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**江南布衣**  
JIANGNANBUYI

**JNBY Design Limited**  
**江南布衣有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 3306)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

**FINANCIAL HIGHLIGHTS**

- The total revenue of the Group for the year ended June 30, 2022 (“**Fiscal Year 2022**”) amounted to RMB4,085.9 million, a decrease of 1.0% or RMB40.3 million as compared with RMB4,126.2 million for the year ended June 30, 2021 (“**Fiscal Year 2021**”). The net profit for Fiscal Year 2022 amounted to RMB558.9 million, a decrease of 13.6% or RMB88.3 million as compared with RMB647.2 million for Fiscal Year 2021.
- As of June 30, 2022, the brand portfolio of the Group includes multiple brands in three stages, namely (i) Mature brand, (ii) Younger brands and (iii) Emerging brands. The total number of our retail stores around the world increased from 1,931 as of June 30, 2021 to 1,956 as of June 30, 2022. Our sales network has covered all provinces, autonomous regions and municipalities in Mainland China and across nine other countries and regions around the world.

- As of June 30, 2022, the Group had over 5.9 million membership accounts (without duplication) including more than 5.6 million subscribers (without duplication) on the WeChat platform. The proportion of the Group's digital members on the WeChat platform remained stable, being over 90%. The retail sales contributed by our members accounted for around 70% of our total retail sales for Fiscal Year 2022. The number of active members accounts of the Group for Fiscal Year 2022 (active members accounts are membership accounts associated with at least two purchases for a period of any 180 consecutive days within the last 12 months, without duplication) was over 420,000, and the number of membership accounts with annual purchases totaling over RMB5,000 was over 211,000 for Fiscal Year 2022, thereby contributing retail sales amounting to RMB2.78 billion, or over 40% of our total retail sales of offline channels.
- The Board has recommended the payment of a final dividend of HK\$0.57 per ordinary share (equivalent to approximately RMB0.49 per ordinary share) for the year ended June 30, 2022, together with the payment of an interim dividend of HK\$0.39 per ordinary share paid for the six months ended December 31, 2021, the total dividend for the year will amount to approximately HK\$498.0 million, accounting for 75% of the net profit of the Company for Fiscal Year 2022.

## CONSOLIDATED ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of JNBY Design Limited (the “**Company**”) is pleased to announce the audited consolidated results of our Company and its subsidiaries (the “**Group**”) for the year ended June 30, 2022, together with the comparative figures for the year ended June 30, 2021, as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	Year ended 30 June	
		2022	2021
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	5	4,085,868	4,126,225
Cost of sales	6	<u>(1,478,498)</u>	<u>(1,528,873)</u>
<b>Gross profit</b>		<u>2,607,370</u>	<u>2,597,352</u>
Selling and marketing expenses	6	(1,511,291)	(1,429,158)
Administrative expenses	6	(377,334)	(328,275)
(Provision for)/reversal of impairment on financial assets	6	(5,590)	1,806
Other income and gains, net	7	<u>62,697</u>	<u>42,136</u>
<b>Operating profit</b>		<u>775,852</u>	<u>883,861</u>
Finance income	8	38,180	32,125
Finance costs	8	<u>(38,396)</u>	<u>(29,396)</u>
Finance (costs)/income, net		<u>(216)</u>	<u>2,729</u>
<b>Profit before income tax</b>		775,636	886,590
Income tax expense	9	<u>(216,763)</u>	<u>(239,395)</u>
<b>Profit for the year</b>		<u>558,873</u>	<u>647,195</u>
<b>Other comprehensive loss</b>			
<i>Items that may not be reclassified to profit or loss:</i>			
Currency translation differences		<u>(3,389)</u>	<u>(39,900)</u>
<b>Total comprehensive income for the year</b>		<u>555,484</u>	<u>607,295</u>

		<b>Year ended 30 June</b>	
		<b>2022</b>	<b>2021</b>
	<i>Note</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Profit attributable to:</b>			
—Shareholders of the Company		<b>558,880</b>	647,201
— Non-controlling interests		<b>(7)</b>	<b>(6)</b>
		<u><u>          </u></u>	<u><u>          </u></u>
<b>Total comprehensive income attributable to:</b>			
—Shareholders of the Company		<b>555,492</b>	607,301
— Non-controlling interests		<b>(8)</b>	<b>(6)</b>
		<u><u>          </u></u>	<u><u>          </u></u>
<b>Earnings per share (expressed in RMB per share)</b>			
— Basic	<i>10</i>	<b>1.12</b>	1.30
		<u><u>          </u></u>	<u><u>          </u></u>
— Diluted	<i>10</i>	<b>1.10</b>	1.29
		<u><u>          </u></u>	<u><u>          </u></u>

## CONSOLIDATED BALANCE SHEET

		As at 30 June	
		2022	2021
	Note	RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	451,041	398,299
Right-of-use assets	14	719,774	640,068
Intangible assets	13	18,711	15,698
Prepayments, deposits and other assets	17	15,683	20,167
Amounts due from a related party		103,249	—
Financial assets at fair value through profit or loss		168,840	54,712
Deferred income tax assets		242,849	200,744
		<u>1,720,147</u>	<u>1,329,688</u>
Total non-current assets			
<b>Current assets</b>			
Inventories	15	828,823	706,838
Trade receivables	16	103,682	119,105
Prepayments, deposits and other assets	17	268,685	240,945
Amounts due from a related party		2,356	2,623
Financial assets at fair value through profit or loss		—	131,062
Term deposits with initial term over 3 months		384,396	739,370
Cash and cash equivalents		591,746	549,012
		<u>2,179,688</u>	<u>2,488,955</u>
Total current assets			
<b>Total assets</b>		<u><u>3,899,835</u></u>	<u><u>3,818,643</u></u>

		As at 30 June	
		2022	2021
	<i>Note</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liability	<i>14</i>	<b>168,059</b>	125,689
Accruals and other current liabilities		<b>4,579</b>	5,413
Amounts due to related parties		<b>281,249</b>	318,912
Deferred income tax liabilities		<b>12,197</b>	16,404
		<hr/>	<hr/>
Total non-current liabilities		<b>466,084</b>	466,418
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade payables	<i>18</i>	<b>289,211</b>	256,492
Lease liabilities	<i>14</i>	<b>174,599</b>	121,647
Contract liabilities		<b>300,250</b>	309,776
Accruals and other current liabilities		<b>714,705</b>	622,253
Amounts due to related parties		<b>57,531</b>	44,082
Borrowings		<b>148,868</b>	243,619
Current income tax liabilities		<b>63,622</b>	38,105
		<hr/>	<hr/>
Total current liabilities		<b>1,748,786</b>	1,635,974
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>2,214,870</b>	2,102,392
		<hr/> <hr/>	<hr/> <hr/>
<b>Net assets</b>		<b>1,684,965</b>	1,716,251
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital		<b>4,622</b>	4,622
Shares held for restricted share units (“RSU”) scheme		<b>(180,244)</b>	(164,430)
Share premium		<b>508,254</b>	668,308
Other reserves		<b>228,863</b>	192,057
Retained earnings		<b>1,123,499</b>	1,015,715
		<hr/>	<hr/>
Equity attributable to shareholders of the Company		<b>1,684,994</b>	1,716,272
Non-controlling interests		<b>(29)</b>	(21)
		<hr/>	<hr/>
<b>Total equity</b>		<b>1,684,965</b>	1,716,251
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company						
	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Shares held for RSU scheme <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Non- controlling interests <i>RMB'000</i>	Total equity <i>RMB'000</i>
<i>Note</i>							
<b>Balance at 1 July 2020</b>	4,622	665,520	(172,414)	222,095	766,104	(15)	1,485,912
<b>Comprehensive income</b>							
Profit for the year	—	—	—	—	647,201	(6)	647,195
<b>Other comprehensive loss:</b>							
Currency translation differences	—	—	—	(39,900)	—	—	(39,900)
<b>Total comprehensive income</b>	—	—	—	(39,900)	647,201	(6)	607,295
<b>Transactions with shareholders</b>							
Profit appropriations to statutory reserves	—	—	—	1,975	(1,975)	—	—
Liquidation of a subsidiary	—	—	—	(232)	232	—	—
Dividend	—	—	—	—	(395,847)	—	(395,847)
Share-based compensation	—	—	—	16,523	—	—	16,523
Purchase ordinary shares for RSU scheme	—	—	(5,883)	—	—	—	(5,883)
Transfer and exercise of RSUs	—	2,788	13,867	(8,404)	—	—	8,251
<b>Total transactions with shareholders</b>	—	2,788	7,984	9,862	(397,590)	—	(376,956)
<b>Balance at 30 June 2021</b>	<u>4,622</u>	<u>668,308</u>	<u>(164,430)</u>	<u>192,057</u>	<u>1,015,715</u>	<u>(21)</u>	<u>1,716,251</u>

Attributable to shareholders of the Company							
	Share capital	Share premium	Shares held for RSU scheme	Other reserves	Retained earnings	Non-controlling interests	Total equity
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Balance at 1 July 2021</b>	<u>4,622</u>	<u>668,308</u>	<u>(164,430)</u>	<u>192,057</u>	<u>1,015,715</u>	<u>(21)</u>	<u>1,716,251</u>
<b>Comprehensive income</b>							
Profit for the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>558,880</u>	<u>(7)</u>	<u>558,873</u>
<b>Other comprehensive loss:</b>							
Currency translation differences	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3,388)</u>	<u>—</u>	<u>(1)</u>	<u>(3,389)</u>
<b>Total comprehensive income</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3,388)</u>	<u>558,880</u>	<u>(8)</u>	<u>555,484</u>
<b>Transactions with shareholders</b>							
Profit appropriations to statutory reserves	<u>—</u>	<u>—</u>	<u>—</u>	<u>469</u>	<u>(469)</u>	<u>—</u>	<u>—</u>
Dividend	<i>11</i> <u>—</u>	<u>(161,458)</u>	<u>—</u>	<u>—</u>	<u>(450,627)</u>	<u>—</u>	<u>(612,085)</u>
Share-based compensation	<u>—</u>	<u>—</u>	<u>—</u>	<u>44,633</u>	<u>—</u>	<u>—</u>	<u>44,633</u>
Purchase ordinary shares for RSU scheme	<u>—</u>	<u>—</u>	<u>(22,737)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(22,737)</u>
Transfer and exercise of RSUs	<u>—</u>	<u>1,404</u>	<u>6,923</u>	<u>(4,908)</u>	<u>—</u>	<u>—</u>	<u>3,419</u>
<b>Total transactions with shareholders</b>	<u>—</u>	<u>(160,054)</u>	<u>(15,814)</u>	<u>40,194</u>	<u>(451,096)</u>	<u>—</u>	<u>(586,770)</u>
<b>Balance at 30 June 2022</b>	<u><u>4,622</u></u>	<u><u>508,254</u></u>	<u><u>(180,244)</u></u>	<u><u>228,863</u></u>	<u><u>1,123,499</u></u>	<u><u>(29)</u></u>	<u><u>1,684,965</u></u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 30 June	
<i>Note</i>	<b>2022</b>	2021
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	1,090,432	1,545,190
Income tax paid	<u>(237,558)</u>	<u>(208,612)</u>
<b>Net cash generated from operating activities</b>	<b><u>852,874</u></b>	<b><u>1,336,578</u></b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(134,439)	(124,118)
Purchase of intangible assets	(5,549)	(4,381)
Proceeds from disposals of property, plant and equipment	271	359
Investment income received from financial products issued by commercial banks	1,783	7,528
Interest received	36,999	19,639
Payment of term deposits with initial term over 3 months	(792,708)	(1,369,991)
Proceeds from withdrawal of term deposits with initial term over 3 months	1,150,837	859,217
Payment of financial products issued by commercial banks	(70,000)	(310,000)
Loans granted to a related party	(150,000)	—
Loan repayments and interests received from a related party	50,976	—
Proceeds from redemption of financial products issued by commercial banks	200,000	440,000
Payment for financial assets at fair value through profit or loss	<u>(97,995)</u>	<u>(54,712)</u>
<b>Net cash generated from/(used in) investing activities</b>	<b><u>190,175</u></b>	<b><u>(536,459)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from exercise of RSUs	3,419	8,251
Proceeds from borrowings	147,492	239,509
Repayments of borrowings	(246,000)	(190,000)
Payment of lease liabilities	(272,072)	(236,597)
Dividends paid	(612,085)	(395,847)
Payment for repurchase of treasury shares	<u>(22,737)</u>	<u>(5,883)</u>
<b>Net cash used in financing activities</b>	<b><u>(1,001,983)</u></b>	<b><u>(580,567)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>41,066</b>	<b>219,552</b>
Cash and cash equivalents at beginning of the year	549,012	336,672
Exchange gain/(losses) on cash and cash equivalents	<u>1,668</u>	<u>(7,212)</u>
<b>Cash and cash equivalents at end of the year</b>	<b><u><u>591,746</u></u></b>	<b><u><u>549,012</u></u></b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 30 June 2022*

### 1. GENERAL INFORMATION

JNBY Design Limited (the “**Company**”) was incorporated in the Cayman Islands on 26 November 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Pursuant to the resolution passed by the board of directors (the “**Board**”) on 8 June 2016, the Company changed its name from Croquis Investment Limited to the present one.

The Company and its subsidiaries (collectively, the “**Group**”) are primarily engaged in the design, marketing and sales of fashion apparel, accessory products and household goods in the People’s Republic of China (the “**PRC**”) and overseas.

The Company completed its initial public offering and listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited on 31 October 2016.

The consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

These consolidated financial statements of the Group have been approved for issue by the Board on 30 August 2022.

### 2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by HKICPA and the disclosure requirements of Hong Kong Companies Ordinance Cap. 622.. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which have been measured at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

### 3. FINANCIAL RISK FACTORS

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The Group currently does not use any derivative financial instruments to hedge certain risk exposures.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

## 5. SEGMENT INFORMATION

The Group operates as three operating segments. The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the “CODM”), the executive directors.

Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. The CODM consider the business from product perspective.

The CODM consider the operating segments as follows: mature brand representing JNBY, younger brands portfolio representing CROQUIS (速寫), jnby by JNBY and LESS, and emerging brands representing POMME DE TERRE (蓬馬), JNBYHOME, etc.

Management assesses the performance of the operating segments based on operating profit.

	Year ended 30 June 2022			Total RMB'000
	Mature brand RMB'000	Younger brands RMB'000	Emerging brands RMB'000	
Revenue				
Mainland China	2,282,459	1,692,095	74,614	4,049,168
Outside mainland China	29,376	6,747	577	36,700
Revenue from external customers	2,311,835	1,698,842	75,191	4,085,868
Segment gross profit	1,490,551	1,073,797	43,022	2,607,370
Segment operating profit	813,066	412,813	1,855	1,227,734
Unallocated selling and marketing expenses, administrative expenses and net impairment losses on financial assets				(514,579)
Other income and gains, net				62,697
Total operating profit				775,852

	Year ended 30 June 2021			
	Mature brand <i>RMB'000</i>	Younger brands <i>RMB'000</i>	Emerging brands <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue				
Mainland China	2,276,487	1,732,432	86,911	4,095,830
Outside mainland China	<u>22,303</u>	<u>7,907</u>	<u>185</u>	<u>30,395</u>
Revenue from external customers	<u>2,298,790</u>	<u>1,740,339</u>	<u>87,096</u>	<u>4,126,225</u>
Segment gross profit	<u>1,459,840</u>	<u>1,093,098</u>	<u>44,414</u>	<u>2,597,352</u>
Segment operating profit/(loss)	<u>802,072</u>	<u>476,527</u>	<u>(706)</u>	<u>1,277,893</u>
Unallocated selling and marketing expenses, administrative expenses and net impairment losses on financial assets				<u>(436,168)</u>
Other income and gains, net				<u>42,136</u>
Total operating profit				<u><u>883,861</u></u>

Since no revenue from sale to a single customer amounted to 10% or more of the Group's revenue for the reporting period, no major customer information is presented in accordance with HKFRS 8 Operating Segments.

## 6. EXPENSES BY NATURE

	Year ended 30 June	
	2022	2021
	RMB'000	RMB'000
Cost of inventories sold	1,316,098	1,381,018
Workforce contracting expenses	376,933	333,077
Employee benefit expenses (including share-based compensation expenses)	367,454	357,732
Promotion and marketing expense	340,920	286,361
Depreciation and amortisation ( <i>Notes 12, 13 &amp; 14</i> )	323,403	253,892
— Right-of-use assets	228,091	183,032
— Property, plant and equipment	92,776	68,580
— Intangible assets	2,536	2,280
Expenses relating to short-term leases and variable lease payments	276,500	306,344
Provision for inventories ( <i>Note 15</i> )	107,796	118,921
Commission expenses to online platforms	52,324	48,441
Utilities charges and office expenses	50,911	50,088
Transportation and warehouse expense	48,487	46,469
Stamp duty, property tax and other surcharges	29,158	29,829
Other professional service expenses	21,894	15,927
Consumables and service fee for apparel design	21,727	23,907
Entertainment and travelling expenses	12,377	12,317
Provision/(reversal of) for impairment losses on financial assets	5,590	(1,806)
Auditors' remuneration	3,396	2,676
— Audit services	2,700	2,448
— Non-audit services	696	228
Others	17,745	19,307
	<hr/>	<hr/>
Total cost of sales, selling and marketing expenses, net impairment losses on financial assets and administrative expenses	<b>3,372,713</b>	<b>3,284,500</b>
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## 7. OTHER INCOME AND GAINS, NET

	Year ended 30 June	
	2022	2021
	RMB'000	RMB'000
Government grants (i)	45,594	34,465
Fair value gains of venture capital funds	13,501	—
Interest income from loans to a related party	4,225	—
Fair value gains of financial products (ii)	721	5,499
Gains on early termination of right-of-use assets (Note 14)	357	1,106
Losses on disposal of property, plant and equipment	(833)	(641)
Donations	(1,397)	(688)
Others	529	2,395
	<u>62,697</u>	<u>42,136</u>

- (i) Government grants during the years presented are primarily financial subsidies received from local governments in the PRC. There are no unfulfilled conditions or contingencies relating to such income.
- (ii) Fair value gains represent primarily fair value gains from the Group's investment in financial products issued by commercial banks.

## 8. FINANCE (COSTS)/INCOME, NET

	Year ended 30 June	
	2022	2021
	RMB'000	RMB'000
Finance income		
Interest income on cash and cash equivalents, and term deposits with initial term over 3 months	32,849	26,424
Net foreign exchange gains on financing activities	5,331	5,701
	<u>38,180</u>	<u>32,125</u>
Finance costs		
Interest expenses on lease liabilities	(34,639)	(22,969)
Interest expenses on bank borrowings	(3,757)	(6,427)
	<u>(38,396)</u>	<u>(29,396)</u>
Finance (costs)/income, net	<u>(216)</u>	<u>2,729</u>

## 9. TAX EXPENSE

### (a) Income tax expense

The income tax expense of the Group for the years ended 30 June 2022 and 2021 are analysed as follows:

	Year ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax expense		
— Enterprise income tax expense	235,575	229,973
Deferred income tax (benefit)/charge	(18,812)	9,422
	<u>216,763</u>	<u>239,395</u>

### (b) Numerical reconciliation of income tax expense to prima facie tax payable

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the effective tax rate applicable to profits of the companies comprising the Group as follows:

	Year ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before income tax	<u>775,636</u>	<u>886,590</u>
Tax calculated at domestic tax rate applicable to profits in PRC (25%)	193,909	221,648
Preferential income tax benefits	(2,126)	(3,327)
Different tax jurisdiction	314	304
Interest income not subject to taxation	(726)	(911)
PRC withholding income tax on the retained earnings intended to be distributed	23,293	24,343
Research and development tax credit	(6,365)	(3,572)
Tax losses for which no deferred income tax asset was recognised	144	636
Tax differences related to the RSUs	8,072	726
Expenses not deductible for tax purpose	248	157
Utilisation of previously unrecognised deferred taxes	—	(609)
Income tax expense	<u>216,763</u>	<u>239,395</u>
Effective tax rate	<u>27.95%</u>	<u>27.00%</u>

## 10. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue excluding shares held under the RSU scheme in issue during the years presented.

	Year ended 30 June	
	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Profit attributable to shareholders of the Company	558,880	647,201
Weighted average number of ordinary shares in issue excluding shares held under the RSU scheme in issue (thousands of shares)	<u>498,068</u>	<u>498,068</u>
Basic earnings per share (expressed in RMB per share)	<u><u>1.12</u></u>	<u><u>1.30</u></u>

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has one category of dilutive potential ordinary shares, which is the RSUs granted to employees. The RSUs are assumed to have been fully vested and released from restrictions with no significant impact on earnings.

	Year ended 30 June	
	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Profit attributable to shareholders of the Company	<u>558,880</u>	<u>647,201</u>
Weighted average number of ordinary shares in issue excluding shares held under the RSU scheme in issue (thousands of shares)	498,068	498,068
Adjustments for share based compensation — RSUs (thousands of shares)	<u>8,123</u>	<u>3,980</u>
Weighted average number of ordinary shares for the calculation of diluted EPS (thousands of shares)	<u>506,191</u>	<u>502,048</u>
Diluted earnings per share (expressed in RMB per share)	<u><u>1.10</u></u>	<u><u>1.29</u></u>

## 11. DIVIDENDS

	Year ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Dividends appropriated and paid by the Company	<u>612,085</u>	<u>395,847</u>

A final dividend of RMB298,155,000 that related to the year ended 30 June 2021, an interim dividend of RMB152,472,000 that related to the six months ended 31 December 2021 and a special dividend of RMB161,458,000 out of share premium account relating to the year ended 30 June 2021 were appropriated and paid during the year ended 30 June 2022 (A final dividend of RMB234,048,000 that related to the year ended 30 June 2020 and an interim dividend of RMB161,799,000 that related to the six months ended 31 December 2020 were appropriated and paid during the year ended 30 June 2021).

## 12. PROPERTY, PLANT AND EQUIPMENT

	Office equipment and others <i>RMB'000</i>	Machinery <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Buildings <i>RMB'000</i>	Construction - in-progress <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Year ended 30 June 2021</b>							
Opening net book value	19,478	52,356	1,057	24,384	192,776	34,069	324,120
Additions	19,003	8,425	2,034	42,272	2,324	69,701	143,759
Transfer from Construction-in-progress	—	—	—	103,667	—	(103,667)	—
Depreciation	(8,159)	(6,569)	(448)	(44,024)	(9,380)	—	(68,580)
Disposals	(413)	(562)	(25)	—	—	—	(1,000)
Closing net book value	<u>29,909</u>	<u>53,650</u>	<u>2,618</u>	<u>126,299</u>	<u>185,720</u>	<u>103</u>	<u>398,299</u>
<b>As at 30 June 2021</b>							
Cost	57,717	67,837	7,327	253,261	206,185	103	592,430
Accumulated depreciation	(27,808)	(14,187)	(4,709)	(126,962)	(20,465)	—	(194,131)
Net book value	<u>29,909</u>	<u>53,650</u>	<u>2,618</u>	<u>126,299</u>	<u>185,720</u>	<u>103</u>	<u>398,299</u>
<b>Year ended 30 June 2022</b>							
Opening net book value	29,909	53,650	2,618	126,299	185,720	103	398,299
Additions	11,817	10,996	2,948	100,792	8,227	11,842	146,622
Transfer from Construction-in-progress	2	10,812	—	—	1,131	(11,945)	—
Depreciation	(10,118)	(7,523)	(915)	(64,681)	(9,539)	—	(92,776)
Disposals	(1,009)	(95)	—	—	—	—	(1,104)
Closing net book value	<u>30,601</u>	<u>67,840</u>	<u>4,651</u>	<u>162,410</u>	<u>185,539</u>	<u>—</u>	<u>451,041</u>
<b>As at 30 June 2022</b>							
Cost	63,836	89,428	10,275	297,038	215,543	—	676,120
Accumulated depreciation	(33,235)	(21,588)	(5,624)	(134,628)	(30,004)	—	(225,079)
Net book value	<u>30,601</u>	<u>67,840</u>	<u>4,651</u>	<u>162,410</u>	<u>185,539</u>	<u>—</u>	<u>451,041</u>

### 13. INTANGIBLE ASSETS

	<b>Computer software RMB'000</b>	<b>Others RMB'000</b>	<b>Total RMB'000</b>
<b>Year ended 30 June 2021</b>			
Opening net book value	13,376	221	13,597
Additions	4,381	—	4,381
Amortisation charge	<u>(2,230)</u>	<u>(50)</u>	<u>(2,280)</u>
Closing net book value	<u>15,527</u>	<u>171</u>	<u>15,698</u>
<b>As at 30 June 2021</b>			
Cost	24,247	244	24,491
Accumulated amortisation	<u>(8,720)</u>	<u>(73)</u>	<u>(8,793)</u>
Net book value	<u>15,527</u>	<u>171</u>	<u>15,698</u>
<b>Year ended 30 June 2022</b>			
Opening net book value	15,527	171	15,698
Additions	5,549	—	5,549
Amortisation charge	<u>(2,509)</u>	<u>(27)</u>	<u>(2,536)</u>
Closing net book value	<u>18,567</u>	<u>144</u>	<u>18,711</u>
<b>As at 30 June 2022</b>			
Cost	29,796	244	30,040
Accumulated amortisation	<u>(11,229)</u>	<u>(100)</u>	<u>(11,329)</u>
Net book value	<u>18,567</u>	<u>144</u>	<u>18,711</u>

Amortisation expenses have been charged to the consolidated statement of comprehensive income as follows:

	<b>Year ended 30 June</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
Administrative expenses	1,097	972
Selling and marketing expense	<u>1,439</u>	<u>1,308</u>
	<u>2,536</u>	<u>2,280</u>

## 14. LEASES

### (a) Amounts recognised in the consolidated balance sheet

The balance sheet shows the following amounts relating to leases:

#### *Right-of-use assets*

	Offices (i) <i>RMB'000</i>	Rented premises for stores (ii) <i>RMB'000</i>	Land use right <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Year ended 30 June 2022</b>				
Opening net book value as at				
1 July 2021	375,220	239,885	24,963	640,068
Additions	17,492	273,509	—	291,001
Early termination	(161)	(6,282)	—	(6,443)
Depreciation and amortisation	(47,610)	(179,923)	(558)	(228,091)
Modification	29,182	(5,943)	—	23,239
	<u>374,123</u>	<u>321,246</u>	<u>24,405</u>	<u>719,774</u>
Closing net book value as at				
30 June 2022	<u>374,123</u>	<u>321,246</u>	<u>24,405</u>	<u>719,774</u>
<b>Year ended 30 June 2021</b>				
Opening net book value as at				
1 July 2020	6,684	163,939	25,521	196,144
Additions	400,084	236,884	—	636,968
Early termination	—	(10,012)	—	(10,012)
Depreciation and amortisation	(31,548)	(150,926)	(558)	(183,032)
	<u>375,220</u>	<u>239,885</u>	<u>24,963</u>	<u>640,068</u>
Closing net book value as at				
30 June 2021	<u>375,220</u>	<u>239,885</u>	<u>24,963</u>	<u>640,068</u>

***Lease liabilities***

	<b>2022</b> <b><i>RMB'000</i></b>	2021 <i>RMB'000</i>
Lease liabilities at the beginning of the year	<b>247,336</b>	182,718
Lease liabilities due to related parties	<b>352,035</b>	4,431
	<b>599,371</b>	187,149
Lease payment	<b>(272,072)</b>	(236,597)
Interest expenses	<b>34,639</b>	22,969
Additions	<b>291,001</b>	636,968
Modification	<b>23,239</b>	—
Early termination	<b>(6,800)</b>	(11,118)
	<b>669,378</b>	599,371
Less: lease liabilities due to related parties	<b>(326,720)</b>	(352,035)
Lease liabilities at the end of the year	<b>342,658</b>	247,336

- (i) For the relocation of the headquarters, the Group leased premises from Huizhan Technology (Hangzhou) Co., Ltd, a related party controlled by the controlling shareholders of the Group. The Group leased premises mainly for office building for lease terms of 19 months, 26 months and 33 months commencing from 1 October 2020 and 1 April 2021 with extension options. The Group has an option to renew the lease agreements with the lessor six months before the lease expiry based on the then market rent.

Extension options for the lease arrangements are included in the lease term because the leases are reasonably certain to be extended to ten years taking into consideration of the significant leasehold improvements, historical lease durations and the costs and business disruption required to replace the leased assets. As a result, right of use assets of RMB389,988,000 was recorded during the year ended 30 June 2021.

During the year ended 30 June 2022, the Group entered several agreements with Huizhan Technology (Hangzhou) Co., Ltd to modify the existing lease arrangements with additional space and increased rent. As a result, right-of-use assets of RMB36,003,000 was recorded for the lease modification and additions.

- (ii) The Group chose to record the rent concessions occurring as a direct consequence of the COVID-19 pandemic as lease modifications. The rent concessions represented reduced lease payments due on or before 30 June 2022 and there was no substantive change to other terms and conditions of the lease. Rent concessions totaling approximately RMB5,943,000 (during the year ended 30 June 2021: nil) have been accounted for as lease modification by decreasing the lease liability and making a corresponding adjustment to the right-of-use asset.

	As at 30 June 2022 <i>RMB'000</i>	As at 30 June 2021 <i>RMB'000</i>
<b>Lease liabilities</b>		
Current	174,599	121,647
Non-current	<u>168,059</u>	<u>125,689</u>
	<u><u>342,658</u></u>	<u><u>247,336</u></u>

**(b) Amounts recognised in the consolidated statement of comprehensive income**

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	Year ended 30 June	
	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Depreciation charge of right-of-use assets		
Retail shops and offices	227,533	182,474
Land use right	558	558
Interest expense	34,639	22,969
Expense relating to short-term leases	69,399	70,039
Expense relating to variable lease payments not included in lease liabilities	<u>207,101</u>	<u>236,305</u>

The total cash outflow for leases in 2022 was RMB272,072,000 (during the year ended 30 June 2021: RMB236,597,000).

## 15. INVENTORIES

	As at June 30	
	2022	2021
	RMB'000	RMB'000
Finished goods	1,154,093	1,003,862
Raw materials	33,317	27,554
Commissioned processing materials	175,321	177,623
	<u>1,362,731</u>	<u>1,209,039</u>
Less: provision	<u>(533,908)</u>	<u>(502,201)</u>
	<u><u>828,823</u></u>	<u><u>706,838</u></u>

Movements of provision for inventories are analysed as follows:

	Year ended 30 June	
	2022	2021
	RMB'000	RMB'000
Beginning of the year	502,201	452,658
Addition of provision for inventories to net realisable value included in "cost of sales" (Note 6)	107,796	118,921
Release of provision upon sales of inventories written down in prior years	<u>(76,089)</u>	<u>(69,378)</u>
End of the year	<u><u>533,908</u></u>	<u><u>502,201</u></u>

## 16. TRADE RECEIVABLES

	As at 30 June	
	2022	2021
	RMB'000	RMB'000
Trade receivables	128,739	145,327
Less: provision for impairment	<u>(25,057)</u>	<u>(26,222)</u>
	<u><u>103,682</u></u>	<u><u>119,105</u></u>

The trade receivables are mainly due from the department stores where the Group operates its own retail outlets. General credit term offered to such department stores is 45 to 90 days from the date of the invoice issued by the Group.

The ageing analysis of gross trade receivables based on invoice date at the respective balance sheet date was as follows:

	As at 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	100,083	114,991
3 months to 6 months	7,173	8,186
6 months to 1 year	2,974	4,014
1 year to 2 years	740	4,731
more than 2 years	17,769	13,405
	<u>128,739</u>	<u>145,327</u>

#### 17. PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Long-term prepayments</b>		
Long-term prepaid expenses	15,683	11,726
Advance payments for long-term assets	—	8,441
	<u>15,683</u>	<u>20,167</u>
<b>Current assets</b>		
Deposits and other receivables	107,221	96,942
Right of goods return	85,547	53,279
Prepayment to suppliers	52,199	52,742
Prepaid expenses	18,168	36,602
Value added tax recoverable	5,464	1,237
Staff advances	86	143
	<u>268,685</u>	<u>240,945</u>
	<u>284,368</u>	<u>261,112</u>

#### 18. TRADE PAYABLES

	As at 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables (a)	<u>289,211</u>	<u>256,492</u>

(a) Ageing analysis of trade payables based on invoices was as follows:

	As at 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 6 months	282,792	250,799
6 months to 1 year	5,046	2,994
1 to 2 years	483	1,160
2 to 3 years	890	1,539
	<u>289,211</u>	<u>256,492</u>

## 19. ACCRUALS AND OTHER CURRENT LIABILITIES

	As at 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current liabilities</b>		
Payables for property, plant and equipment	<u>4,579</u>	<u>5,413</u>
<b>Current liabilities</b>		
Provisions for sales returns	258,551	138,628
Payroll and welfare payables	96,668	161,670
Provisions for sales rebates	70,089	61,647
Value-added and other taxes payables	52,374	62,890
Payables for leasehold improvements	50,052	49,361
Deposits received from suppliers (a)	48,853	38,600
Distribution deposits (b)	30,966	30,831
Workforce contracting payables	29,691	27,315
Accrued marketing and promotions expenses	16,601	19,796
Payables for property, plant and equipment	6,722	2,837
Rentals	9,512	2,749
Others	44,626	25,929
	<u>714,705</u>	<u>622,253</u>
	<u>719,284</u>	<u>627,666</u>

- (a) Deposits received from suppliers represent non-interest bearing deposits received from third-party suppliers for quality assurance.
- (b) Distribution deposits represent non-interest bearing deposits received from third-party distributors as a condition of engaging in business with the Group for distributing the Group's products in specific geographical areas. Such distribution deposits would be refunded to the distributors when their distribution relationship with the Group was terminated.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue

We derive our revenue primarily from sales of our products to distributors and to end-customers in our self-operated stores and through online channels. Our revenue is stated net of sales rebate, sales returns and value added taxes.

The total revenue for Fiscal Year 2022 amounted to RMB4,085.9 million, a decrease of 1.0% or RMB40.3 million as compared with RMB4,126.2 million for Fiscal Year 2021. The decrease in the revenue was mainly due to the impact of the recurring pandemic in many provinces and regions in China on the whole retail environment.

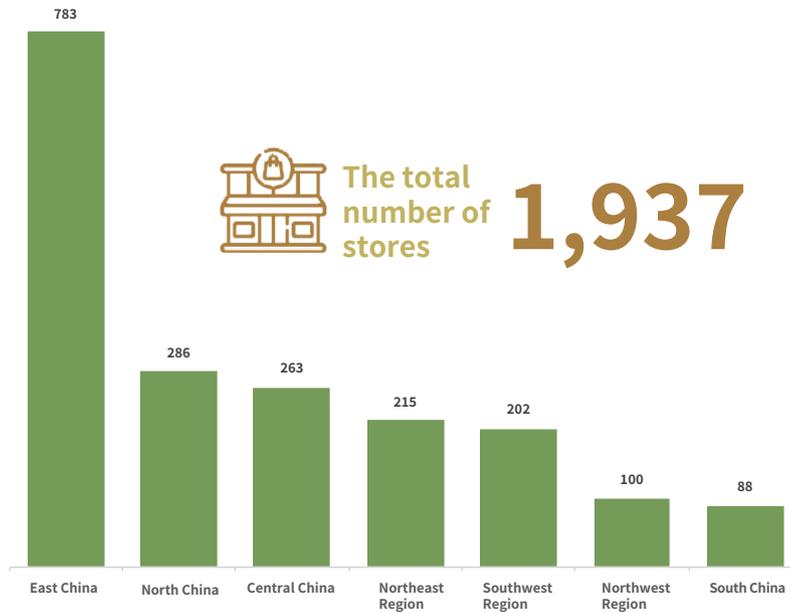
Including standalone offline stores abroad, our sales network has covered all provinces, autonomous regions and municipalities in Mainland China and across nine other countries and regions around the world. The tables below set forth the information on the number of our standalone retail stores around the world by different brands and “JNBY Group +” multi-brand collection stores, respectively:

	As of June 30, 2022	As of June 30, 2021
<b>Number of our standalone retail stores around the world by different brands</b>		
Mature Brand		
JNBY	<u>921</u>	<u>926</u>
Subtotal	<u>921</u>	<u>926</u>
Younger Brands		
CROQUIS (速寫)	313	312
jnby by JNBY	471	470
LESS	<u>204</u>	<u>185</u>
Subtotal	<u>988</u>	<u>967</u>
Emerging Brands		
POMME DE TERRE (蓬馬)	31	28
JNBYHOME	—	—
Others	<u>4</u>	<u>2</u>
Subtotal	<u>35</u>	<u>30</u>
“JNBY Group +” multi-brand collection stores	<u>12</u>	<u>8</u>
<b>Total</b>	<b><u>1,956</u></b>	<b><u>1,931</u></b>

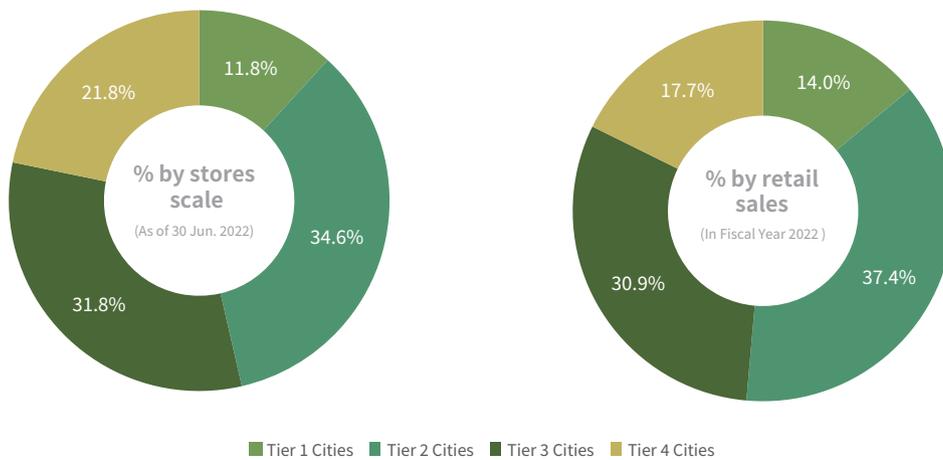
<b>Number and geographic distribution of our standalone retail stores by sales channels</b>	<b>As of June 30, 2022</b>	<b>As of June 30, 2021</b>
<b>Mainland China</b>		
Self-operated stores	<b>551</b>	544
Distributor-operated stores	<b>1,381</b>	1,357
<b>Outside Mainland China</b>		
Self-operated stores	<b>1</b>	1
Distributor-operated stores	<b>23</b>	29
<b>Total</b>	<b><u>1,956</u></b>	<b><u>1,931</u></b>

As of June 30, 2022, the total number of our standalone retail stores in countries and regions all over the world (excluding points of sale) was 1,956, and the following charts show the geographic distribution of our retail stores (including standalone distributor-operated and self-operated stores) across Mainland China, Hong Kong and Taiwan as well as the distribution of our stores and retail sales by city tiers across Mainland China respectively:

**Total number and geographic distribution of stores across Mainland China, Hong Kong and Taiwan Region**



*Number of stores and retail sales by city tiers across Mainland China*  
**Retail sales scale in tier 1 and tier 2 cities accounted for > 50%**



## Same store sales growth of offline shops

In Fiscal Year 2022, the customer traffic of our offline shops recorded a significant decline affected by the pandemic preventive and control measures implemented in various places, as the pandemic became severe in many provinces and regions. Although we have provided consumers with more value-added services by continuously launching and upgrading new consumption scenarios or products such as “Box Project” and “JNBY Group +” multi-brand collection stores, while gradually upgrading the store image of all brands in order to provide customers with more comfortable shopping experience, same store sales of offline retail shops for Fiscal Year 2022 recorded a decrease of 3.7%, which was mainly due to the facts that:

- i. the substantial decrease in customer traffic as a result of the pandemic;
- ii. as a result of customer traffic, the incremental retail sales generated by the inventory sharing and allocation system was RMB824.9 million for Fiscal Year 2022, representing a decrease of 15.7% as compared with RMB978.0 million for Fiscal Year 2021;
- iii. the Gross Merchandise Volume (GMV) through digital and smart retail channels including “Box Project (不止盒子)”, “WeChat Mall (微商城)” and “Diversified Social E-commerce (多元化社交電商)” reached RMB649.4 million, representing an increase of over 1.3 times as compared to RMB279.7 million for Fiscal Year 2021 due to continuous utilization of Internet+ mindsets and technologies. Most of such digital and smart retail sales were reflected in same store sales growth of offline shops, which are still insufficient to cover the significant decline in customer traffic of our offline shops.

## Members-related data

As of June 30, 2022, the Group had over 5.9 million membership accounts (without duplication) (as of June 30, 2021: over 4.9 million), including our more than 5.6 million subscribers (without duplication) on the WeChat platform (as of June 30, 2021: over 4.4 million). The proportion of the Group’s digital members on the WeChat platform remained stable, being over 90% (as of June 30, 2021: over 90%). During Fiscal Year 2022, the retail sales contributed by our members remained stable, accounting for approximately 70% of our total retail sales.

In Fiscal Year 2022, the number of active members accounts of the Group<sup>(note 1)</sup> (without duplication) was over 420,000 (Fiscal Year 2021: over 430,000), among these membership accounts, the number of WeChat active members accounts<sup>(note 2)</sup> (without duplication) was over 410,000 (Fiscal Year 2021: over 420,000). In Fiscal Year 2022, the number of active members accounts and the number of WeChat active members accounts slightly decreased compared with that in Fiscal Year 2021, which was mainly arising from the impact of the recurring pandemic in many provinces and regions in China in Fiscal Year 2022 on the retail industry.

In Fiscal Year 2022, the number of membership accounts with annual purchases totaling over RMB5,000 was over 211,000 (Fiscal Year 2021: over 209,000), and the retail sales contributed by those membership accounts reached RMB2.78 billion (Fiscal Year 2021: RMB2.61 billion), accounting for over 40% of the total retail sales from offline channels. Among these membership accounts, the number of subscribers on our WeChat platform with annual purchases totaling over RMB5,000 was over 211,000 for Fiscal Year 2022 (Fiscal Year 2021: over 208,000). In Fiscal Year 2022, members accounts and WeChat members accounts with annual purchases totaling over RMB5,000 increased as compared with that in Fiscal Year 2021, mainly due to the preliminary results of the Group's initiatives to continue to strengthen its brand power, enabling the loyalty of our top members to continue to increase.

*Note 1:* Active members accounts are membership accounts associated with at least two purchases for a period of any 180 consecutive days within the last 12 months.

*Note 2:* WeChat active members accounts are active members who are also the subscribers of our WeChat platform.

## Revenue by brands

The following table sets forth a breakdown of our revenue by brands, each expressed in the absolute amount and as a percentage to our total revenue, for the years indicated:

	For the year ended June 30,					
	2022		2021		Increase/(Decrease)	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
Mature Brand:						
JNBY	<u>2,311,835</u>	<u>56.5%</u>	<u>2,298,790</u>	<u>55.7%</u>	<u>13,045</u>	<u>0.6%</u>
Subtotal	<u>2,311,835</u>	<u>56.5%</u>	<u>2,298,790</u>	<u>55.7%</u>	<u>13,045</u>	<u>0.6%</u>
Younger Brands:						
CROQUIS (速寫)	<u>645,042</u>	<u>15.8%</u>	<u>692,311</u>	<u>16.8%</u>	<u>(47,269)</u>	<u>(6.8)%</u>
jnby by JNBY	<u>592,668</u>	<u>14.5%</u>	<u>656,721</u>	<u>15.9%</u>	<u>(64,053)</u>	<u>(9.8)%</u>
LESS	<u>461,132</u>	<u>11.3%</u>	<u>391,307</u>	<u>9.5%</u>	<u>69,825</u>	<u>17.8%</u>
Subtotal	<u>1,698,842</u>	<u>41.6%</u>	<u>1,740,339</u>	<u>42.2%</u>	<u>(41,497)</u>	<u>(2.4)%</u>
Emerging Brands:						
POMME DE TERRE (蓬馬)	<u>34,780</u>	<u>0.9%</u>	<u>50,034</u>	<u>1.2%</u>	<u>(15,254)</u>	<u>(30.5)%</u>
JNBYHOME	<u>28,054</u>	<u>0.7%</u>	<u>26,139</u>	<u>0.6%</u>	<u>1,915</u>	<u>7.3%</u>
Others	<u>12,357</u>	<u>0.3%</u>	<u>10,923</u>	<u>0.3%</u>	<u>1,434</u>	<u>13.1%</u>
Subtotal	<u>75,191</u>	<u>1.9%</u>	<u>87,096</u>	<u>2.1%</u>	<u>(11,905)</u>	<u>(13.7)%</u>
<b>Total revenue <sup>(1)</sup></b>	<u><b>4,085,868</b></u>	<u><b>100.0%</b></u>	<u><b>4,126,225</b></u>	<u><b>100.0%</b></u>	<u><b>(40,357)</b></u>	<u><b>(1.0)%</b></u>

Note:

(1) Includes revenue recorded by “JNBY Group +” multi-brand collection stores of RMB117.7 million.

For Fiscal Year 2022, the Group’s revenue declined due to the impact of the recurring pandemic on the whole retail environment. Revenue generated from the Group’s mature brand with a history of over 20 years, JNBY brand, increased by 0.6% or RMB13.0million. Revenue generated from the younger brands portfolio, consisting of brands which were successively launched from 2005 to 2011, namely CROQUIS (速寫), jnby by JNBY and LESS, decreased by 2.4% aggregately. Revenue from the emerging brands portfolio, consisting of various new brands, such as POMME DE TERRE (蓬馬) and JNBYHOME, amounted to RMB75.2 million, accounting for an aggregate of 1.9% of the total revenue.

## Revenue by sales channels

We sell our products through an extensive network of offline retail stores (consisting of self-operated stores and distributor-operated stores) and online channels. The following table sets out a breakdown of our revenue by sales channels, each expressed as an absolute amount and as a percentage of our total revenue, for the years indicated:

	2022		For the year ended June 30, 2021		Increase/(Decrease)	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
<b>Offline channels</b>						
Self-operated stores	1,671,459	40.9%	1,755,911	42.6%	(84,452)	(4.8)%
Distributor-operated stores <sup>(1)</sup>	1,730,164	42.4%	1,709,602	41.4%	20,562	1.2%
<b>Online channels</b>	684,245	16.7%	660,712	16.0%	23,533	3.6%
<b>Total revenue</b>	<b>4,085,868</b>	<b>100.0%</b>	<b>4,126,225</b>	<b>100.0%</b>	<b>(40,357)</b>	<b>(1.0)%</b>

Note:

(1) Include stores operated by overseas customers.

For Fiscal Year 2022, absolute amounts of revenue generated from sales through our offline channels decreased as compared with that for Fiscal Year 2021. Revenue generated from sales through our online channels increased by 3.6% compared with that for Fiscal Year 2021 and accounted for 16.7% of our total revenue for Fiscal Year 2022, increasing from 16.0% for Fiscal Year 2021.

## Revenue by geographical distribution

The following table sets forth a breakdown of our revenue by geographical distribution, each expressed in an absolute amount and as a percentage to our total revenue, for the years indicated:

	2022		For the year ended June 30, 2021		Increase/(Decrease)	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
Mainland China	4,049,168	99.1%	4,095,830	99.3%	(46,662)	(1.1)%
Outside Mainland China <sup>(1)</sup>	36,700	0.9%	30,395	0.7%	6,305	20.7%
<b>Total revenue</b>	<b>4,085,868</b>	<b>100.0%</b>	<b>4,126,225</b>	<b>100.0%</b>	<b>(40,357)</b>	<b>(1.0)%</b>

Note:

(1) Hong Kong, Taiwan and other overseas countries and regions.

### ***Gross profit and gross profit margin***

The Group's gross profit increased by 0.4% from RMB2,597.4 million for Fiscal Year 2021 to RMB2,607.4 million for Fiscal Year 2022.

The Group's overall gross profit margin increased from 62.9% for Fiscal Year 2021 to 63.8% for Fiscal Year 2022, which was mainly attributable to the enhancement of the comprehensive brand power of the Group.

The following tables set forth a breakdown of our gross profit and gross profit margin of products by each brand and each sales channel:

	2022		For the year ended June 30, 2021		Increase/(Decrease)	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
Mature Brand:						
JNBY	<u>1,490,551</u>	<u>64.5%</u>	<u>1,459,840</u>	<u>63.5%</u>	<u>30,711</u>	<u>2.1%</u>
Subtotal	<u>1,490,551</u>	<u>64.5%</u>	<u>1,459,840</u>	<u>63.5%</u>	<u>30,711</u>	<u>2.1%</u>
Younger Brands:						
CROQUIS (速寫)	<u>412,214</u>	<u>63.9%</u>	<u>428,373</u>	<u>61.9%</u>	<u>(16,159)</u>	<u>(3.8)%</u>
jnby by JNBY	<u>350,985</u>	<u>59.2%</u>	<u>404,829</u>	<u>61.6%</u>	<u>(53,844)</u>	<u>(13.3)%</u>
LESS	<u>310,598</u>	<u>67.4%</u>	<u>259,896</u>	<u>66.4%</u>	<u>50,702</u>	<u>19.5%</u>
Subtotal	<u>1,073,797</u>	<u>63.2%</u>	<u>1,093,098</u>	<u>62.8%</u>	<u>(19,301)</u>	<u>(1.8)%</u>
Emerging Brands:						
POMME DE TERRE (蓬馬)	<u>21,372</u>	<u>61.4%</u>	<u>26,313</u>	<u>52.6%</u>	<u>(4,941)</u>	<u>(18.8)%</u>
JNBYHOME	<u>13,260</u>	<u>47.3%</u>	<u>12,170</u>	<u>46.6%</u>	<u>1,090</u>	<u>9.0%</u>
Others	<u>8,390</u>	<u>67.9%</u>	<u>5,931</u>	<u>54.3%</u>	<u>2,459</u>	<u>41.5%</u>
Subtotal	<u>43,022</u>	<u>57.2%</u>	<u>44,414</u>	<u>51.0%</u>	<u>(1,392)</u>	<u>(3.1)%</u>
<b>Total</b>	<u><b>2,607,370</b></u>	<u><b>63.8%</b></u>	<u><b>2,597,352</b></u>	<u><b>62.9%</b></u>	<u><b>10,018</b></u>	<u><b>0.4%</b></u>

	2022		For the year ended June 30, 2021		Increase/(Decrease)	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
<b>Offline channels</b>						
Self-operated stores	1,193,761	71.4%	1,230,511	70.1%	(36,750)	(3.0)%
Distributor-operated stores	1,015,807	58.7%	939,480	55.0%	76,327	8.1%
<b>Online channels</b>	<u>397,802</u>	<u>58.1%</u>	<u>427,361</u>	<u>64.7%</u>	<u>(29,559)</u>	<u>(6.9)%</u>
<b>Total</b>	<u><u>2,607,370</u></u>	<u><u>63.8%</u></u>	<u><u>2,597,352</u></u>	<u><u>62.9%</u></u>	<u><u>10,018</u></u>	<u><u>0.4%</u></u>

### Selling and marketing expenses and administrative expenses

In Fiscal Year 2022, selling and marketing expenses were RMB1,511.3 million (Fiscal Year 2021: RMB1,429.2 million), which primarily consist of: (i) expenses relating to short-term leases and variable lease payments; (ii) the amortisation of right-of-use assets; (iii) our service outsourcing expenses; and (iv) our employee benefit expenses. In percentage terms, the selling and marketing expenses accounted for 37.0% of our revenue in Fiscal Year 2022 (Fiscal Year 2021: 34.6%), the increase in the expense ratio as compared to the previous year was mainly attributable to the increase in the investment in long-term brand power building.

The administrative expenses for Fiscal Year 2022 were RMB377.3 million (Fiscal Year 2021: RMB328.3 million), which primarily consist of: (i) employee benefit expenses; (ii) product development outsourcing fees; and (iii) professional service expenses. In percentage terms, administrative expenses accounted for 9.2% of our revenue in Fiscal Year 2022 (Fiscal Year 2021: 8.0%), the increase in the expense ratio as compared to the previous year was mainly attributable to the increases in investment relating to talent reserve and expenses for the lease of office building.

### Finance income/(costs), net

The Group's finance costs, net for Fiscal Year 2022 was RMB0.2 million (Fiscal Year 2021: financial income, net of RMB2.7 million). The decrease in financial income, net was mainly due to the increase of the interest expenses on lease liabilities.

### Net profit and net profit margin

Due to the above-mentioned factors, net profit for Fiscal Year 2022 was RMB558.9 million, representing a decrease of 13.6% or RMB88.3 million as compared with RMB647.2 million for Fiscal Year 2021. Net profit margin decreased from 15.7% for Fiscal Year 2021 to 13.7% for Fiscal Year 2022.

## **Capital expenditure**

The Group's capital expenditure mainly consists of payments for construction of our logistic center, property, plant and equipment, intangible assets and decoration of office building and our self-operated stores. The Company's capital expenditure for Fiscal Year 2022 was RMB140.0 million (Fiscal Year 2021: RMB128.5 million).

## **Profit before income tax**

The Group's profit before income tax decreased by 12.5% from RMB886.6 million for Fiscal Year 2021 to RMB775.6 million for Fiscal Year 2022. The decrease in the profit before income tax was mainly due to the decrease in the Group's operating profit.

## **Financial position**

The Group generally finances its operations with internally generated cash flows and banking facilities provided by the banks.

As at June 30, 2022, the Group's cash and cash equivalents were RMB591.7 million (June 30, 2021: RMB549.0 million), of which 86.2% was denominated in RMB, 1.2% in US dollars and 12.6% in other currencies. Net cash inflow from operating activities in Fiscal Year 2022 was RMB852.9 million, a decrease of 36.2% as compared with RMB1,336.6 million in Fiscal Year 2021.

As at June 30, 2022, our short-term bank loans amounted to RMB148.9 million, representing (i) the short-term loans of RMB49.8 million borrowed from Industrial and Commercial Bank of China on September 3, 2021, (ii) the short-term loans of RMB49.8 million borrowed from Industrial and Commercial Bank of China on March 17, 2022, (iii) the short-term loans of RMB49.3 million borrowed from Industrial and Commercial Bank of China on May 17, 2022.

The above short-term borrowings were utilized to supplement the Group's funds and enhance the usage efficiency of our own funds.

## **Significant investment events**

### ***Subscription of financial products***

On September 24, 2021, JNBY Finery Co., Ltd. ("**JNBY Finery**"), a subsidiary of the Company, subscribed for the short-term financial products of United Bank with a principal of RMB40,000,000. The subscription mentioned above does not constitute a notifiable transaction of the Company.

On November 26, 2021, JNBY Finery subscribed for the short-term financial products of United Bank with a principal of RMB30,000,000. The subscription mentioned above does not constitute a notifiable transaction of the Company.

### ***Investment funds***

On June 10, 2021, the Group signed a subscription agreement in relation to a venture capital fund as a limited partner with a total capital commitment of US\$10,000,000. During the year ended June 30, 2022, the Group made capital contributions of US\$2,200,000. The subscription mentioned above does not constitute a notifiable transaction of the Company.

On July 15, 2021, the Group signed the subscription agreements in relation to two venture capital funds as a limited partner with a total capital commitment of RMB60,000,000. Both venture capital funds are related parties of Mr. Wei Zhe, a non-executive Director. During the year ended June 30, 2022, the Group made capital contributions of RMB51,000,000. The Group has uncalled capital commitments of RMB9,000,000 in accordance with the subscription agreements. The subscriptions mentioned above are set out in the announcement of the Company dated July 15, 2021.

On June 10, 2022, the Group signed the subscription agreement in relation to a venture capital fund as a limited partner with a total capital commitment of USD3,500,000. During the year ended June 30, 2022, the Group made capital contributions of USD3,500,000. The subscription mentioned above does not constitute a notifiable transaction of the Company.

### **Exposure to fluctuations in exchange rates**

The Group operated mainly in the PRC with most of its transactions settled in RMB. As a result, the Board considered that the Group's exposure to the fluctuations of the exchange rate was insignificant and did not resort to any financial instrument to hedge the currency risks.

### **Human resources**

The number of the Group's employees has increased to 1,497 as of June 30, 2022 (June 30, 2021: 1,397). The total staff costs for Fiscal Year 2022 (including basic salaries and allowances, social security insurance, discretionary bonuses and share-based compensation expenses) were RMB367.5 million (Fiscal Year 2021: RMB357.7 million), representing 9.0% of our revenue (Fiscal Year 2021: 8.7%).

## Events after the balance sheet date

A final dividend in respect of the year ended June 30, 2022 of HK\$0.57 (equivalent to approximately RMB0.49) per ordinary share has been proposed by the Board and is to be approved at the annual general meeting on October 21, 2022. These financial statements do not reflect these dividend payables.

Except for the events as described above, there was no other significant event occurred during the period from June 30, 2022 to the approval date of the consolidated financial statements by the Board on August 30, 2022.

## Pledge of assets

As at June 30, 2022, the Group did not have any secured bank borrowings.

## Contingent liabilities

As at June 30, 2022, the Group did not have any material contingent liabilities.

## USE OF PROCEEDS FROM LISTING

The Company's net proceeds from listing were approximately HK\$684.0 million (equivalent to approximately RMB596.6 million), after deduction of underwriting fees and related expenses. As of June 30, 2022, the proceeds amounting to a total of RMB596.6 million have been used. These proceeds shown as following have been used for the purposes as stated in the prospectus of the Company dated October 19, 2016 (the "Prospectus").

Item	The planned use of proceeds (RMB million)	As at	For the year	As at
		June 30, 2022	ended	June 30, 2022
		The actual	The actual	Proceeds amount
		used amount	used amount	(RMB million)
		(RMB million)	(RMB million)	
To strengthen our omni-channel interactive platform	167.4	167.4	—	—
To expand our product offering and brand portfolio	179.3	179.3	7.0	—
To establish a new logistics center	220.1	220.1	—	—
For general purposes	29.8	29.8	—	—
	<u>596.6</u>	<u>596.6</u>	<u>7.0</u>	<u>—</u>
Total				

## OUTLOOK

In the post-pandemic era, China continues to serve as the driving force for global consumption growth. With consumption upgrade and a younger consumer base, the number of people who pursue distinguished lifestyles increases rapidly. As the demand of customers for personalized and fashionable products continues to rise and the younger consumers' preference for products and brands with strong brand awareness is increasing, the segmented market where the designer brands operate has great potential. In addition, the pandemic not only speeds up the shift of customers from traditional retail sales to diversified new consumption scenarios, but also makes the customers turn to brands which are relatively more trustworthy, therefore, the segmented market where the designer brands operate is showing a competitive trend of inclining to the leading brands.

As a leading designer brand fashion group in China, benefiting from the diversified designer brand portfolio and experienced operational management, we remain full confidence towards our future. Based on sufficient cash flow, we continue to strengthen and enhance our position as a leading designer brand fashion house based in China, and we are committed to pursuing the following strategies thus to nurture the JNBY lifestyle ecosystem we advocate:

- to continue to attract and cultivate new JNBY fans through further optimizing designer brand portfolio and product offerings by way of self-incubation or mergers, through continuous enhancement of forward-looking design and R&D capabilities as well as through comprehensive strengthening of brand influence;
- adopting internet thinking and technology to further enhance our domestic and foreign retail network, increase our strategic investments in store visual merchandising and image development and proactively plan for omni-channel digital intelligence retail ecosystem, in order to optimize our omni-channel interactive marketing platform and intelligent quick response supply chain management capability, as well as being capable to establish an appropriate scaled operation in each sub-segment;
- to enhance fans' experience in diversified omni-channel retail network by adhering to the strategy with data as the driver, technology as the carrier and fans economy as the core, encouraging operational innovation, constantly creating and providing scenarios for value-added services and customer touchpoints to our fans;
- to establish a corporate governance structure integrated with Environment, Social and Governance (“ESG”) to facilitate the implementation of ESG practices and gradually fulfill its commitment in the ESG sector, thus ensuring the sustainable, healthy and high-quality development of the Company's business in a long run.

## **FINAL DIVIDEND**

The Board has recommended the payment of a final dividend of HK\$0.57 per ordinary share (equivalent to approximately RMB0.49 per ordinary share) for the year ended June 30, 2022.

The final dividend is subject to the approval of the shareholders of the Company (the “**Shareholders**”) at the annual general meeting (the “**AGM**”) to be held on October 21, 2022, and will be paid on November 3, 2022 to those Shareholders whose names appear on the Company’s register of members on October 27, 2022.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed for the following periods:

- (a) For the purpose of determining Shareholders who are entitled to attend and vote at the forthcoming AGM to be held on Friday, October 21, 2022, the register of members will be closed from Tuesday, October 18, 2022 to Friday, October 21, 2022, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company’s branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited situated at Suite 1601, 16/F., Central Tower, 28 Queen’s Road Central, Hong Kong not later than 4:30 p.m. on Monday, October 17, 2022.
- (b) For the purpose of determining Shareholders who qualify for the final dividend, the register of members will be closed on Thursday, October 27, 2022. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Company’s branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited situated at Suite 1601, 16/F., Central Tower, 28 Queen’s Road Central, Hong Kong not later than 4:30 p.m. on Wednesday, October 26, 2022.

## **CORPORATE GOVERNANCE PRACTICES**

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of its Shareholders and enhance its value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) as its own corporate governance code.

The Company has complied with all applicable code provisions under the CG Code during Fiscal Year 2022. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Specific enquiry has been made to all Directors and each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during Fiscal Year 2022.

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

During Fiscal Year 2022, save as the trustee of the Restricted Share Unit Scheme purchased a total of 2,239,500 shares of the Company with approximately HK\$27.5 million at the Stock Exchange pursuant to rules of the Restricted Share Unit Scheme and terms of the trust in order to grant shares to selected participants, none of the Company or any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **AUDIT COMMITTEE**

The Audit Committee of the Company has, together with the senior management and the external auditor of the Company, reviewed the accounting principles and practices adopted by the Group as well as the audited consolidated financial statements of the Group for Fiscal Year 2022.

## **AUDITOR’S PROCEDURES PERFORMED ON THIS RESULTS ANNOUNCEMENT**

The figures in respect of the Group’s consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes thereto for the year ended June 30, 2022 as set out in this results announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this results announcement.

**PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT FOR FISCAL YEAR 2022 ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This annual results announcement has been published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and that of the Company ([www.jnbygroup.com](http://www.jnbygroup.com)), and the annual report of the Company for Fiscal Year 2022 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the aforesaid websites in due course.

By order of the Board  
**JNBY Design Limited**  
**Wu Jian**  
*Chairman and Executive Director*

Hong Kong, August 30, 2022

*As of the date of this announcement, Mr. Wu Jian, Ms. Li Lin and Ms. Wu Huating are the executive Directors; Mr. Wei Zhe is the non-executive Director; and Mr. Lam Yiu Por, Ms. Han Min and Mr. Hu Huanxin are the independent non-executive Directors.*