 10000 products, covering all aspects of life; And according to the flow of people around each store structure and consumption demand, different categories of collocation and distribution to meet the consumption demand of each region.

MINISO's famous innovative products pursue a simple and unadorned design style, as well as a simple and coordinated lifestyle. The research and development of each product focuses on the rationality and durability of the product from the perspective of users; At the same time, we also attach great importance to the development of product series, so as to ensure that all products can be freely matched and perfectly integrated, so that the matching of all aspects of life can be simple and convenient.

3.2.4. Display aesthetics: integration experience standard implementation

In terms of display, MINISO's famous and innovative products continue to adhere to the simple aesthetic style, and integrate the warehousing display principle to transform the original sparse supermarket display into an orderly exhibition display, taking into account both the beauty of product display and the fullness of product display. At the same time, what is more important is that MINISO's famous and innovative products include the concept of product experience in the display, which requires the display of terminal stores according to standardization, the construction of product experience areas, and the construction of product experience platforms, so that consumers can fully grasp the practicality and decoration of products on site, buy at ease, and use at ease.

MINISO's famous innovative products have professional exhibition manuals,

and each store is equipped with professional display instructors. The display concept of the tutor for the store is based on the professional and standardized display manual, as well as the familiarity and analysis of the surrounding conditions of the store. Before distribution, the display instructor will investigate and analyze the store environment, including the surrounding environment of the mall, retail sales in the business circle, the distance between the store and the station, the number of customers, the number of property tenants, the age level and gender ratio of regional consumers, the trend of the mall's passenger flow, and whether the surrounding areas are business districts, residential districts or school districts, so as to formulate the optimal distribution plan and achieve the most ideal display mode.

3.2.5. Chain operation: scale channel brand effect

Since entering China in 2013, in a short period of time, MINISO famous innovative products have been launched in Guangzhou, Shenzhen, Shenyang, Weihai, Dongguan and other cities, successfully opening the door for MINISO famous innovative products to enter the Chinese market. At present, MINISO's famous and innovative products are leading other similar brands in China in the speed of opening stores in China. It has more than 50 direct chain stores in China, and continues to develop at the speed of 20-30 stores opening every month, which seems to have become a trend of scale.

According to the observation report of Chinese pedestrian street industry researchers on MINISO's famous innovative products, "10 yuan" and "import" are the two popular keywords of MINISO's famous innovative products. Customers naturally love to buy high-quality imported brands at low prices. In addition, MINISO's business model of famous and innovative products and its advocacy and admiration for "quality life" make up for the vacancy in the Chinese market during the consumption upgrading. In the chain operation process of MINISO's famous creative and excellent products, the concept of "fast fashion" rising in the clothing industry is integrated into the field of daily necessities, and the brand chain effect is built through the chain scale to form the brand effect chain at the fastest speed, so that more people can know, understand and be familiar with the brand of MINISO's famous creative and excellent products, and more and more people can realize the interest and fashion of life.

3.3 Industry Trends (Environment trend, Business Trend)

Development history of retail industry

(1) 1978~1990: High speed development but great shock

During this period, the average annual growth rate of total social retail sales was 14.96%, which is also the richest stage of China's commercial breakthrough attempt. Everything is new, and there are opportunities for all types of businesses. In the bold, ignorant and fearless practice, all kinds of firsts, newest and firsts

continue to emerge. For example, the informatization of retail enterprises began in 1981; In December 1982, Haidian Supermarket was established; In April 1984, self selected shopping malls appeared in Beijing; In May 1984, professional computer market appeared in Beijing; In 1985, the largest food street in Nanshi, Tianjin, and Zhongguancun computer street were opened; In 1990, the first pizza restaurant opened and the first McDonald's camp opened; On December 26, 1990, Dongguan Meijia Supermarket, the first chain supermarket in China, opened.

(2) 1990-1998: rapid growth and rapid decline

At this stage, the zero annual growth rate of the society was 21.99%. Various new types of business and new types of business continued to emerge. The business discussion also gradually moved to the stage of scale and quality exploration. The hot spots in the chain, joint venture, integration, informatization, upgrading and other industries began to emerge. The major events of this period include: On April 14, 1991, the joint venture of Eight Hundred Companions and Shanghai First Department Store was established, which opened the prelude to the entry of foreign retail into China; On January 24, 1992, the first barcode shopping mall opened in Shanghai, and Beijing Yansha and Saite Shopping Center opened, opening a new era of modern department stores; In 1993, the development of chain stores began to be widely recognized in the industry, and the first warehouse supermarket, Guangkelong, was opened; In 1995, the first foreign retail Metro was approved to operate in all cities, and Carrefour entered China; In August 1996, Wal

Mart entered China; The opening of Tianhe City in Guangzhou is regarded as the first year of China's shopping center development; In 1997, Harbin built the first modern commercial pedestrian street in China; In 1998, RT Mart opened its first store in China in Shanghai; Vending machines began to enter the market in large areas.

(3) 1998~2008: trend growth

At this stage, the zero annual growth rate of the society was 13.15%. During this period, the theme of "horse racing enclosure", "store expansion" and "source procurement" became the theme. With China's accession to the WTO in December 2001 as the window period, the retail industry dominated by state-owned forces and foreign capital developed in an all-round way. The local forces were also accumulating energy in learning, imitation and talent flow, especially the retail revolution based on the Internet and mobile Internet, which quickly passed through the embryonic and development period and became a force attracting worldwide attention; But at the same time, rough development, contradiction between zero supply, waste of resources, lack of competitiveness and other situations are also very serious. This stage of madness ended with the 2008 financial crisis. Major events during this period include: the first C2C e-commerce platform 8848 was born in China in 1999, and Alibaba went online one month later; In 2003, the C2C model of Taobao was born; In 2004, JD Multimedia, the predecessor of JD Mall, went online and formally entered e-commerce; Tencent was established in 2006; Vipshop was established in 2008.

(4) 2008~now: growth rate drops, transformation and transformation

At this stage, China Social Zero maintained an average annual growth rate of 13.76% at a high level, rising rapidly after a short downturn. If subdivided again, this stage is the bifurcation period of China's retail. First, the local power of traditional retail is constantly rising, and there is a tendency to surpass foreign capital; Second, e-commerce, especially mobile e-commerce, has entered a stage of in-depth development and has influenced all walks of life in China. The granularity of this stage is worth further reducing. Especially after 12 years, the entity retail has lost its voice, while the new retail has a theme every two years, and the iteration speed is getting faster and faster: before 2012, e-commerce and business model innovation; O2O and cross-border e-commerce from 2012 to 2014; In 2016, all channels and home; Since 2017, new retail and digitalization have been launched. In the past year or two, online and offline, new and old retail disputes seem to be unified. Digitization has become infrastructure, and integration has become basic cognition. However, this process continues today, because the huge stock replacement requires a process of capital investment and cost digestion.

3.2.5. Retail industry chain

The retail industry is located at the end of the industrial chain. The manufacturing industry is generally overcapacity, and the consumer goods are in a situation of oversupply. The manufacturers face the problem of difficult sales, rely

heavily on retail channels, and have a strong ability to pass on costs. At the same time, the "quasi financial model" of the industry enables retail enterprises to squeeze upstream profits and improve their profitability. Relying on the power of suppliers, retail enterprises have more development funds and are characterized by light assets and high leverage. However, the industry status quo of multi-channel coexistence has squeezed the profit space of each retail enterprise.

Since the "trade channel" was separated from the production enterprises, on the one hand, "channel" has been growing so that "channel" has become the crown. On the other hand, with the development of society, the form of "channel" has changed greatly. As an important linking method, the Internet has changed both the channel structure and the supply chain model. The competition of commercial retail enterprises must ultimately be the competition of supply chain.

1. Future concept: learn from nature, simple and plain

With the unprecedented prosperity of the world economy, material life consumption has ushered in the extreme polarization. On the one hand, it is blind pursuit of luxury brands, and on the other hand, counterfeit and shoddy goods are flooding the market; At both ends of the M-type economy, with huge operating profits, irrational consumption concepts are widely disseminated and accepted.

In Japan, irrational consumption concept was once very popular. Mr. Miyake Jyunya, a famous original ecological designer in Japan, felt the irrationality of this consumption concept, reflected on and criticized this prevailing concept, created

the life leisure department store brand "MINISO Famous and Innovative Products", and created the concept of "life quality products consumption", pursuing the life philosophy of "simplicity, nature and texture" and the brand proposition of "returning to nature and restoring the essence of products", It requires not only the rational return of price, but also the return of environmental protection of product materials, adhering to a concept of future development, learning from nature, and creating a public, rational and sustainable consumption concept.

With the growth of post-80s and post-90s consumers, more and more people pay attention to natural ecology and environmental protection, and personalized consumer demand has gradually taken shape, and gradually derived a simple and tasteless rational consumption concept. They no longer blindly pursue luxury and waste, nor blindly pursue cheap and convenient. They also have a richer interpretation and fuller decoration of their own lives, thus deriving the coordination of all aspects of life The pursuit of unity and integrity. Based on the positioning of "basic" and "plain" life, MINISO famous and excellent products do not deliberately emphasize the so-called luxury of fashion, nor do they agree with the plundering purchase and possession of cheap products. On the contrary, MINISO famous and excellent products develop products from the perspective of future consumption, so that all designs return to the origin - learning from nature, simple and unadorned; Remove the pomp and return to the original. As consumers pursue the individuation of life and the return of rational consumption concept, this consumption concept is

bound to be more and more popular with the public.

3.4 Long-Term Prospects

With the continuous innovation and breakthrough of the traditional retail model accompanied by the wave of new Internet technology, the development of the retail industry chain has found a new direction, and the new retail business model has been upgraded with the help of new Internet technology. The vigorous development of the new retail industry also confirms that in order to meet the psychological needs of consumer groups, the traditional marketing model has been difficult to meet the needs of consumers in the new retail era. The development trend of retail industry in 2022 is analyzed from six directions.

3.4.1. The retail industry will accelerate to adapt to market changes

In order to cope with the rapidly changing market, business is changing from the development idea of "product channel is king" to "consumer is king". The construction of the new retail e-commerce system platform will be more self-learning and self-adaptive: the focus of business development will shift from the urban center to the residential community, and more retail brands with urban and regional characteristics will appear in the consumer goods market, changing the phenomenon of "one thousand stores, one thousand stores with the same product".

3.4.2. Integration of technology, fashion and lifestyle

First, retailers use a series of intelligent applications such as digital signage, electronic fitting rooms, intelligent positioning, self-service terminals and VR display to bring consumers a new experience of intelligent and scene based shopping.

Second, product functions will keep rapid iteration, and contacting products with high scientific and technological content will become a new way for consumers to acquire knowledge and show their individuality.

Third, retail brands will more clearly convey brand culture and brand positioning to consumers. The purpose of commodity display is to show lifestyle, and the categories of commodities in a single store will be more abundant.

3.4.3. Integration of high-quality goods, services and culture

China is transforming from a world factory to a world market, and the consumer goods market still has great growth potential. Our brand merchants and retailers will seize the development opportunity of the domestic market, and build consumers' confidence in local brands and local retail enterprises from three aspects: adhere to cultural self-confidence, deepen the domestic market, purify the market environment, build an honest retail system, and return to the spirit of craftsmanship.

3.4.4. Further integration of online and offline

With the rapid popularization of mobile Internet, the growth of Internet users in China is slowing down. The next step of e-commerce competition will shift from attracting traffic to tapping customer consumption potential: improving the quality of goods and services, reducing negative ratings, and improving user loyalty; Actively lay out offline; Through mergers and acquisitions, cross shareholdings and other ways, the interests of e-commerce and physical stores are bundled, so that online and offline integration enters a win-win stage.

3.4.5 A variety of businesses will develop in an integrated and ecological way

In the future, the business environment for the construction of new retail e-commerce platform will continue to develop in the direction of aggregation and ecology: around the community consumption demand, around the service consumption demand, around the business demand of retail giants, a group of production service enterprises with more subdivided functions and stronger professionalism, such as finance, logistics, consulting, will show ecological development, improve the operating efficiency of large retail enterprises, and improve the consumption quality of residents.

3.4.6. The social characteristics of retail industry will be more obvious

In the information age, the information gap between businesses and

consumers has gradually narrowed, and the effect of one-way communication based on advertising has been declining. Public praise and trust have become important factors for retail brands to be recognized by consumers. Therefore, retailers will continue to improve their social attributes: use mainstream social platforms such as WeChat, microblog, and public comments; By maintaining high-frequency interaction with consumers; Build a consumption circle.

Retail will gradually move from concept to reality, and the overall scale of retail market will continue to expand in the future. Since the outbreak of the epidemic, consumers have gradually begun to realize the importance of "delivery upon order". In this new normal consumption mode, retailers have both opportunities and challenges.

SECTION 4

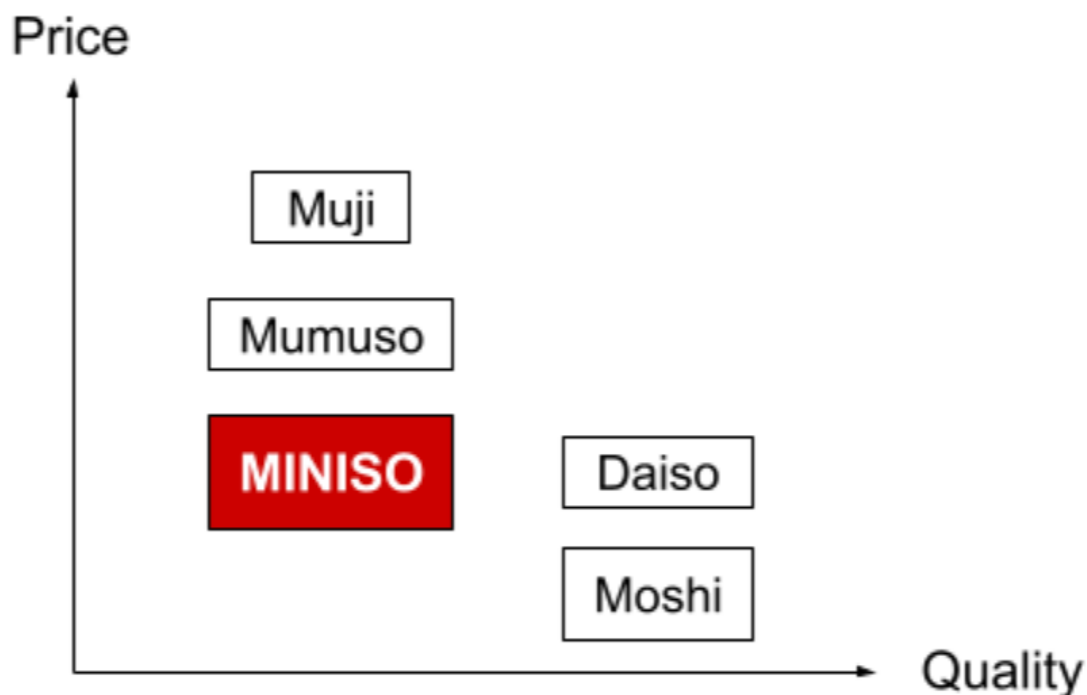
MARKETING PLAN

4.1 Overall Marketing Strategy

MINISO also set its brand position as the 'fast fashion designer'. Its marketing will focus on brand awareness in local areas and also globally. User Generated photo contest on MINISO social media accounts and websites, MINISO uses advertising and mass media promotion, word of mouth referrals, customer relationship management, and sales promotions and discounts.

4.2 Pricing Strategy

MINISO also positioned itself as a "fast fashion designer" brand in Japan because they show creativeness and innovativeness which brings specialized products with good quality and prioritized the health and safety of the products and materials.



4.3 Sales process and promotions Mix

Because it is committed to creating low cost and low price, famous, innovative and excellent products rarely carry out advertising promotion in terms of promotion, and rarely rely on stars to attract customers and increase sales. It relies on the quality of products and high cost performance ratio to win customers' hearts, and then the role of marketing promotion is achieved through word of mouth from customers. In order to increase the number of customers, MINISO also uses new media to carry out brand publicity. It accumulates a large number of fans by scanning MINISO's WeChat official account to give shopping bags when customers pay, paying attention to WeChat official account to become members of MINISO to participate in preferential activities, and achieves the effect of marketing promotion.

Celebrity products also use those common promotional means to promote their products by giving back to customers on holidays, such as buying one, getting one free, scanning the code to follow the official account, becoming a registered member of Celebrity products, and receiving coupons for more than 20 yuan minus 5 yuan.

The other is to promote through high-density store display. The locations of famous and innovative stores are almost all in the prosperous areas, prime locations, shopping centers, shopping malls, pedestrian streets, etc. of each city. The dense flow of people is the best promotion. The environment and image of the store are also very important for promotion. Famous and innovative products pay attention to the design of the store appearance. The display of goods in the store is based on the price and category. Customers can clearly and quickly find the goods they need.

SECTION 5

MANAGEMENT TEAM AND COMPANY STRUCTURE

ORGANIZATION CULTURE

The main organizational culture of MINISO is the term "family" : employees treat customers as their family, and they are considered as family members to each other in this big company.

Under this organization culture, employees are engaged to share their feeling and problems and gain support from work. Additionally, employees are encouraged to give suggestions and feedback from work, and promotion and bonus were awarded to employees who shared creative and effective recommendation and made contribution to the company.

In conclusion, we can summarized the organizational culture into two parts. The one is Clan culture and the other is market culture. According to the clan, MINISO turns employees into bosses, That is why they can freely and confidently use their talents at works. From market culture, because of the market culture of MINISO, they can develop so rapidly around the world. MINISO can learn the culture in different countries by the market culture and diversified culture can accept MINISO.

MANAGEMENT VIEWPOINT

The company most concentrated on product development about design and technology. MINISO got many bad reputations for employee management from reviews on the internet. That means the main factor that drives the business is products. The company tries to set a system which self-sufficient and fewer people skill needed. Anyway, Misino started the new measures to gain feedback from employees who resigned or retired to improve the employee incentive.

5.1 Management Team

5.1.1 Competitive Compensation

Employees in MINISO normally have levels of satisfaction as the company offers competitive compensation. MINISO keeps and motivates employees and more structured pay levels than other companies, providing more opportunities for career development.

5.1.2 Developing and Motivated System

New employees in MINISO need to go through a month-long trial including three day orientation to help them understand the culture of MINISO and job skills training. In an attempt to motivate employees overall enthusiasm.

5.1.3 Providing Rewards

MINISO management in order to decrease turnover rate. This point is the strength point of the company and one of all points that the company focuses on. This method gives authority to employees that can solve problems in various situations, but the weakness is that the scope of authority is not clear enough.

5.2 Board of Directors

5.2.1 Ye Guofu

Chairman of the Board of Directors, Executive Director, Chief Executive Officer

Current term of office: February 1, 2020 to present

Male 44 Salary: 3.452 million

Mr. Ye Guofu, the executive director and founder of MINISO Group Holding Co., Ltd., has served as the chairman of the board of directors since February 2020 and the chief executive officer of the company since February 2020. Mr. Ye is responsible for the overall strategy, business development and management of the Group. In August 2009, Mr. Ye founded MINISO Product Co., Ltd. (the predecessor of the Group), and then served as the CEO of MINISO Product Co., Ltd. until August 2018. Before the establishment of the offshore holding structure of the Company, Mingchuang Guangzhou, the Chinese holding entity of the Company, was established in October 2017. Mr. Ye has been the director and general manager of Mingchuang Guangzhou since then. Mr. Ye has an insight into the fashion taste of China's economic transformation period, and has also captured the opportunity of

upgrading high-quality consumption in society to introduce a new business model into the Chinese market. Mr. Ye obtained the Associate Degree in Economic Management from Central South University of Economics and Law in China in July 2001.

5.2.2 Zhang Saiyin

Executive Director, Chief Financial Officer, Executive Vice President Term of office: February 1, 2020 to present

Male 42, Master's Compensation: 20120000

Mr. Zhang Saiyin, who will become an independent non-executive director of Zhiyun Health Technology Group, will take effect before listing, and is mainly responsible for supervising and providing independent judgment to the Board of Directors. Mr. Zhang has served as a director of MINISO Group Holdings Co., Ltd. ('MINISO ') (a New York Stock Exchange listed company, stock code MNSO) since December 2018, and as the chief financial officer and executive vice president since October 2018. Before joining MINISO, Mr. Zhang served as the chief financial officer of China Resources Textile (Group) Co., Ltd. and China Resources Clothing (Holdings) Co., Ltd. from June 2015 to July 2017, and held several financial leadership positions from April 2011 to May 2015, both of which are indirectly wholly-owned subsidiaries of China Resources (Group) Co., Ltd. From September 2009 to March 2011, Mr. Zhang served as the manager of the financial department of Shenzhen

Jinjia Color Printing Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code 002191, now renamed Shenzhen Jinjia Group Co., Ltd.). From July 2005 to September 2009, Mr. Zhang served as a senior auditor in Deloitte Shenzhen Branch. From March 2004 to July 2005, he worked in the International Finance Department of ZTE Communications Co., Ltd., a listed company of Shenzhen Stock Exchange (stock code 000063) and the Stock Exchange (stock code 763). Mr. Zhang received a bachelor's degree in accounting from Huazhong Agricultural University of China and a master's degree in accounting and finance from the University of Birmingham, UK. Mr. Zhang is also a senior member of the Royal Institute of Chartered Certified Accountants. Mr. Zhang Saiyin has been the Executive Director, Chief Financial Officer and Executive Vice President of MINISO Group Holding Co., Ltd. since February 2020. Mr. Zhang is responsible for the overall strategy, accounting, internal control functions and capital market activities of the Group.

5.2.3 Li Minxin

Executive Director, Executive Vice President Term of office: From February 1, 2020 to now

Male 50 Salary: 2.928 million

Mr. Li Minxin, Executive Director of MINISO Group Holding Co., Ltd., has been the Executive Vice President of the Company since February 2020. Mr. Li is

responsible for the overall strategy, legal affairs and business development of the Group. Mr. Li served as the executive vice president in charge of business development in MINISO Products Co., Ltd. (the predecessor of the Group) from February 2010 to August 2018. After the establishment of Mingchuang Guangzhou in October 2017, Mr. Li has served as the executive vice president of Mingchuang Guangzhou since August 2018, in charge of business development, and served as the director of Mingchuang Guangzhou from December 2018 to March 2020. Before that, Mr. Li had accumulated a lot of industry experience in the clothing industry by operating his franchisee business.

5.2.4 Xu Lili

Current term of office of independent non-executive directors: 2022-07-13 to date

Female 40 Master's Compensation: RMB 830000

Ms. Xu Lili, Executive Director and Chief Financial Officer of Tongdao Liepin Group (formerly known as Youcai Tianxia Information Technology Co., Ltd.). Ms. Xu joined the Group in March 2014. He is responsible for supervising the Group's corporate finance, managing investor relations and supervising all investments and acquisitions of the Group. Before joining the Group, Ms. Xu held several positions in GE (a company currently listed on the New York Stock Exchange (stock code GE)) from January 2005 to March 2014, including the CFO of GE PGS China. Ms. Xu

received her bachelor's degree in international business from Nanjing University in June 2003 and her master's degree in regional economic development from the London School of Economics and Political Science in November 2004. Ms. Xu is a certified public accountant of the Washington State Institute of Certified Public Accountants. He has been appointed as the Chief Financial Officer of Zhiyun Health Technology Group since October 2020. Ms. Xu Lili, as an independent director of MINISO Group Holding Co., Ltd. since October 2020, was re appointed as an independent non-executive director, effective from July 13, 2022.

5.2.5 Zhu Yonghua

Current term of office of independent non-executive directors: 2022-07-13 to date

Male 41, Master's Compensation: 515000

Mr. Zhu Yonghua has served as an independent director of MINISO Group Holding Co., Ltd. since October 2020, and has been reappointed as an independent non-executive director since July 13, 2022. Since January 2017, Mr. Zhu has become the founding partner of the venture capital fund Long-Z (formerly called Meituan Longzhu Capital) and is responsible for the overall investment of Long-Z. From November 2014 to December 2016, Mr. Zhu served as Executive Director of Modern Agriculture and Food Investment Department of Lenovo Holdings Co., Ltd. (a leading Chinese industrial investment and operation company listed on the main board of

the Stock Exchange, Stock Exchange: 3396). Mr. Zhu worked at Tiantu Investment, an investment management company, from 2007 to October 2014. Mr. Zhu received his master's degree in finance from Newcastle University in December 2005.

5.2.6 Wang Yongping

Current term of office of independent non-executive directors: 2022-07-13 to date

Male 54 Undergraduate Salary: 706000

Wang Yongping, male, born in 1968, is an industry expert with a bachelor's degree. He has successively served as the Vice President and Secretary General of China Urban Commercial Network Construction Management Federation, the Chief Editor of Business Times Magazine, and the Chief Editor of Business Economics Research Magazine. He is now the Chairman of the Commercial Real Estate Working Committee of the Quanjian Real Estate Chamber of Commerce, and an independent director of Huina Technology Co., Ltd. The main social part-time jobs include the vice president of the Chinese Society of Business Economics, the market operation expert of the Ministry of Commerce, the visiting professor of Zhejiang Business University, and the enterprise mentor of the MBA Center of the School of Economics and Management of Tongji University. He was appointed as the independent non-executive director of Zhongjun Business Management Smart Service Holding Co., Ltd. on June 10, 2021. Mr. Wang Yongping has served as an

independent director of MINISO Group Holding Co., Ltd. since November 2021, and has been reappointed as an independent non-executive director since July 13, 2022.

5.2.7 Yang Yunyun

Current term of office of vice president: from February 1, 2020 to now

Female 45 Remuneration:--

Ms. Yang Yunyun has been the Vice President of MINISO Group Holding Co., Ltd. since February 2020. Ms. Yang is responsible for the Group's risk management. Ms. Yang has been a director of MINISO Product Co., Ltd. since August 2009, and served as the Executive Vice President of the Risk Management Center of MINISO Product Co., Ltd. from September 2009 to August 2018. After the establishment of Mingchuang Guangzhou, Ms. Yang served as the executive vice president of Mingchuang Guangzhou since August 2018, responsible for risk management, and served as the director of Mingchuang Guangzhou from December 2018 to March 2020. Ms. Yang completed the online course of mental health education major of Beijing Normal University in July 2020.

5.2.8 Zhang Jingjing

Current term of office of the joint company secretary: 2022-07-13 to present

Male Master's Compensation:--

Mr. Zhang Jingjing, appointed as the joint company secretary of MINISO Group Holding Co., Ltd., will take effect from July 13, 2022. At present, Mr. Zhang is the director of capital market of the company, whose responsibilities mainly include investor relations, corporate strategy and investment. Mr. Zhang has more than 10 years of experience in the capital market. Before joining the company, he was engaged in investor relations management in several Chinese TMT companies, including Qitoutiao Company (NASDAQ: QTT) and Microblog Co., Ltd. (NASDAQ: WB). Mr. Zhang graduated from Nankai University in June 2011 with a double degree in world history and business administration. He is currently studying in the financial MBA program of China Europe International Business School. Mr. Zhang is a chartered financial analyst and a non practicing member of the Chinese Institute of Certified Public Accountants.

5.2.9 Huang Kaiting

Current term of office of the joint company secretary: 2022-07-13 to present

Female master's remuneration:--

Ms. Huang Kaiting is one of the joint company secretaries of Faraday Co., Ltd. At present, Ms. Huang is the manager assistant of Delta China Hong Kong Co., Ltd. (a leading global enterprise service provider), mainly responsible for providing company secretarial and compliance services for listed companies on the Stock Exchange. He has more than 8 years of working experience in the professional field

of company secretary. He is now a member of the Hong Kong Chartered Corporate Governance Association of China and the Chartered Corporate Governance Association of Britain. He holds a bachelor's degree in social science from Lingnan University and a master's degree in professional accounting and corporate governance from City University of Hong Kong, China. Appointed as the joint company secretary of China Hanwang Holding Co., Ltd. on May 26, 2022. Ms. Huang Kaiting, appointed as the joint company secretary of MINISO Group Holding Co., Ltd., will take effect from July 13, 2022.

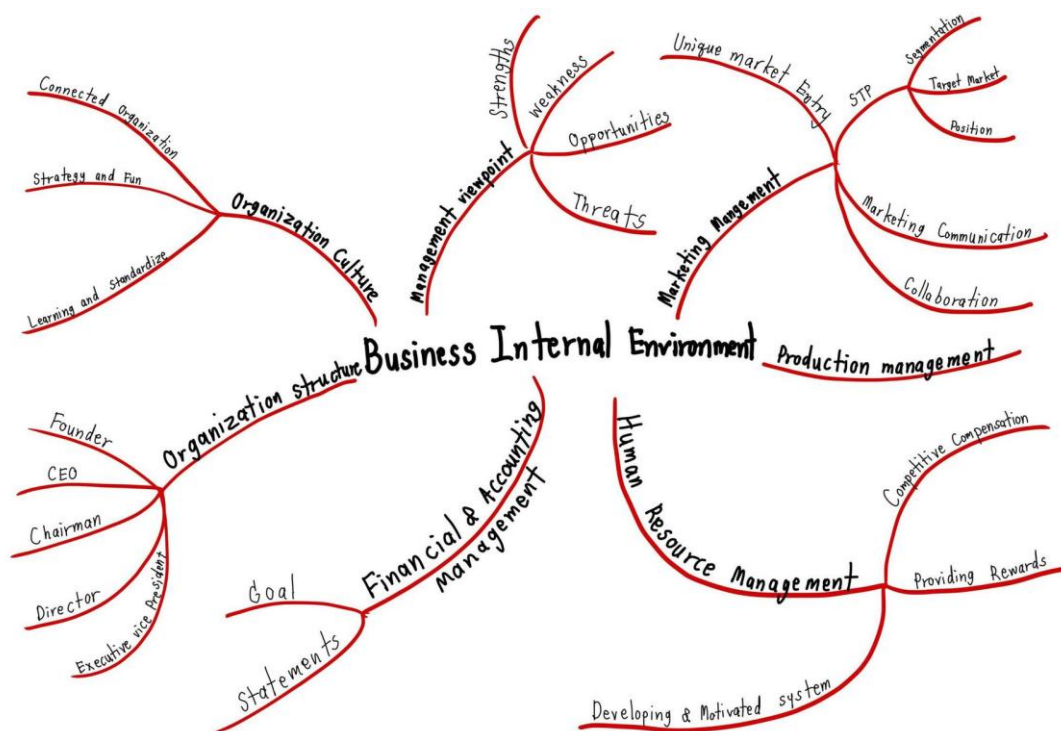
5.2.10 Dou Na

Current term of office of Executive Vice President: from February 1, 2020 to now

Female 37 Undergraduate Remuneration:--

Ms. Dou Na has been the Executive Vice President of MINISO Group Holding Co., Ltd. since February 2020. Ms. Dou is responsible for the product design and development of the Group. From September 2009 to August 2018, Ms. Dou served as the Executive Vice President of Mingchuang Premium Co., Ltd., responsible for product design and development. After the establishment of Mingchuang Guangzhou, Ms. Dou served as the executive vice president of Mingchuang Guangzhou since August 2018, responsible for product development, and served as the director of Mingchuang Guangzhou from December 2018 to March 2020. Ms. Dou

received a degree in clinical medicine from Wuhan University in July 2004 and a bachelor's degree in product design from Jiangnan University in July 2021.



SECTION 6

OPERATIONS AND PRODUCTION PLAN

6.1 Operations

6.1.1. Factory (commodity) direct purchase

(There are about 3000 kinds of commodities in one shop, most of which are directly ordered and purchased from more than 800 Chinese factories to ensure low prices)

It breaks the traditional mode of operation, that is, instead of purchasing goods through a third party, it directly finds a factory to directly purchase goods, removes all intermediate links, and saves a large amount of channel costs, thus ensuring the price advantage. In addition, in order to improve the taste and grade of the whole brand, we choose to purchase some goods abroad. In this way, on the one hand, the competitiveness of goods can be improved, and on the other hand, the self-publicized "foreign imports" can also stand on a little bit.

The founder of a famous micro department store once pointed out in an interview that the gross profit of its products is only 7% - 8%. The secret to ensure high quality and low price lies in "three high and three low", that is, high quality, high efficiency, high technology, low cost, low gross profit and low price.

6.1.2 Fast Commodity Circulation

(The commodity circulation time of general department stores is 3-4 months, and Ye Guofu invested heavily to develop the supply chain management system, which can last for 21 days)

Like the "fast fashion" in the department store industry, the products are updated frequently and circulated quickly. The variety of goods is rich but the number of single items is small, which can improve the decision-making speed of customers, and thus ensure the circulation speed of goods. "It takes only 5 minutes for you to choose a pair of gloves in the Webai Store, but in the supermarket, because there are too many styles, you may have to choose 15 minutes.

In addition, the high frequency of commodity updates can effectively drive consumers to spend many times.

6.1.3 Create an atmosphere to mobilize consumption

The space utilization rate is very high, and the aisles are narrow, so compared with many traditional retail shops, the Mingchuang and Youpin stores are relatively busy and even hot. Under such a situation, consumers are easily excited and consume impulsively.

6.1.4 Networked Management

(Fan operation, accumulating fans through WeChat activities, and the number of users of famous innovative and excellent products' WeChat subscription accounts exceeds 8 million at present)

Although it operates physical stores, Miniso is very good at network management, enabling all chain stores to realize the operation mode of "small front and large back". The front desk is responsible for store operation, while the back desk is responsible for market research, product design and development, commodity inventory control, brand marketing, logistics distribution and other aspects to support the normal operation of the store.

6.1.5 Design Control

Co-founder Miyake Shun is also a contract designer of internationally renowned fashion brands, controlling the design core force of goods;

6.1.6. Joining in with capital

Invest in the franchise, let the investors rent and decorate the stores, conduct unified distribution and sales management for famous, innovative and high-quality products, and the investors participate in the share of turnover to improve the speed of opening stores;

6.1.7. Global Thinking

The global design is exported to Japan, and the global procurement strategy is seamlessly connected. At present, 20% of the products on sale in the Chinese market are purchased from abroad. At the same time, the store layout is gradually becoming international, radiating from Tokyo, Hong Kong, Singapore and Dubai to the world.

6.2 Operations Model and procedure

6.2.1 Business model

The business model of MINISO is very similar to ODM and SPA. It is also processed in a OEM factory, but the standard of the OEM factory is high.

1. Direct purchase of goods: There are about 3000 kinds of goods in a famous and innovative product store, most of which are directly ordered from more than 800 Chinese factories, so the price advantage can be guaranteed. These factories are almost all export enterprises, 80% of which are located in the Pearl River Delta and Yangtze River Delta;

2. Design control: MINISO controls the design core force of the goods. Except for food, it uses the brand of MINISO (MINISO), thus controlling the pricing power of the goods

3. Fast circulation: The commodity circulation time of general department stores is three to four months, and the famous innovative and excellent products

can last for 21 days. Big data management is carried out on the dynamic sales speed of all commodities to improve the efficiency of capital and sales

4. Joining in with capital: investment joining is implemented. The investors rent and decorate the stores. The famous, innovative and excellent products are uniformly distributed and sold. The investors participate in the business volume sharing, which greatly improves the speed of opening stores

5. Global thinking: The global design is exported to Japan, and the global procurement strategy is seamlessly connected. At present, 20% of the products on sale in the Chinese market are purchased from abroad. At the same time, the store layout is also gradually becoming international, radiating from Tokyo, Hong Kong, Singapore and Dubai to the world.

6. Fans operation: Through the method of "scanning WeChat and giving free shopping bags", we quickly accumulated fans. In just over a year, the number of users of WeChat subscription account of famous innovative products exceeded 8 million, becoming a super large one, thus creating possibilities for interactive marketing.

6.2.2 Profit model: investment attraction and franchise model

There are two forms of cooperation to open a famous brand shop. One is to invest 1:1 with the headquarters of famous brand to share risks and profits. The other is "investment alliance". The franchise policy of famous and innovative

products is "the deposit system of brand usage fees and goods will be divided the next day".

Franchisee

Paying: 80000 yuan for listing, 750000 yuan for goods deposit (with the start-up fund for purchasing from suppliers), the store rent, labor, electricity, industrial and commercial and tax fees, as well as the decoration of the store, container shelves, etc. - the initial cumulative cost is nearly 2 million yuan. These are rigid costs.

Obtained: 38% of the daily turnover (33% for food), transferred to the account the next day. Flexible returns.

MINISO

Payment: 0 investment at the initial stage, providing brand franchise, store design and decoration, supply, daily operation, etc. Nearly zero cost input.

Gain: 62% of the daily turnover (67% for food). High return.

That is to say, after the R&D and manufacturing of the famous and excellent products, they will be sold to consumers through the franchisees. After the franchisees put forward 38% of the sales as the income, each product will be left to the headquarters of famous and excellent products with only 8 profit margins. From this point of view, MINISO is essentially a B2B enterprise. The more stores, the greater the sales, and the more the headquarters will earn.

It can also be seen that the famous innovative and excellent products are

operating in the mode of light assets. They hold the design, research and development, and supply chain in their hands, and hand over the "heavy" investment in store rent, decoration, etc. to the franchisees, thus reducing the burden on the headquarters and making them run fast.

6.3 Business Location

There are hundreds of stores officially opened in Asia, and the Chinese headquarters are located in Haizhu District, Guangzhou City, Guangdong Province.

The reason why MINISO can sweep the world. We have to admire that they have a great place departmentalization. This department can collect the local and they can combine the local culture to the MINISO's culture.

6.4 Operation strategy and plans

In fact, the strategic positioning of MINISO is very clear. It positions itself as a small department store selection supermarket with high cost performance ratio. Its core positioning is high quality and low price, "fast fashion department store brand", and its core consumers are targeting 18-35 year old people. Positioning means to compete with the same industry and e-commerce. Because of the convenience of Internet information technology, many intermediate links have been reduced for enterprises, and efficiency has also been improved. More and more physical retail

industries have turned to the field of e-commerce under pressure, which has greatly impacted the "bag consumption". Those physical enterprises that have no time to transform or explore new ways can only shut down. But there are advantages and disadvantages, and there are still weaknesses behind the strength. Behind the convenience and efficiency brought by e-commerce is the lack of user experience. As far as e-commerce is concerned, consumers in the process of purchasing usually have a strong purpose to quickly purchase the products they need. Consumers need to pay for a period of time before they can get the goods, that is, the time to wait for the express delivery. If the logistics delivery time is uncertain, it will be a day or two, or a week long. Consumers cannot enjoy the pleasure of experiencing the products in real time.

MINISO attaches great importance to the user experience. From the location of the store to the decoration and service of the store, prosperous streets, well decorated stores, and beautiful in store environment, all of them are attracting consumers, meeting with the product face to face, and enjoying the pleasure of experiencing the product instantly. This is something that e-commerce can't do for the time being. In the same industry, it is rare to achieve low price and fast quality products. Famous innovative and excellent products seize this strategic positioning and stand out in the same industry.

Accurate market positioning is the key factor to the success of an enterprise. MINISO takes 18-35 year old students, white-collar workers, etc. as the target market

consumer groups, so it is necessary to position this group in the market. This group pursues fast fashion and good quality, but its consumption ability is at the medium level. In addition, China's per capita income is not high, and the middle-income group accounts for the majority. MINISO has chosen the positioning of high-quality goods at low prices, and has used this advantage to accumulate customers and reputation. Secondly, few of these daily necessities in our country can achieve the best of both worlds, either high price or pure inferior quality. To stand out in the competition of the same industry, in addition to the low price of high-quality goods, we also need to pay attention to the design of creative famous and high-quality products to meet these conditions.

SECTION 7

FINANCIAL PROJECTIONS

1. Financial Goal

Financial planning is an implement that helps to prepare and lead the company for financial stability. from forecasting of investing and compensation, forecasting of income statements which can indicate the situation of the company. It can also access opportunities and risks in order to manage working capital. It is an efficient and stable business to operate in the long term.

2. Conclusion

1.) Quick ratio 2.21 represents the company has no risk of lack of liquidity in the short term.

2.) Current ratio 2.64 represents continued from quick ratio, but will be considered more than quick ratio about inventory and carrying cost, it is a long term consideration of liquidity.

3.) Total debt to equity ratio 60.76% Generally, the company will try to keep the debt to equity ratio not more than two times that represents the company is in a good position in terms of total debt to equity ratio, the company has low risks in debt.

7.1 Source and Use of Funds Statement

MINISO's revenue in the third quarter of 2022 was 2.772 billion yuan (390 million dollars), up 4.5% year on year, mainly due to the 47.6% year-on-year growth in revenue from overseas markets, partly offset by the 8.8% year-on-year decrease in revenue from China.

In the third quarter of 2022, MINISO's revenue from China was 1.852 billion yuan (260 million dollars), and 2.03 billion yuan in the same period of 2021. The year-on-year decrease was (i) mainly due to the rebound of the domestic epidemic in September, which led to the decrease of the revenue generated by the famous brand from 1.867 billion yuan to 1.7 billion yuan.

In the third quarter of 2022, MINISO's revenue from overseas markets was 920 million yuan (US \$129 million), accounting for 33.2% of the total revenue, with a year-on-year increase of 47.6%. This growth was mainly due to the year-on-year increase of 9.7% in the average number of stores and 34.6% in the average revenue of each MINISO store opened in overseas markets.

The sales cost of MINISO in the third quarter of 2022 was 1.784 billion yuan (251 million dollars), a year-on-year decrease of 7.4%, mainly due to the saving measures taken to reduce the cost of several products.

7.2 Assumptions Sheet

The ROE of Mingchuang Youpin Group in the last 12 months was 9.4%

6.3% (net interest rate) x 0.93 times/year (total asset turnover rate) x 1.61 times (leverage ratio)=9.4% (ROE)

From 2017 to 2022, the ROE of Mingchuangyoupin Group Holdings changed from - 119.0% to 9.4%.

The main reason is the change of [other income/expenditure]. Profitability (45.0/100)

The gross profit rate of Mingchuangyou Group is 30.4% (the gross profit is not bad)

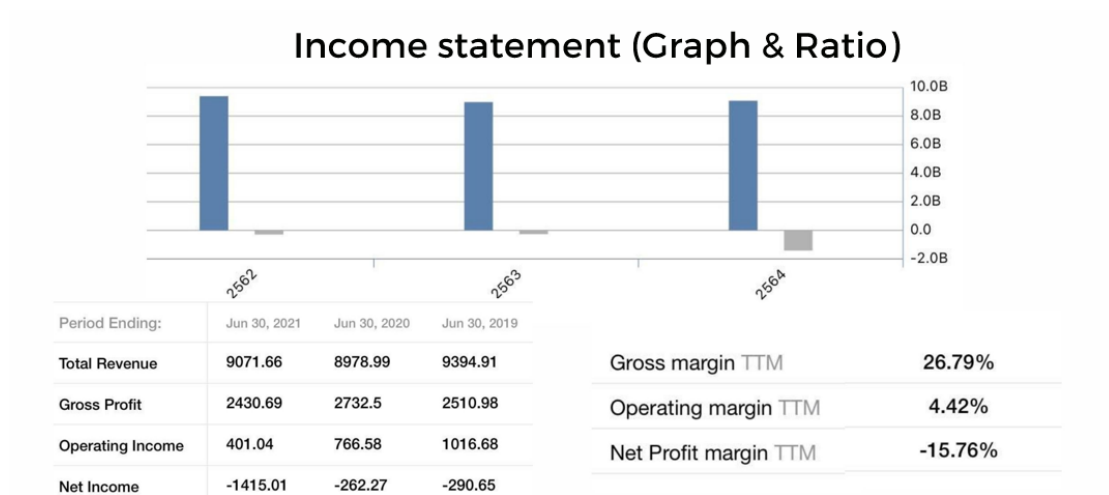
Net interest rate of Mingchuangyupin Group is 6.3% (average after tax profit)

Mingchuangyou Group earned 0.32 yuan per share after tax.

Balance sheet Ratio (important items)

Class Ratio (% of total assets)	2019	2020	2021	2022	The 2022-06
Cash to Cash (%)	36.4	48.9	64.2	51.4	51.4
Receivables (%)	14.2	10.3	6.4	7.2	7.2
 Inventory (%)	25.0	23.9	14.0	* 10.5	10.5
Assets, Other Current Assets (%)	10.7	2.3	1.4	12.5	2.5
(%) Current Assets (%)	86.3	85.4	85.9	71.6	71.6
Non-current assets (%)	13.7	14.6	14.1	28.4	28.4
(%) Amounts payable (%)	11.3	8.3	5.8	5.8	5.8
 Current liabilities (%)	62.1	56.7	32.5	33.6	33.6
Non-current liabilities (%)	40.1	48.8	5.3	4.1	4.1
(%) Shareholders' equity (%)	2.2	5.5	62.1	62.3	62.3
 equity					

7.3 Income Statements

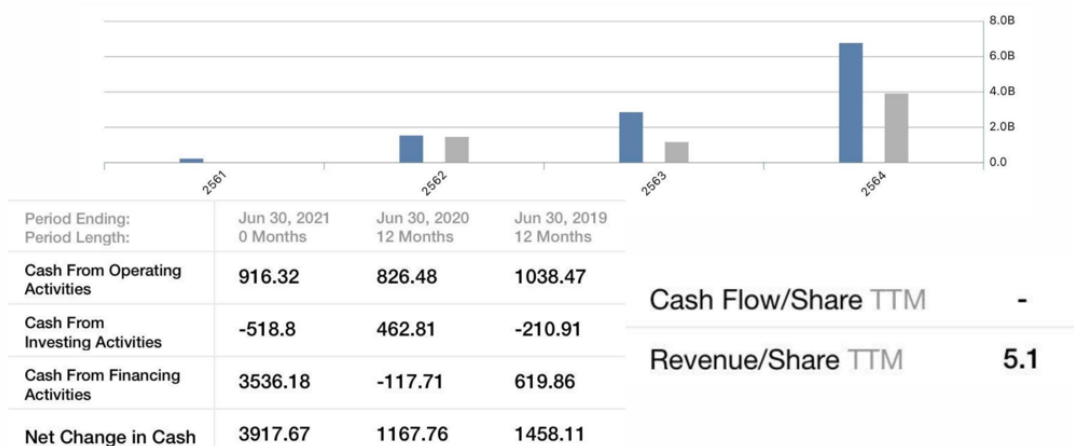


7.4 Balance Sheet



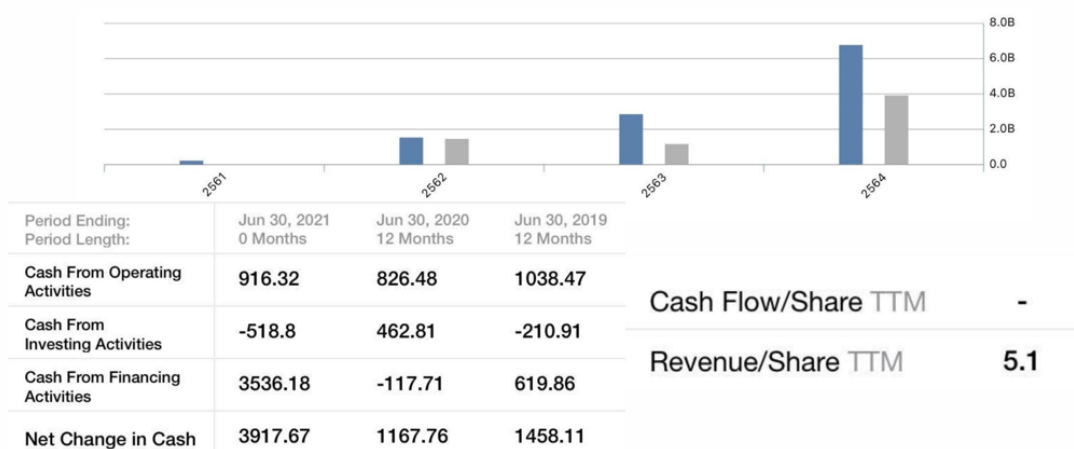
7.5 Cash Flow

Cash Flow (Graph & Ratio)



7.6 Ratio Analysis

Cash Flow (Graph & Ratio)



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