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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, 2023**

**FINANCIAL HIGHLIGHTS**

- The total revenue of the Group for the year ended June 30, 2023 (“**Fiscal Year 2023**”) amounted to RMB4,465.1 million, an increase of 9.3% or RMB379.2 million as compared with RMB4,085.9 million for the year ended June 30, 2022 (“**Fiscal Year 2022**”). The net profit for Fiscal Year 2023 amounted to RMB621.3 million, an increase of 11.2% or RMB62.4 million as compared with RMB558.9 million for Fiscal Year 2022.
- As of June 30, 2023, 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 1,956 as of June 30, 2022 to 1,990 as of June 30, 2023. 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, 2023, the Group had over 6.9 million membership accounts (without duplication) including more than 6.7 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 80% of our total retail sales for Fiscal Year 2023. The number of active members accounts of the Group for Fiscal Year 2023 (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 nearly 510,000, and the number of membership accounts with annual purchases totaling over RMB5,000 was nearly 260,000 for Fiscal Year 2023, thereby contributing retail sales amounting to RMB3.54 billion, or over 60% of our total retail sales of offline channels.

- The Board has recommended the payment of a final dividend of HK\$0.67 per ordinary share (equivalent to approximately RMB0.63 per ordinary share) for the year ended June 30, 2023, together with the interim dividend of HK\$0.30 per ordinary share paid for the six months ended December 31, 2022, the total dividend for the year will amount to approximately HK\$503.2 million, accounting for 75% of the net profit of the Company for Fiscal Year 2023.

## 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, 2023, together with the comparative figures for the year ended June 30, 2022, as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 30 June	
		2023	2022
	Note	RMB'000	RMB'000
Revenue	5	4,465,124	4,085,868
Cost of sales	6	<u>(1,548,132)</u>	<u>(1,478,498)</u>
<b>Gross profit</b>		<u>2,916,992</u>	<u>2,607,370</u>
Selling and marketing expenses	6	(1,695,076)	(1,511,291)
Administrative expenses	6	(445,631)	(377,334)
Reversal of/(provision for) impairment on financial assets	6	462	(5,590)
Other income and gains, net	7	<u>81,151</u>	<u>62,697</u>
<b>Operating profit</b>		<u>857,898</u>	<u>775,852</u>
Finance income	8	38,260	38,180
Finance costs	8	<u>(45,336)</u>	<u>(38,396)</u>
Finance costs, net		<u>(7,076)</u>	<u>(216)</u>
<b>Profit before income tax</b>		<u>850,822</u>	<u>775,636</u>
Income tax expense	9	<u>(229,539)</u>	<u>(216,763)</u>
<b>Profit for the year</b>		<u>621,283</u>	<u>558,873</u>
<b>Currency translation differences</b>			
<i>Items that may not be reclassified to profit or loss</i>		34,747	4,581
<i>Items that may be reclassified to profit or loss</i>		<u>(13,642)</u>	<u>(7,970)</u>
<b>Other comprehensive income/(loss)</b>		<u>21,105</u>	<u>(3,389)</u>
<b>Total comprehensive income for the year</b>		<u><u>642,388</u></u>	<u><u>555,484</u></u>

		<b>Year ended 30 June</b>	
		<b>2023</b>	<b>2022</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>621,292</b>	558,880
— Non-controlling interests		<b>(9)</b>	(7)
		<u><u>621,292</u></u>	<u><u>558,880</u></u>
<b>Total comprehensive income attributable to:</b>			
— Shareholders of the Company		<b>642,400</b>	555,492
— Non-controlling interests		<b>(12)</b>	(8)
		<u><u>642,400</u></u>	<u><u>555,492</u></u>
<b>Earnings per share (expressed in RMB per share)</b>			
— Basic	<i>10(a)</i>	<b>1.24</b>	1.12
		<u><u>1.24</u></u>	<u><u>1.12</u></u>
— Diluted	<i>10(b)</i>	<b>1.22</b>	1.10
		<u><u>1.22</u></u>	<u><u>1.10</u></u>

## CONSOLIDATED BALANCE SHEET

		As at 30 June	
		2023	2022
	Note	RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	463,151	451,041
Right-of-use assets	14	769,585	719,774
Intangible assets	13	20,460	18,711
Prepayments, deposits and other assets	17	16,838	15,683
Amounts due from a related party		107,839	103,249
Financial assets at fair value through profit or loss		210,911	168,840
Deferred income tax assets		254,397	242,849
		<u>1,843,181</u>	<u>1,720,147</u>
Total non-current assets			
<b>Current assets</b>			
Inventories	15	790,334	828,823
Trade receivables	16	125,429	103,682
Prepayments, deposits and other assets	17	290,617	268,685
Amounts due from a related party		1,477	2,356
Term deposits with initial term over 3 months		488,251	384,396
Restricted cash		1,391	—
Cash and cash equivalents		525,147	591,746
		<u>2,222,646</u>	<u>2,179,688</u>
Total current assets			
<b>Total assets</b>		<u><u>4,065,827</u></u>	<u><u>3,899,835</u></u>

		As at 30 June	
		2023	2022
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	<i>14</i>	219,546	168,059
Accruals and other current liabilities	<i>19</i>	495	4,579
Amounts due to related parties		243,161	281,249
Deferred income tax liabilities		5,317	12,197
		<u>468,519</u>	<u>466,084</u>
Total non-current liabilities			
<b>Current liabilities</b>			
Trade and bills payables	<i>18</i>	236,399	289,211
Lease liabilities	<i>14</i>	214,571	174,599
Contract liabilities		368,876	300,250
Accruals and other current liabilities	<i>19</i>	640,322	714,705
Amounts due to related parties		49,138	57,531
Borrowings		99,514	148,868
Current income tax liabilities		6,965	63,622
		<u>1,615,785</u>	<u>1,748,786</u>
Total current liabilities			
<b>Total liabilities</b>		<u><u>2,084,304</u></u>	<u><u>2,214,870</u></u>
<b>Net assets</b>		<u><u>1,981,523</u></u>	<u><u>1,684,965</u></u>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital		4,622	4,622
Shares held for restricted share units (“RSU”) scheme		(137,541)	(180,244)
Share premium		507,820	508,254
Other reserves		253,981	228,863
Retained earnings		1,352,682	1,123,499
		<u>1,981,564</u>	<u>1,684,994</u>
Equity attributable to shareholders of the Company			
Non-controlling interests		(41)	(29)
		<u>1,981,523</u>	<u>1,684,965</u>
<b>Total equity</b>		<u><u>1,981,523</u></u>	<u><u>1,684,965</u></u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

		Attributable to shareholders of the Company						
	Note	Share capital	Share premium	Shares held for RSU scheme	Other reserves	Retained earnings	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 July 2022</b>		<u>4,622</u>	<u>508,254</u>	<u>(180,244)</u>	<u>228,863</u>	<u>1,123,499</u>	<u>(29)</u>	<u>1,684,965</u>
<b>Comprehensive income</b>								
Profit for the year		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>621,292</u>	<u>(9)</u>	<u>621,283</u>
<b>Other comprehensive loss:</b>								
Currency translation differences		<u>—</u>	<u>—</u>	<u>—</u>	<u>21,108</u>	<u>—</u>	<u>(3)</u>	<u>21,105</u>
<b>Total comprehensive income</b>		<u>—</u>	<u>—</u>	<u>—</u>	<u>21,108</u>	<u>621,292</u>	<u>(12)</u>	<u>642,388</u>
<b>Transactions with shareholders</b>								
Profit appropriations to statutory reserves		<u>—</u>	<u>—</u>	<u>—</u>	<u>245</u>	<u>(245)</u>	<u>—</u>	<u>—</u>
Dividend	11	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(391,864)</u>	<u>—</u>	<u>(391,864)</u>
Share-based compensation		<u>—</u>	<u>—</u>	<u>—</u>	<u>36,038</u>	<u>—</u>	<u>—</u>	<u>36,038</u>
Purchase ordinary shares for RSU scheme		<u>—</u>	<u>—</u>	<u>(6,404)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(6,404)</u>
Transfer and exercise of RSUs		<u>—</u>	<u>(434)</u>	<u>49,107</u>	<u>(32,273)</u>	<u>—</u>	<u>—</u>	<u>16,400</u>
<b>Total transactions with shareholders</b>		<u>—</u>	<u>(434)</u>	<u>42,703</u>	<u>4,010</u>	<u>(392,109)</u>	<u>—</u>	<u>(345,830)</u>
<b>Balance at 30 June 2023</b>		<u><u>4,622</u></u>	<u><u>507,820</u></u>	<u><u>(137,541)</u></u>	<u><u>253,981</u></u>	<u><u>1,352,682</u></u>	<u><u>(41)</u></u>	<u><u>1,981,523</u></u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Note</i>	Year ended 30 June	
		2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Cash flows from operating activities</b>			
Cash generated from operations		1,267,396	1,090,432
Income tax paid		(328,277)	(237,558)
<b>Net cash generated from operating activities</b>		<u>939,119</u>	<u>852,874</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(148,734)	(134,439)
Purchase of intangible assets		(6,661)	(5,549)
Proceeds from disposals of property, plant and equipment		626	271
Investment income received from financial products issued by commercial banks		894	1,783
Interest received		29,909	36,999
Payment of term deposits with initial term over 3 months		(827,129)	(792,708)
Proceeds from withdrawal of term deposits with initial term over 3 months		734,473	1,150,837
Payment of financial products issued by commercial banks		(90,000)	(70,000)
Loans granted to a related party		—	(150,000)
Loan repayments and interests received from a related party		—	50,976
Dividends received from venture capital funds		674	—
Proceeds from redemption of financial products issued by commercial banks		90,000	200,000
Payment for financial assets at fair value through profit or loss		(23,825)	(97,995)
<b>Net cash (used in)/generated from investing activities</b>		<u>(239,773)</u>	<u>190,175</u>
<b>Cash flows from financing activities</b>			
Proceeds from exercise of RSUs		16,400	3,419
Proceeds from borrowings		297,070	147,492
Repayments of borrowings		(350,000)	(246,000)
Payment of lease liabilities		(337,068)	(272,072)
Dividends paid	11	(391,864)	(612,085)
Payment for repurchase of treasury shares		(6,404)	(22,737)
<b>Net cash used in financing activities</b>		<u>(771,866)</u>	<u>(1,001,983)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(72,520)</b>	<b>41,066</b>
Cash and cash equivalents at beginning of the year		591,746	549,012
Exchange gain on cash and cash equivalents		5,921	1,668
<b>Cash and cash equivalents at end of the year</b>		<u><u>525,147</u></u>	<u><u>591,746</u></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 30 June 2023*

### 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 7 September 2023.

### 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 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 2023			
	Mature brand RMB'000	Younger brands RMB'000	Emerging brands RMB'000	Total RMB'000
Revenue				
Mainland China	2,480,772	1,857,608	84,216	4,422,596
Outside mainland China	32,619	8,809	1,100	42,528
Revenue from external customers	2,513,391	1,866,417	85,316	4,465,124
Segment gross profit	1,689,045	1,188,332	39,615	2,916,992
Segment operating profit/(loss)	912,615	458,740	(5,422)	1,365,933
Unallocated selling and marketing expenses, administrative expenses and net impairment losses on financial assets				(589,186)
Other income and gains, net				81,151
Total operating profit				857,898

	Year ended 30 June 2022			
	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	2,282,459	1,692,095	74,614	4,049,168
Outside mainland China	<u>29,376</u>	<u>6,747</u>	<u>577</u>	<u>36,700</u>
Revenue from external customers	<u>2,311,835</u>	<u>1,698,842</u>	<u>75,191</u>	<u>4,085,868</u>
Segment gross profit	<u>1,490,551</u>	<u>1,073,797</u>	<u>43,022</u>	<u>2,607,370</u>
Segment operating profit	<u>813,066</u>	<u>412,813</u>	<u>1,855</u>	<u>1,227,734</u>
Unallocated selling and marketing expenses, administrative expenses and net impairment losses on financial assets				(514,579)
Other income and gains, net				<u>62,697</u>
Total operating profit				<u><u>775,852</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	
	2023	2022
	RMB'000	RMB'000
Cost of inventories sold	1,374,982	1,316,098
Employee benefit expenses (including share-based compensation expenses)	434,792	367,454
Workforce contracting expenses	412,001	376,933
Promotion and marketing expense	411,663	340,920
Depreciation and amortisation ( <i>Notes 12, 13 &amp; 14</i> )	415,579	323,403
— Right-of-use assets	293,623	228,091
— Property, plant and equipment	117,044	92,776
— Intangible assets	4,912	2,536
Expenses relating to short-term leases and variable lease payments	236,833	276,500
Provision for inventories ( <i>Note 15</i> )	109,252	107,796
Commission expenses to online platforms	68,160	52,324
Transportation and warehouse expense	52,176	48,487
Utilities charges and office expenses	50,694	50,911
Stamp duty, property tax and other surcharges	31,187	29,158
Materials for apparel samples	22,699	17,386
Other professional service expenses	20,857	21,894
Entertainment and travelling expenses	20,082	12,377
(Reversal of)/provision for impairment losses on financial assets	(462)	5,590
Auditors' remuneration	2,908	3,396
— Audit services	2,700	2,700
— Non-audit services	208	696
Others	24,974	22,086
	<hr/>	<hr/>
Total cost of sales, selling and marketing expenses, net impairment losses on financial assets and administrative expenses	<b>3,688,377</b>	<b>3,372,713</b>
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## 7. OTHER INCOME AND GAINS, NET

	Year ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants (i)	64,968	45,594
Fair value gains of venture capital funds	9,189	13,501
Interest income from loans to a related party	4,590	4,225
Fair value gains of financial products	894	721
Fair value gains of investment for a private company	711	—
Gains on early termination of right-of-use assets	168	357
Losses on disposal of property, plant and equipment	(203)	(833)
Donations	(255)	(1,397)
Others	1,089	529
	<u>81,151</u>	<u>62,697</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.

## 8. FINANCE COSTS, NET

	Year ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
Interest income on cash and cash equivalents, and term deposits with initial term over 3 months	31,050	32,849
Net foreign exchange gains on financing activities	7,210	5,331
	<u>38,260</u>	<u>38,180</u>
Finance costs		
Interest expenses on lease liabilities	(41,760)	(34,639)
Interest expenses on bank borrowings	(3,576)	(3,757)
	<u>(45,336)</u>	<u>(38,396)</u>
Finance costs, net	<u>(7,076)</u>	<u>(216)</u>

## 9. TAX EXPENSE

### (a) Income tax expense

The income tax expense of the Group for the years ended 30 June 2023 and 2022 are analysed as follows:

	Year ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax expense		
— Enterprise income tax expense	213,460	235,575
Deferred income tax charge/(benefit)	16,079	(18,812)
	<u>229,539</u>	<u>216,763</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	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before income tax	850,822	775,636
Tax calculated at domestic tax rate applicable to profits in PRC (25%)	212,706	193,909
Preferential income tax benefits	(2,458)	(2,126)
Different tax jurisdiction	(399)	314
Interest income not subject to taxation	(1,090)	(726)
PRC withholding income tax on the retained earnings intended to be distributed	27,627	23,293
Research and development tax credit	(11,763)	(6,365)
Tax losses for which no deferred income tax asset was recognised	6	144
Tax differences related to the RSUs	5,984	8,072
Expenses not deductible for tax purpose	86	248
Utilisation of previously unrecognised deferred taxes	(1,160)	—
Income tax expense	<u>229,539</u>	<u>216,763</u>
Effective tax rate	<u>26.98%</u>	<u>27.95%</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	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to shareholders of the Company	<b>621,292</b>	558,880
Weighted average number of ordinary shares in issue excluding shares held under the RSU scheme in issue (thousands of shares)	<b>500,806</b>	498,068
Basic earnings per share (expressed in RMB per share)	<b>1.24</b>	1.12

### (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	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to shareholders of the Company	<b>621,292</b>	558,880
Weighted average number of ordinary shares in issue excluding shares held under the RSU scheme in issue (thousands of shares)	<b>500,806</b>	498,068
Adjustments for share based compensation — RSUs (thousands of shares)	<b>7,668</b>	8,123
Weighted average number of ordinary shares for the calculation of diluted EPS (thousands of shares)	<b>508,474</b>	506,191
Diluted earnings per share (expressed in RMB per share)	<b>1.22</b>	1.10

## 11. DIVIDENDS

	<b>Year ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Dividends appropriated and paid by the Company	<b>391,864</b>	612,085

A final dividend of RMB259,004,000 that related to the year ended 30 June 2022, an interim dividend of RMB132,860,000 that related to the six months ended 31 December 2022 were appropriated and paid during the year ended 30 June 2023 (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).

## 12. PROPERTY, PLANT AND EQUIPMENT

	Office equipment and others	Machinery	Motor vehicles	Leasehold improvements	Buildings	Construction- in-progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<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>
<b>Year ended 30 June 2023</b>							
Opening net book value	30,601	67,840	4,651	162,410	185,539	—	451,041
Additions	9,699	5,399	988	96,500	17,397	—	129,983
Depreciation	(11,155)	(9,087)	(970)	(85,770)	(10,062)	—	(117,044)
Disposals	(480)	(228)	(121)	—	—	—	(829)
Closing net book value	<u>28,665</u>	<u>63,924</u>	<u>4,548</u>	<u>173,140</u>	<u>192,874</u>	<u>—</u>	<u>463,151</u>
<b>As at 30 June 2023</b>							
Cost	71,016	94,362	10,062	344,346	232,940	—	752,726
Accumulated depreciation	(42,351)	(30,438)	(5,514)	(171,206)	(40,066)	—	(289,575)
Net book value	<u>28,665</u>	<u>63,924</u>	<u>4,548</u>	<u>173,140</u>	<u>192,874</u>	<u>—</u>	<u>463,151</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 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>
<b>Year ended 30 June 2023</b>			
Opening net book value	<b>18,567</b>	<b>144</b>	<b>18,711</b>
Additions	<b>6,661</b>	—	<b>6,661</b>
Amortisation charge	<u>(4,892)</u>	<u>(20)</u>	<u>(4,912)</u>
Closing net book value	<u>20,336</u>	<u>124</u>	<u>20,460</u>
<b>As at 30 June 2023</b>			
Cost	<b>36,457</b>	<b>244</b>	<b>36,701</b>
Accumulated amortisation	<u>(16,121)</u>	<u>(120)</u>	<u>(16,241)</u>
Net book value	<u>20,336</u>	<u>124</u>	<u>20,460</u>

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

	<b>Year ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Administrative expenses	<b>3,178</b>	1,097
Selling and marketing expense	<u>1,734</u>	<u>1,439</u>
	<u>4,912</u>	<u>2,536</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>RMB'000</i>	Rented premises for stores (i) <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)
Modifications	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				
<b>Year ended 30 June 2023</b>				
Opening net book value as at 1 July 2022	374,123	321,246	24,405	719,774
Additions	5,085	357,361	—	362,446
Early termination	(295)	(5,614)	—	(5,909)
Depreciation and amortisation	(53,343)	(239,722)	(558)	(293,623)
Modifications	—	(13,103)	—	(13,103)
	<u>325,570</u>	<u>420,168</u>	<u>23,847</u>	<u>769,585</u>
Closing net book value as at 30 June 2023				

#### *Lease liabilities*

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Lease liabilities	342,658	247,336
Lease liabilities due to related parties	<u>326,720</u>	<u>352,035</u>
At the beginning of the year	<u>669,378</u>	599,371
Lease payment	(337,068)	(272,072)
Interest expenses ( <i>Note 8</i> )	41,760	34,639
Additions	362,446	291,001
Modifications	(13,103)	23,239
Early termination	(6,077)	(6,800)
At the end of the year	<u>717,336</u>	<u>669,378</u>
Less: lease liabilities due to related parties	<u>(283,219)</u>	<u>(326,720)</u>
Lease liabilities	<u>434,117</u>	<u>342,658</u>

	<b>As at 30 June 2023 RMB'000</b>	As at 30 June 2022 RMB'000
<b>Lease liabilities</b>		
Current	<b>214,571</b>	174,599
Non-current	<b>219,546</b>	168,059
	<b>434,117</b>	342,658

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

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

	<b>Year ended 30 June</b>	
	<b>2023 RMB'000</b>	2022 RMB'000
Depreciation charge of right-of-use assets		
Retail shops and offices	<b>293,065</b>	227,533
Land use right	<b>558</b>	558
Interest expense	<b>41,760</b>	34,639
Expense relating to short-term leases	<b>54,979</b>	69,399
Expense relating to variable lease payments not included in lease liabilities	<b>181,854</b>	207,101
The cash outflow for leases as operating activities	<b>243,056</b>	261,379
The cash outflow for leases as financing activities	<b>337,068</b>	272,072

## 15. INVENTORIES

	As at June 30	
	2023	2022
	RMB'000	RMB'000
Finished goods	1,179,752	1,154,093
Raw materials	35,631	33,317
Commissioned processing materials	158,051	175,321
	<u>1,373,434</u>	<u>1,362,731</u>
Less: provision	(583,100)	(533,908)
	<u>790,334</u>	<u>828,823</u>

Movements of provision for inventories are analysed as follows:

	Year ended 30 June	
	2023	2022
	RMB'000	RMB'000
Beginning of the year	533,908	502,201
Addition of provision for inventories to net realisable value included in "cost of sales" (Note 6)	109,252	107,796
Release of provision upon sales of inventories written down in prior years	(60,060)	(76,089)
	<u>583,100</u>	<u>533,908</u>

## 16. TRADE RECEIVABLES

	As at 30 June	
	2023	2022
	RMB'000	RMB'000
Trade receivables	144,721	128,739
Less: provision for impairment	(19,292)	(25,057)
	<u>125,429</u>	<u>103,682</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	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	123,044	100,083
3 months to 6 months	4,467	7,173
6 months to 1 year	799	2,974
1 year to 2 years	3,277	740
More than 2 years	13,134	17,769
	<u>144,721</u>	<u>128,739</u>

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

	As at 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Long-term prepayments</b>		
Long-term prepaid expenses	<u>16,838</u>	<u>15,683</u>
<b>Current assets</b>		
Deposits and other receivables	122,780	107,221
Right of goods return	58,406	85,547
Prepayment to suppliers	52,926	52,199
Prepaid income tax	23,653	—
Prepaid expenses	18,881	18,168
Value-added tax recoverable	13,888	5,464
Staff advances	83	86
	<u>290,617</u>	<u>268,685</u>
	<u>307,455</u>	<u>284,368</u>

#### 18. TRADE AND BILLS PAYABLES

	As at 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables (a)	232,094	289,211
Bills payables	<u>4,305</u>	<u>—</u>
	<u>236,399</u>	<u>289,211</u>

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

	As at 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Within 6 months	229,211	282,792
6 months to 1 year	2,096	5,046
Over 1 year	787	1,373
	<u>232,094</u>	<u>289,211</u>

The Group's trade payables are denominated in RMB.

## 19. ACCRUALS AND OTHER CURRENT LIABILITIES

	As at 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current liabilities</b>		
Payables for property, plant and equipment	<u>495</u>	<u>4,579</u>
<b>Current liabilities</b>		
Provisions for sales returns	166,891	258,551
Payroll and welfare payables	131,380	96,668
Provisions for sales rebates	72,002	70,089
Deposits received from suppliers (a)	49,764	48,853
Value-added and other taxes payables	49,465	52,374
Payables for leasehold improvements	38,563	50,052
Workforce contracting payables	34,250	29,691
Distribution deposits (b)	30,808	30,966
Accrued marketing and promotion expenses	29,590	16,601
Payables for property, plant and equipment	3,544	6,722
Rentals	1,775	9,512
Others	32,290	44,626
	<u>640,322</u>	<u>714,705</u>
	<u>640,817</u>	<u>719,284</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 2023 amounted to RMB4,465.1 million, an increase of 9.3% or RMB379.2 million as compared with RMB4,085.9 million for Fiscal Year 2022. The increase in revenue was mainly due to the increase in same store sales of offline shops, the fast growth in the sales of online channels and the increase in the scale of offline stores.

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, 2023	As of June 30, 2022
<b>Number of our standalone retail stores around the world by brand</b>		
Mature Brand:		
JNBY	<u>921</u>	<u>921</u>
Subtotal	<u>921</u>	<u>921</u>
Younger Brands:		
CROQUIS (速寫)	300	313
jnby by JNBY	486	471
LESS	<u>233</u>	<u>204</u>
Subtotal	<u>1,019</u>	<u>988</u>
Emerging Brands:		
Other brands	<u>31</u>	<u>35</u>
Subtotal	<u>31</u>	<u>35</u>
“JNBY Group +” multi-brand collection stores	<u>19</u>	<u>12</u>
<b>Total</b>	<b><u><u>1,990</u></u></b>	<b><u><u>1,956</u></u></b>

As of  
**June 30,**  
**2023**                      As of  
June 30,  
2022

**Number and geographic distribution of our standalone retail stores by sales channel**

**Mainland China**

Self-operated stores	<b>564</b>	551
Distributor-operated stores	<b>1,402</b>	1,381

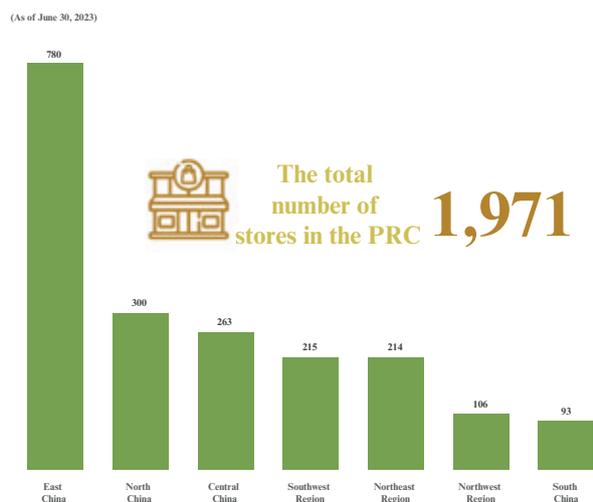
**Outside Mainland China**

Self-operated stores	<b>1</b>	1
Distributor-operated stores	<b>23</b>	23

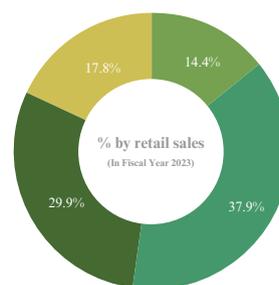
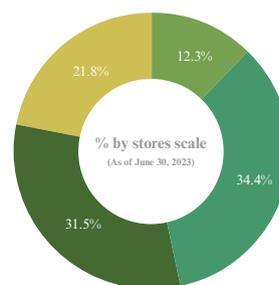
<b>Total</b>	<b>1,990</b>	<b>1,956</b>
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As of June 30, 2023, the total number of our standalone retail stores in countries and regions all over the world (excluding points of sale) was 1,990, and the following charts show the geographic distribution of our retail stores (including standalone distributor-operated and self-operated stores) across Mainland China, Hong Kong China and Taiwan China region 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 China and Taiwan China 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%**



■ Tier 1 cities   ■ Tier 2 cities   ■ Tier 3 cities   ■ Tier 4 & other cities

## Same store sales growth of offline shops

In Fiscal Year 2023, the pandemic has lingered in many provinces and regions. In the first half of the fiscal year, the customer traffic of our offline shops fluctuated significantly as affected by the pandemic prevention and control measures implemented in various places, and in the second half of the fiscal year, the offline customer traffic began to recover with the reopening of China's economy. Against the backdrop of various uncertainties, we have provided consumers with more value-added services by actively launching and upgrading emerging consumption scenarios or products such as "Box Project (不止盒子)", "Diversified Social E-commerce (多元化社交電商)" and "JNBY Group +" multi-brand collection stores, while gradually upgrading the store image of each brand in order to provide customers with more comfortable shopping experience. Same store sales growth of offline retail shops for Fiscal Year 2023 recorded an increase of 9.1%, which was mainly due to the following reasons:

- i. Benefiting from the Group's increased strategic investment in store image upgrading and visual development for each brand, the Group has successfully created a number of "JNBY Group +" multi-brand collection stores, fully accessible by its fans and further enhancing the quality of store services; and
- ii. 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 RMB1,107.0 million, representing an increase of over 70.4% as compared to RMB649.4 million for Fiscal Year 2022 with the continuous empowerment of Internet+ mindset and technology. Most of such digital and smart retail sales were reflected in same store sales growth of offline shops, effectively offsetting the significant fluctuation in offline customer traffic.

## Members-related data

As of June 30, 2023, the Group had over 6.9 million membership accounts (without duplication) (as of June 30, 2022: over 5.9 million). During Fiscal Year 2023, the retail sales contributed by our members further increased to approximately 80% of our total retail sales.

In Fiscal Year 2023, the number of active members accounts of the Group <sup>(note 1)</sup> (without duplication) was nearly 510,000 (Fiscal Year 2022: over 420,000). In Fiscal Year 2023, the number of active members accounts continued to increase stably as compared to Fiscal Year 2022.

In Fiscal Year 2023, the number of membership accounts with annual purchases totaling over RMB5,000 was nearly 260,000 (Fiscal Year 2022: over 210,000), and the retail sales contributed by those membership accounts reached RMB3.54 billion (Fiscal Year 2022: RMB2.78 billion), contributing over 60% of the total retail sales from offline channels. In Fiscal Year 2023, members accounts with annual purchases totaling over RMB5,000 increased as compared with that in Fiscal Year 2022, mainly due to the preliminary results of the Group’s initiatives to continue to strengthen its brand power and refine membership operation, enabling the loyalty of our top members to continue to increase.

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

## Revenue by brand

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

	For the year ended June 30,					
	2023		2022		Increase	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
Mature Brand:						
JNBY	<u>2,513,391</u>	<u>56.3%</u>	<u>2,311,835</u>	<u>56.5%</u>	<u>201,556</u>	<u>8.7%</u>
Subtotal	<u>2,513,391</u>	<u>56.3%</u>	<u>2,311,835</u>	<u>56.5%</u>	<u>201,556</u>	<u>8.7%</u>
Younger Brands:						
CROQUIS (速寫)	<u>675,510</u>	<u>15.1%</u>	<u>645,042</u>	<u>15.8%</u>	<u>30,468</u>	<u>4.7%</u>
jnby by JNBY	<u>664,999</u>	<u>14.9%</u>	<u>592,668</u>	<u>14.5%</u>	<u>72,331</u>	<u>12.2%</u>
LESS	<u>525,908</u>	<u>11.8%</u>	<u>461,132</u>	<u>11.3%</u>	<u>64,776</u>	<u>14.0%</u>
Subtotal	<u>1,866,417</u>	<u>41.8%</u>	<u>1,698,842</u>	<u>41.6%</u>	<u>167,575</u>	<u>9.9%</u>
Emerging Brands:						
Other brands	<u>85,316</u>	<u>1.9%</u>	<u>75,191</u>	<u>1.9%</u>	<u>10,125</u>	<u>13.5%</u>
Subtotal	<u>85,316</u>	<u>1.9%</u>	<u>75,191</u>	<u>1.9%</u>	<u>10,125</u>	<u>13.5%</u>
<b>Total revenue<sup>(1)</sup></b>	<b><u>4,465,124</u></b>	<b><u>100.0%</u></b>	<b><u>4,085,868</u></b>	<b><u>100.0%</u></b>	<b><u>379,256</u></b>	<b><u>9.3%</u></b>

*Note:*

(1) Includes revenue recorded by “JNBY Group +” multi-brand collection stores of RMB179.6 million.

For Fiscal Year 2023, the Group's revenue increased despite the significant impact of the lingering pandemic on the whole retail environment. Revenue generated from the Group's mature brand with a history of nearly 30 years, JNBY brand, increased by 8.7% or RMB201.6 million. 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, increased by 9.9% aggregately. Revenue from the emerging brands portfolio amounted to RMB85.3 million, accounting for an aggregate of 1.9% of the total revenue.

### Revenue by sales channel

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 channel, each expressed as an absolute amount and as a percentage of our total revenue, for the years indicated:

	For the year ended June 30,					
	2023		2022		Increase	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
<b>Offline channels</b>						
Self-operated stores	1,854,009	41.5%	1,671,459	40.9%	182,550	10.9%
Distributor-operated stores <sup>(1)</sup>	1,759,320	39.4%	1,730,164	42.4%	29,156	1.7%
<b>Online channels</b>	<b>851,795</b>	<b>19.1%</b>	<b>684,245</b>	<b>16.7%</b>	<b>167,550</b>	<b>24.5%</b>
<b>Total revenue</b>	<b>4,465,124</b>	<b>100.0%</b>	<b>4,085,868</b>	<b>100.0%</b>	<b>379,256</b>	<b>9.3%</b>

Note:

(1) Include stores operated by overseas customers.

For Fiscal Year 2023, absolute amounts of revenue generated from sales through our offline channels increased as compared with that for Fiscal Year 2022. Revenue generated from sales through our online channels increased by 24.5% compared with that for Fiscal Year 2022 and accounted for 19.1% of our total revenue for Fiscal Year 2023, increasing from 16.7% for Fiscal Year 2022.

## 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:

	For the year ended June 30,					
	2023		2022		Increase	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
Mainland China	4,422,596	99.0%	4,049,168	99.1%	373,428	9.2%
Outside Mainland China <sup>(1)</sup>	42,528	1.0%	36,700	0.9%	5,828	15.9%
<b>Total revenue</b>	<b>4,465,124</b>	<b>100.0%</b>	<b>4,085,868</b>	<b>100.0%</b>	<b>379,256</b>	<b>9.3%</b>

*Note:*

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

## GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit increased by 11.9% from RMB2,607.4 million for Fiscal Year 2022 to RMB2,917.0 million for Fiscal Year 2023.

The Group's overall gross profit margin increased from 63.8% for Fiscal Year 2022 to 65.3% for Fiscal Year 2023, 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:

	For the year ended June 30,					
	2023		2022		Increase/(Decrease)	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
Mature Brand:						
JNBY	<u>1,689,045</u>	<u>67.2%</u>	<u>1,490,551</u>	<u>64.5%</u>	<u>198,494</u>	<u>13.3%</u>
Subtotal	<u>1,689,045</u>	<u>67.2%</u>	<u>1,490,551</u>	<u>64.5%</u>	<u>198,494</u>	<u>13.3%</u>
Younger Brands:						
CROQUIS (速寫)	<u>437,360</u>	<u>64.7%</u>	<u>412,214</u>	<u>63.9%</u>	<u>25,146</u>	<u>6.1%</u>
jnby by JNBY	<u>389,731</u>	<u>58.6%</u>	<u>350,985</u>	<u>59.2%</u>	<u>38,746</u>	<u>11.0%</u>
LESS	<u>361,241</u>	<u>68.7%</u>	<u>310,598</u>	<u>67.4%</u>	<u>50,643</u>	<u>16.3%</u>
Subtotal	<u>1,188,332</u>	<u>63.7%</u>	<u>1,073,797</u>	<u>63.2%</u>	<u>114,535</u>	<u>10.7%</u>
Emerging Brands:						
Other brands	<u>39,615</u>	<u>46.4%</u>	<u>43,022</u>	<u>57.2%</u>	<u>(3,407)</u>	<u>(7.9%)</u>
Subtotal	<u>39,615</u>	<u>46.4%</u>	<u>43,022</u>	<u>57.2%</u>	<u>(3,407)</u>	<u>(7.9%)</u>
<b>Total</b>	<b><u>2,916,992</u></b>	<b><u>65.3%</u></b>	<b><u>2,607,370</u></b>	<b><u>63.8%</u></b>	<b><u>309,622</u></b>	<b><u>11.9%</u></b>

	For the year ended June 30,					
	2023		2022		Increase	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
<b>Offline channels</b>						
Self-operated stores	<u>1,357,401</u>	<u>73.2%</u>	<u>1,193,761</u>	<u>71.4%</u>	<u>163,640</u>	<u>13.7%</u>
Distributor-operated stores	<u>1,036,165</u>	<u>58.9%</u>	<u>1,015,807</u>	<u>58.7%</u>	<u>20,358</u>	<u>2.0%</u>
<b>Online channels</b>	<u>523,426</u>	<u>61.4%</u>	<u>397,802</u>	<u>58.1%</u>	<u>125,624</u>	<u>31.6%</u>
<b>Total</b>	<b><u>2,916,992</u></b>	<b><u>65.3%</u></b>	<b><u>2,607,370</u></b>	<b><u>63.8%</u></b>	<b><u>309,622</u></b>	<b><u>11.9%</u></b>

## **SELLING AND MARKETING EXPENSES AND ADMINISTRATIVE EXPENSES**

In Fiscal Year 2023, selling and marketing expenses were RMB1,695.1 million (Fiscal Year 2022: RMB1,511.3 million), which primarily consist of: (i) expenses relating to short-term leases and variable lease payments; (ii) the amortization 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 38.0% of our revenue in Fiscal Year 2023 (Fiscal Year 2022: 37.0%), 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 2023 were RMB445.6 million (Fiscal Year 2022: RMB377.3 million), which primarily consist of: (i) employee benefit expenses; (ii) product development outsourcing fees; and (iii) professional service expenses. In particular, the expenses incurred by the product design and research and development department amounted to RMB168.2 million (Fiscal Year 2022: RMB136.3 million). In percentage terms, administrative expenses accounted for 10.0% of our revenue in Fiscal Year 2023 (Fiscal Year 2022: 9.2%).

## **FINANCE COSTS, NET**

The Group's finance costs, net for Fiscal Year 2023 was RMB7.1 million (Fiscal Year 2022: RMB0.2 million). The increase in financial costs, net was mainly due to the increase of interest expenses on lease liabilities.

## **NET PROFIT AND NET PROFIT MARGIN**

Due to the above-mentioned factors, net profit for Fiscal Year 2023 was RMB621.3 million, representing an increase of 11.2% or RMB62.4 million as compared with RMB558.9 million for Fiscal Year 2022. Net profit margin increased from 13.7% for Fiscal Year 2022 to 13.9% for Fiscal Year 2023.

## **CAPITAL EXPENDITURE**

The Group's capital expenditure mainly consists of payments for property, plant and equipment, intangible assets and decoration of office building and our self-operated stores. The Company's capital expenditure for Fiscal Year 2023 was RMB155.4 million (Fiscal Year 2022: RMB140.0 million).

## **PROFIT BEFORE INCOME TAX**

The Group's profit before income tax increased by 9.7% from RMB775.6 million for Fiscal Year 2022 to RMB850.8 million for Fiscal Year 2023. The increase in profit before income tax was mainly due to the increase 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, 2023, the Group's cash and cash equivalents were RMB525.1 million (June 30, 2022: RMB591.7 million), of which 85.8% was denominated in RMB, 2.0% in US dollars and 12.2% in other currencies. Net cash inflow from operating activities in Fiscal Year 2023 was RMB939.1 million, an increase of 10.1% as compared with RMB852.9 million in Fiscal Year 2022.

As at June 30, 2023, our short-term bank loans amounted to RMB99.5 million, representing (i) the short-term loans of RMB49.7 million borrowed from Ningbo Bank on November 2, 2022; and (ii) the short-term loans of RMB49.8 million borrowed from Industrial and Commercial Bank of China on March 9, 2023.

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 August 23, 2022, JNBY Finery Co., Ltd. ("**JNBY Finery**"), a subsidiary of the Company, subscribed for the short-term financial products of China Merchants Bank with a principal of RMB30,000,000. The subscription mentioned above does not constitute a notifiable transaction of the Company.

On November 28, 2022, JNBY Finery subscribed for the short-term financial products of China Merchants Bank with a principal of RMB30,000,000. The subscription mentioned above does not constitute a notifiable transaction of the Company.

On December 15, 2022, JNBY Finery subscribed for the short-term financial products of China Merchants Bank with a principal of RMB30,000,000. The subscription mentioned above does not constitute a notifiable transaction of the Company.

### **Investment Funds**

On July 13, 2022, the Group made capital contributions of RMB4,500,000 to subscribe for a venture capital fund as a limited partner with a total capital commitment of RMB30,000,000. The subscription mentioned above does not constitute a notifiable transaction of the Company.

## **Equity Investment**

On August 23, 2022, the Group signed an equity investment agreement with Hangzhou Jiasheng Catering Management Co., Ltd. (杭州嘉笙餐飲管理有限公司) to acquire 16.5% of its equity with a total capital commitment of RMB29,325,000. For the year ended June 30, 2023, the Group has made the capital contributions in full. The equity investment 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 increased to 1,508 as of June 30, 2023 (June 30, 2022: 1,497). The total staff costs for Fiscal Year 2023 (including basic salaries and allowances, social security insurance, discretionary bonuses and share-based compensation expenses) were RMB434.8 million (Fiscal Year 2022: RMB367.5 million), representing 9.7% of our revenue (Fiscal Year 2022: 9.0%).

## **EVENTS AFTER THE BALANCE SHEET DATE**

A final dividend in respect of the year ended June 30, 2023 of HK\$0.67 (equivalent to approximately RMB0.63) per ordinary share has been proposed by the Board and is to be approved at the annual general meeting of the Company (the "AGM") to be held on October 26, 2023. The financial statements set out in this results announcement do not reflect this dividend payable.

Except for the events as described above, there was no other significant event occurred during the period from June 30, 2023 to the approval date of the consolidated financial statements by the Board on September 7, 2023.

## **PLEDGE OF ASSETS**

As at June 30, 2023, the Group did not have any secured bank borrowings.

## **CONTINGENT LIABILITIES**

As at June 30, 2023, the Group did not have any material contingent liabilities.

## OUTLOOK

As we entered 2023, with the full resumption of normalized economic and social operations coupled with the implementation and taking effect of policies to stabilize growth and expand domestic demand, China's economy continued to stabilize and improve, and the domestic demand market gradually rebounded, creating new opportunities for high-quality development of enterprises. China continues to serve as the driving force for global consumption growth with its reopening. Along with consumption upgrade and a younger consumer base, the group of people who pursue distinguished lifestyles expands 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 three-year pandemic not only speeds up the shift of customers from traditional retail sales to diversified emerging consumption scenarios, but also makes the customers turn to brands which are more trustworthy, therefore, the segmented market where the designer brands operate is showing a competitive trend of inclining to the leading brands.

As an influential designer brand fashion group in China, benefiting from the diversified designer brand portfolio and sound operational management, we remain full confidence towards our future. Based on sufficient cash flow, we continue to strengthen and enhance our position as an influential designer brand fashion group 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 research and development capabilities as well as through comprehensive strengthening of brand influence;
- to adopt internet thinking and technology to further enhance our various domestic and foreign retail networks, continuously our strategic investments in store visual merchandising and image development and proactively plan diversified social channels/retail and other emerging consumption scenarios, 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; and

- to establish a corporate governance structure integrated with Environmental, Social and Governance (“**ESG**”) to facilitate the implementation of ESG practices and gradually fulfill its 2025 ESG commitment, 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\$0.67 per ordinary share (equivalent to approximately RMB0.63 per ordinary share) for the year ended June 30, 2023.

The final dividend is subject to the approval of the shareholders of the Company (the “**Shareholders**”) at the AGM to be held on October 26, 2023, and will be paid on November 10, 2023 to those Shareholders whose names appear on the Company’s register of members on November 2, 2023.

## **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 Thursday, October 26, 2023, the register of members will be closed from Friday, October 20, 2023 to Thursday, October 26, 2023, 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 Thursday, October 19, 2023.
- (b) For the purpose of determining Shareholders who qualify for the final dividend, the register of members will be closed from Wednesday, November 1, 2023 to Thursday, November 2, 2023, both days inclusive. 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 Tuesday, October 31, 2023.

## **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 2023. 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 2023.

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

During Fiscal Year 2023, save as the trustee of the Restricted Share Unit Scheme purchased a total of 1,032,000 shares of the Company with approximately HK\$7.1 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 2023.

#### **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, 2023 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 Fiscal Year 2023. 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 2023 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.jiangnanbuyigroup.com.cn](http://www.jiangnanbuyigroup.com.cn)), and the annual report of the Company for Fiscal Year 2023 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, September 7, 2023

*As at 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.*