

江南布衣<sup>+</sup>

JNBY DESIGN LIMITED (Stock Code: 03306)

2021/22 INTERIM REPORT



This interim report is printed on environmental paper





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## COMPANY INTRODUCTION

### INFORMATION ON JNBY GROUP

We are a leading designer brand fashion house based in China. According to the information provided by CIC<sup>[Note]</sup>, in 2021, we ranked the first in the Chinese designer brand fashion industry in terms of total retail sales. We design, promote and sell contemporary apparel, footwear and accessories as well as household products. As at December 31, 2021, our brand portfolio comprises a number of brands in three stages — the Mature brand namely JNBY, three Younger brands, namely (i) CROQUIS (速寫), (ii) jnby by JNBY and (iii) LESS, as well as various Emerging brands, such as POMME DE TERRE (蓬馬) and JNBYHOME, each targeting at a distinct customer segment and having a uniquely defined design identity based on our Group's universal brand philosophy — “Just Naturally Be Yourself”.

Our products target at middle- and upper-income customers who seek to express their individuality through fashionable products. Our broad range of product offering and brand portfolio create a lifestyle ecosystem that enables us to address our customers' needs at different stages of their lives, which in turn allows us to build a large, diversified and loyal customer base. We started our business in 1994 by selling women's apparel. According to a survey conducted by CIC<sup>[Note]</sup>, our Mature brand, JNBY, is considered the most unique and recognizable women's apparel designer brand in China, ranks the first in terms of brand awareness and enjoys the highest brand loyalty in terms of the number of customers with repeated purchases among top 10 women's apparel designer brands in China. We expanded our brand portfolio between 2005 and 2011 to include CROQUIS (速寫), jnby by JNBY and LESS. During 2016 to 2019, we further launched various Emerging brands, such as POMME DE TERRE (蓬馬) and JNBYHOME, so that our product mixes could be more diversified and segmented and we could cover consumers of most age groups. Meanwhile, we have launched such new consumption scenarios or products as “Box Project” and “JNBY Group +” multi-brand collection stores to provide consumers with more value-added services.

Taking into account our customers' purchasing patterns and information needs, we have established an omni-channel retail network comprising physical retail stores, online platforms and WeChat-based diversified social and retail interactive marketing service platform, with each component playing a critical role in attracting fans and transforming our potential fans into loyal fans. We aim to build up a “JNBY Fans Economy” strategy, which is based on a community of fans whose purchases are driven by their affinity to the lifestyle we aim to promote.

Note: China Insights Consultancy Limited, the industry consultant

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**EXECUTIVE DIRECTORS** Mr. Wu Jian (*Chairman*)  
Ms. Li Lin  
Ms. Wu Huating

**NON-EXECUTIVE DIRECTOR** Mr. Wei Zhe

**INDEPENDENT NON-EXECUTIVE DIRECTORS** Mr. Lam Yiu Por  
Ms. Han Min  
Mr. Hu Huanxin

### BOARD COMMITTEES

**AUDIT COMMITTEE** Mr. Lam Yiu Por (*Chairman*)  
Ms. Han Min  
Mr. Hu Huanxin

**REMUNERATION COMMITTEE** Mr. Hu Huanxin (*Chairman*)  
Mr. Wu Jian  
Mr. Lam Yiu Por

**NOMINATION COMMITTEE** Mr. Wu Jian (*Chairman*)  
Mr. Hu Huanxin  
Ms. Han Min

**JOINT COMPANY SECRETARIES** Ms. Qian Xiaoping  
Ms. Ng Sau Mei (FCG, HKFCG)

**AUTHORIZED REPRESENTATIVES** Mr. Wu Jian  
Ms. Ng Sau Mei

**REGISTERED OFFICE** Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

**HEADQUARTERS** Building 2-6, OōELi  
No. 398 Tianmushan Road  
Xihu District  
Hangzhou, Zhejiang Province  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 709, 7/F, Lippo Sun Plaza  
28 Canton Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants  
22/F Prince's Building  
Central  
Hong Kong

### THE CAYMAN ISLANDS PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HONG KONG SHARE REGISTRAR

Link Market Services (Hong Kong) Pty Limited  
Suite 1601, 16/F., Central Tower  
28 Queen's Road Central  
Hong Kong

### PRINCIPAL BANKS

Bank of Hangzhou, Guanxiangkou Branch  
Huaxia Bank, Heping Branch

### COMPANY'S WEBSITE

<http://www.jnbygroup.com/>

### STOCK CODE

3306

### LISTING DATE

October 31, 2016

## FINANCIAL SUMMARY

For the six months ended December 31,	2021 RMB'000	2020 RMB'000	Increase/ (Decrease) %
<b>Financial Summary</b>			
Revenue	<b>2,484,680</b>	2,314,663	7.3%
Gross profit	<b>1,573,804</b>	1,425,152	10.4%
Operating profit	<b>613,759</b>	641,928	(4.4)%
Net profit	<b>443,833</b>	463,533	(4.2)%
Net cash flows from operating activities	<b>772,820</b>	1,114,352	(30.6)%
Basic earnings per share (RMB)	<b>0.89</b>	0.93	
Diluted earnings per share (RMB)	<b>0.88</b>	0.93	
<b>Financial Ratios</b>			
Gross profit margin	<b>63.3%</b>	61.6%	
Operating profit ratio	<b>24.7%</b>	27.7%	
Net profit margin	<b>17.9%</b>	20.0%	

	As of December 31, 2021	As of December 31, 2020
<b>Liquidity Ratios</b>		
Trade receivables turnover days	<b>11.6</b>	11.7
Trade and bills payables turnover days	<b>60.7</b>	46.9
<b>Capital Ratios</b>		
Debt to assets ratio <sup>1</sup>	<b>58.9%</b>	56.1%

Note 1: Debt to assets ratio = total debts/total assets

## 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.

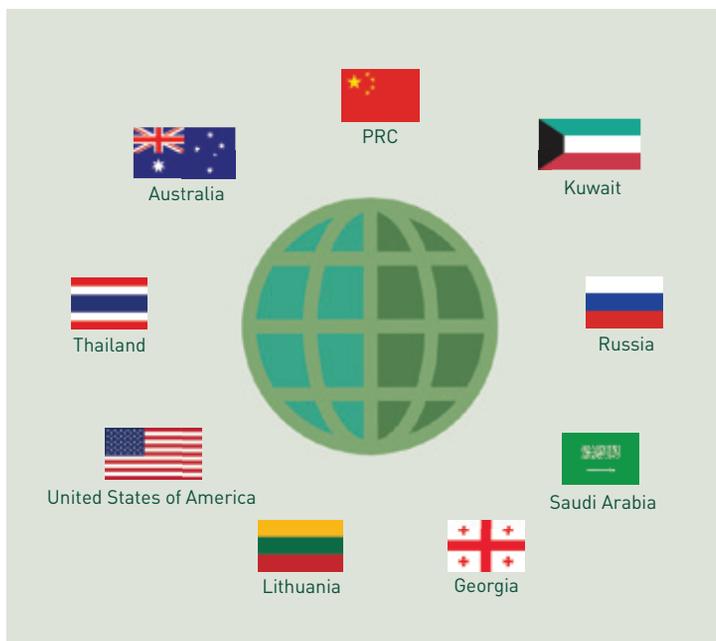
The total revenue for the six months ended December 31, 2021 amounted to RMB2,484.7 million, an increase of 7.3% or RMB170.0 million as compared with RMB2,314.7 million for the six months ended December 31, 2020. The increase in the revenue was mainly attributable to the upgrading of the Group's retail network and the continuous growth of our revenue from online channels.

The total number of our standalone retail stores around the world increased from 1,931 as of June 30, 2021 to 1,996 as of December 31, 2021. Including standalone offline stores abroad, our sales network has covered all provinces, autonomous regions and municipalities in Mainland China and across 10 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:

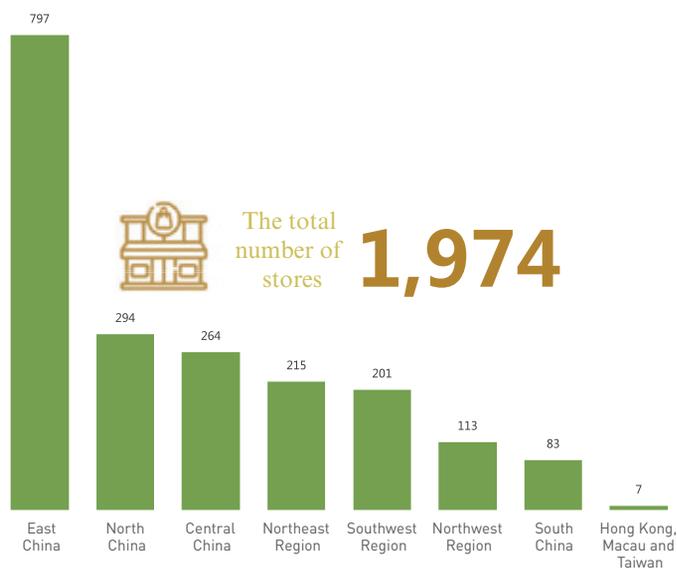
Number of our standalone retail stores around the world by different brands	As of December 31, 2021	As of June 30, 2021
Mature Brand		
JNBY	952	926
Subtotal	952	926
Younger Brands		
CROQUIS (速寫)	319	312
jnby by JNBY	475	470
LESS	204	185
Subtotal	998	967
Emerging Brands		
POMME DE TERRE (蓬馬)	33	28
JNBYHOME	—	—
Others	2	2
Subtotal	35	30
"JNBY Group +" multi-brand collection stores	11	8
Total	1,996	1,931

	As of December 31, 2021	As of June 30, 2021
<b>Number and geographic distribution of our retail stores by sales channels</b>		
<b>Mainland China</b>		
Self-operated stores	573	544
Distributor-operated stores	1,394	1,357
<b>Outside Mainland China</b>		
Self-operated stores	1	1
Distributor-operated stores	28	29
<b>Total</b>	<b>1,996</b>	<b>1,931</b>

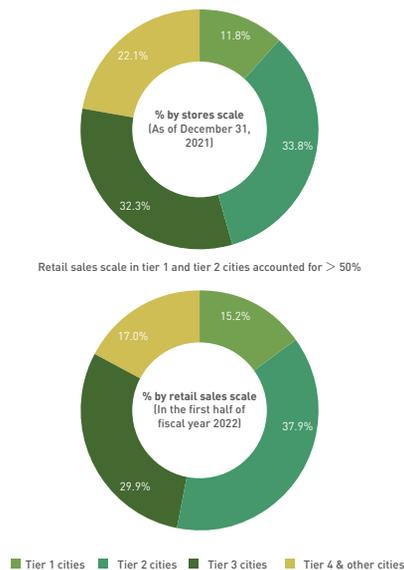
The following charts show the retail network distribution of our standalone retail stores in countries and regions all over the world (excluding points of sale), the geographic distribution of our retail stores (including standalone distributor-operated and self-operated stores) across Mainland China, Hong Kong and Taiwan as well as the distribution of our stores and retail sales by city tiers across Mainland China as of December 31, 2021 respectively:



**Total Number of stores and its geographic distribution 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 the first half of 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 worsened in many provinces and regions. Although we have provided consumers with more value-added services by continuously launching 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 the first half of fiscal year 2022 recorded a decrease of 3.0%, 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 RMB509.6 million for the first half of fiscal year 2022, representing a decrease of 4.1% as compared with RMB531.5 million for the first half of fiscal year 2021.
- (iii) the GMV through social retail channels including “Box Project”, “WeChat Mall” and “Diversified Social E-commerce” reached RMB380.0 million in the first half of fiscal year 2022, representing an increase of over 2 times as compared to the first half of fiscal year 2021 due to continuous utilization of Internet+ mindsets and technologies. Most off-store sales were reflected in same store sales growth of offline shops, which are still insufficient to make up for the significant decline in customer traffic of our offline shops.

## MEMBERS-RELATED DATA

As of December 31, 2021, the Group had over 5.3 million membership accounts (without duplication) (as of June 30, 2021: over 4.9 million), including our more than 4.9 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 the first half of fiscal year 2022, the retail sales contributed by the members of the Group maintained stable, accounting for approximately 70% of our total retail sales.

In 2021, the number of active members accounts of the Group<sup>(Note 1)</sup> (without duplication) was over 410,000 (2020: over 410,000), among these membership accounts, the number of WeChat active members accounts<sup>(Note 2)</sup> (without duplication) was over 400,000 (2020: over 400,000). In 2021, the number of active members accounts and the number of WeChat active members accounts were basically on par with that in 2020, which was mainly arising from the great impact of the pandemic continuing to linger in many provinces and regions in 2021 on retail industry.

In 2021, the number of membership accounts with annual purchases totaling over RMB5,000 was over 200,000 (2020: over 180,000, 2019: over 210,000), and the retail sales contributed by those membership accounts has reached RMB2.64 billion (2020: RMB2.2 billion, 2019: RMB2.5 billion), accounting for over 40% to 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 200,000 for 2021 (2020: over 180,000, 2019: over 200,000). In 2021, the number of membership accounts with annual purchases totaling over RMB5,000 and the retail sales increased as compared with that in 2020, and recovered or surpassed the level in 2019, mainly due to the initial results of the Group's initiatives to continue to strengthen its brand equity.

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 half years indicated:

	For the six months ended December 31,					
	2021		2020		Increase/(Decrease)	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Mature Brand:						
JNBY	1,439,864	57.9%	1,318,569	57.0%	121,295	9.2%
Subtotal	1,439,864	57.9%	1,318,569	57.0%	121,295	9.2%
Younger Brands:						
CROQUIS (速寫)	389,111	15.7%	389,893	16.8%	(782)	(0.2)%
jnby by JNBY	354,643	14.3%	357,143	15.4%	(2,500)	(0.7)%
LESS	258,373	10.4%	203,885	8.8%	54,488	26.7%
Subtotal	1,002,127	40.4%	950,921	41.0%	51,206	5.4%
Emerging Brands:						
POMME DE TERRE (蓬馬)	20,029	0.8%	26,837	1.2%	(6,808)	(25.4)%
JNBYHOME	15,639	0.6%	12,751	0.6%	2,888	22.6%
Others	7,021	0.3%	5,585	0.2%	1,436	25.7%
Subtotal	42,689	1.7%	45,173	2.0%	(2,484)	(5.5)%
Total revenue <sup>(1)</sup>	2,484,680	100.0%	2,314,663	100.0%	170,017	7.3%

Note:

(1) Includes revenue recorded by "JNBY Group +" multi-brand collection stores of RMB69.7 million.

For the first half of fiscal year 2022, the revenue of the Group continued to achieve steady growth. Revenue generated from the Group's Mature brand with a history over 25 years, JNBY brand, continued to grow, representing an increase of 9.2% or RMB121.3 million. For the Younger brands portfolio, it consists of brands which were successively launched from 2005 to 2011, namely CROQUIS (速寫), jnby by JNBY and LESS. Revenue generated from Younger brands portfolio maintained growth, with a total growth rate reached 5.4%. For Emerging brands portfolio, it consists of various new brands, such as POMME DE TERRE (蓬馬) and JNBYHOME. Revenue from Emerging brands portfolio totaling of RMB42.7 million were recorded, showing an aggregate of 1.7% to 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 half years indicated:

	For the six months ended December 31,					
	2021		2020		Increase/(Decrease)	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
<b>Offline channels</b>	<b>2,120,502</b>	<b>85.3%</b>	1,981,282	85.6%	139,220	7.0%
Self-operated stores	978,906	39.4%	959,700	41.5%	19,206	2.0%
Distributor-operated stores <sup>(1)</sup>	1,141,596	45.9%	1,021,582	44.1%	120,014	11.7%
<b>Online channels</b>	<b>364,178</b>	<b>14.7%</b>	328,791	14.2%	35,387	10.8%
<b>Other channels</b>	<b>—</b>	<b>—%</b>	4,590	0.2%	(4,590)	(100.0)%
<b>Total revenue</b>	<b>2,484,680</b>	<b>100.0%</b>	2,314,663	100.0%	170,017	7.3%

Note:

(1) Include stores operated by overseas customers.

In the first half of fiscal year 2022, absolute amounts of revenue generated from sales through our offline and online channels continued to increase as compared with that in the first half of fiscal year 2021. Benefiting from the rapid growth of off-store sales through our offline channel and the fact that more and more customers get used to shopping on various e-commerce platforms in the process of normalized pandemic prevention and control, revenue generated from sales through our online channels, as a percentage of our total revenue, has increased from 14.2% for the first half of fiscal year 2021 to 14.7% for the first half of fiscal year 2022, which has driven the increase in the overall revenue of the Group.

## 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 half years indicated:

	For the six months ended December 31,					
	2021		2020		Increase	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Mainland China	2,466,076	99.3%	2,297,109	99.2%	168,967	7.4%
Outside Mainland China <sup>(1)</sup>	18,604	0.7%	17,554	0.8%	1,050	6.0%
<b>Total revenue</b>	<b>2,484,680</b>	<b>100.0%</b>	2,314,663	100.0%	170,017	7.3%

Note:

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

In the first half of fiscal year 2022, the absolute amounts of revenue generated from sales in Mainland China areas continued to increase as compared with that in the first half of fiscal year 2021.

## GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit increased by 10.4% from RMB1,425.2 million for the first half of fiscal year 2021 to RMB1,573.8 million for the first half of fiscal year 2022, which was mainly attributable to the increase in revenue scale.

The Group's overall gross profit margin increased from 61.6% for the first half of fiscal year 2021 to 63.3% for the first half of fiscal year 2022, which was mainly attributable to the enhancement of the Group's comprehensive brand equity.

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

	For the six months ended December 31,					
	2021		2020		Increase/(Decrease)	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Mature Brand:						
JNBY	922,994	64.1%	826,509	62.7%	96,485	11.7%
Subtotal	922,994	64.1%	826,509	62.7%	96,485	11.7%
Younger Brands:						
CROQUIS (速寫)	245,877	63.2%	235,674	60.4%	10,203	4.3%
jnby by JNBY	212,017	59.8%	215,022	60.2%	(3,005)	(1.4)%
LESS	172,257	66.7%	133,129	65.3%	39,128	29.4%
Subtotal	630,151	62.9%	583,825	61.4%	46,326	7.9%
Emerging Brands:						
POMME DE TERRE (蓬馬)	8,410	42.0%	7,163	26.7%	1,247	17.4%
JNBYHOME	7,410	47.4%	4,549	35.7%	2,861	62.9%
Others	4,839	68.9%	3,106	55.6%	1,733	55.8%
Subtotal	20,659	48.4%	14,818	32.8%	5,841	39.4%
Total	1,573,804	63.3%	1,425,152	61.6%	148,652	10.4%

	For the six months ended December 31,					
	2021		2020		Increase/(Decrease)	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Offline channels	1,358,668	64.1%	1,231,236	62.1%	127,552	10.4%
Self-operated stores	695,294	71.0%	660,475	68.8%	34,537	5.3%
Distributor- operated stores	663,374	58.1%	570,761	55.9%	93,015	16.3%
Online channels	215,136	59.1%	190,512	57.9%	24,504	12.9%
Other channels	—	—%	3,404	74.2%	(3,404)	(100.0)%
Total	1,573,804	63.3%	1,425,152	61.6%	148,652	10.4%

## SELLING AND MARKETING EXPENSES AND ADMINISTRATIVE EXPENSES

In the first half of fiscal year 2022, selling and marketing expenses were RMB797.9 million (the first half of fiscal year 2021: RMB671.2 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 32.1% of our revenue in the first half of fiscal year 2022 (the first half of fiscal year 2021: 29.0%). The increase in the expense ratio as compared to the first half of fiscal year 2021 was mainly attributable to (i) the Group's increased investment in marketing activities expenses related to brand power improvement; and (ii) the increase in expenses for employees of stores. The administrative expenses for the first half of fiscal year 2022 were RMB190.6 million (the first half of fiscal year 2021: RMB139.9 million) which, among others, 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 R&D department amounted to RMB70.6 million (the first half of fiscal year 2021: RMB60.0 million). In percentage terms, administrative expenses accounted for 7.7% of our revenue in the first half of fiscal year 2022 (the first half of fiscal year 2021: 6.0%).

## FINANCE INCOME, NET

The Group's finance income, net for the first half of fiscal year 2022 was net gain of RMB0.8 million (the first half of fiscal year 2021: financial income, net was net gain of RMB0.6 million).

## NET PROFIT AND NET PROFIT MARGIN

Due to the above-mentioned factors, net profit for the first half of fiscal year 2022 was RMB443.8 million, representing a decrease of 4.2% or RMB19.7 million as compared with RMB463.5 million for the first half of fiscal year 2021. The decrease in net profit was mainly attributable to the increase in relevant marketing and promotion expenses as a result of the Group's increased efforts in building its long-term brand power. Net profit margin decreased from 20.0% for the first half of fiscal year 2021 to 17.9% for the first half of 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 our self-operated stores. The Company's capital expenditure for the first half of fiscal year 2022 was RMB79.5 million (the first half of fiscal year 2021: RMB71.5 million).

## PROFIT BEFORE INCOME TAX

The Group's profit before income tax decreased by 4.4%, from RMB642.6 million for the first half of fiscal year 2021 to RMB614.6 million for the first half of 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 of December 31, 2021, the Group's cash and cash equivalents were RMB853.2 million (June 30, 2021: RMB549.0 million), of which 91.9% was denominated in RMB, 1.4% in US dollars and 6.7% in other currencies. Net cash inflow from operating activities in the first half of fiscal year 2022 was RMB772.8 million, a decrease of 30.7% as compared with RMB1,114.4 million in the first half of fiscal year 2021.

As at December 31, 2021, our short-term bank loans amounted to RMB149.0 million, representing (i) our short-term loans of RMB50.0 million borrowed from China Merchants Bank on January 6, 2021, (ii) our short-term loans of RMB49.8 million borrowed from China Merchants Bank on May 31, 2021, and (iii) our short-term loans of RMB49.2 million borrowed from Industrial and Commercial Bank of China on September 2, 2021.

## 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 six months ended December 31, 2021, 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 six months ended December 31, 2021, the Group made capital contributions of RMB27,000,000. The Group has uncalled capital commitments of RMB33,000,000 in accordance with the subscription agreements. The subscriptions mentioned above are set out in the announcement of the Company dated July 15, 2021.

## 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 1,450 as of December 31, 2021 (June 30, 2021: 1,397). The total staff costs for the first half of fiscal year 2022 (including basic salaries and allowances, social security insurance, discretionary bonuses and share-based compensation expenses) were RMB175.5 million (the first half of fiscal year 2021: RMB158.7 million), representing 7.1% of our revenue (the first half of fiscal year 2021: 6.9%).

## PLEDGE OF ASSETS

As at December 31, 2021, the Group did not have any secured bank borrowings.

## CONTINGENT LIABILITIES

As at December 31, 2021, the Group did not have any material contingent liabilities.

## EVENTS AFTER THE BALANCE SHEET DATE

The Group has no significant events after the balance sheet date and up to the date of this interim report.

## 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 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 they think more trustworthy, therefore, the segmented market where the designer brands operate is showing a competition 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 will 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 optimization of 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 new consumption scenarios such as diversified social channels/retail, 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 in 2025, thus ensuring the sustainable, healthy and high-quality development of the Company's business in a long run.

## 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 December 31, 2021, the proceeds amounting to a total of RMB589.6 million have been used. These proceeds shown as following have been used for the purposes as stated in the prospectus (the “**Prospectus**”) of the Company dated October 19, 2016.

Item	The planned use of proceeds (RMB million)	As at December 31, 2021 The actual used amount (RMB million)	For the six	As at
			months ended December 31, 2021 The actual used amount (RMB million)	December 31, 2021 Proceeds amount (RMB million)
To strengthen our omni-channel interactive platform	167.4	167.4	–	–
To expand our product offering and brand portfolio	179.3	172.3	15.6	7.0
To establish a new logistics center	220.1	220.1	–	–
For general purposes	29.8	29.8	–	–
<b>Total</b>	<b>596.6</b>	<b>589.6</b>	<b>15.6</b>	<b>7.0</b>

As at December 31, 2021, the balance of proceeds of approximately RMB7.0 million would continue to be used for the purposes as stated in the Prospectus. It is also expected to be fully utilised within next 6 months.

## INTERIM DIVIDEND

The Board declared the payment of an interim dividend of HK\$0.39 per ordinary share (equivalent to approximately RMB0.32 per ordinary share) for the six months ended December 31, 2021. The above interim dividend is expected to be paid on May 13, 2022 to the shareholders of the Company (the “**Shareholders**”) whose names appear on the Company's register of members on April 29, 2022.

## CLOSURE OF REGISTER OF MEMBERS

In order to determine the identity of members who are eligible for receiving the interim dividend, the register of members of the Company will be closed from April 28, 2022 to April 29, 2022 (both days inclusive), during which period no share transfer will be registered. In order to be eligible for receiving the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong, for registration not later than 4:30 p.m. on April 27, 2022.

## CORPORATE GOVERNANCE PRACTICES

### 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 (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as its own corporate governance code.

The Company has complied with all applicable code provisions under the CG Code during the six months ended December 31, 2021. 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 the code of conduct of the Company 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 the six months ended December 31, 2021.

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

During the six months ended December 31, 2021, save as the trustee of the Restricted Share Unit Scheme (the “**RSU Scheme**”) purchased a total of 1,407,000 shares of the Company with approximately HK\$19.9 million at the Stock Exchange pursuant to the rules of the RSU Scheme and the 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 Board has established an audit committee (the “**Audit Committee**”), which comprised three independent non-executive Directors, namely Mr. Lam Yiu Por (Chairman), Ms. Han Min and Mr. Hu Huanxin. The primary duties of the Audit Committee are to review and supervise the financial reporting procedures and internal control of the Company.

The Audit Committee, together with the management and the external auditor of the Company, has reviewed the Group’s unaudited condensed interim results for the six months ended December 31, 2021.

### CHANGES OF INFORMATION IN RELATION TO THE DIRECTORS

There was no change to any information in relation to any Director required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules from the date of the Company’s 2020/21 Annual Report and up to the date of this interim report.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Nature of Interests	Number of Shares	Percentage of Shareholding in the Company (%)	Long Position/ Short Position/ Lending Pool
Mr. Wu Jian <sup>(1)</sup>	Founder of a discretionary trust; Beneficiary of a trust; Spouse interest	318,681,000	61.43	Long position
Ms. Li Lin <sup>(2)</sup>	Founder of a discretionary trust; Beneficiary of a trust; Spouse interest	318,681,000	61.43	Long position
Ms. Wu Huating <sup>(3)</sup>	Beneficial owner; Beneficiary of a trust	8,020,000	1.55	Long position

Notes:

- (1) Ahead Global Holdings Limited, a company indirectly wholly owned by the Wu Family Trust, directly holds the entire issued share capital of Ninth Capital Limited which in turn holds 152,100,000 shares of the Company. The Wu Family Trust is a discretionary trust established by Mr. Wu Jian (as the settlor), and its discretionary beneficiaries include Mr. Wu Jian, Ms. Li Lin and their children. Ms. Li Lin is beneficially interested in the entire issued share capital of Ninth Investment Limited which in turn holds 154,781,000 shares of the Company. Pursuant to the Li Personal Trust, the Li Personal Trust Nominee holds 11,800,000 shares as the nominee of The Core Trust Company Limited. The Li Personal Trust Nominee is wholly owned by The Core Trust Company Limited in its capacity as the nominee of the Li Personal Trust, and Ms. Li Lin is the settlor of the Li Personal Trust. Accordingly, Mr. Wu Jian is deemed to be interested in the 152,100,000 shares, 154,781,000 shares and 11,800,000 shares held by Ninth Capital Limited, Ninth Investment Limited and the Li Personal Trust Nominee, respectively. Pursuant to the SFO, Mr. Wu Jian, as the spouse of Ms. Li Lin, is deemed to be interested in the same number of shares in which Ms. Li Lin is interested.
- (2) Puheng Limited, a company indirectly wholly owned by the Li Family Trust, directly holds the entire issued share capital of Ninth Investment Limited which in turn holds 154,781,000 shares of the Company. The Li Family Trust is a discretionary trust established by Ms. Li Lin (as the settlor), and its discretionary beneficiaries include Ms. Li Lin, Mr. Wu Jian and their children. Pursuant to the Li Personal Trust, the Li Personal Trust Nominee holds 11,800,000 shares as the nominee of The Core Trust Company Limited. The Li Personal Trust Nominee is wholly owned by The Core Trust Company Limited in its capacity as the nominee of the Li Personal Trust, and Ms. Li Lin is the settlor of the Li Personal Trust. Mr. Wu Jian is beneficially interested in the entire issued share capital of Ninth Capital Limited which in turn holds 152,100,000 shares of the Company. Accordingly, Ms. Li Lin is deemed to be interested in the 154,781,000 shares, 11,800,000 shares and 152,100,000 shares held by Ninth Investment Limited, the Li Personal Trust Nominee and Ninth Capital Limited, respectively. Pursuant to the SFO, Ms. Li Lin, as the spouse of Mr. Wu Jian, is deemed to be interested in the same number of shares in which Mr. Wu Jian is interested.
- (3) Ms. Wu Huating is interested in (i) 20,000 shares of the Company held by her and (ii) restricted share units ("RSUs") representing 8,000,000 shares of the Company that were granted to her pursuant to the RSU Scheme, which are subject to the vesting schedule and performance targets or review.

Save as disclosed above, as at December 31, 2021, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at December 31, 2021, as far as the Directors are aware, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and which were required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Nature of Interests	Number of Shares	Percentage of Shareholding in the Company (%)	Long Position/ Short Position/ Lending Pool
Credit Suisse Trust Limited <sup>(1), (2)</sup>	Trustee	306,881,000	59.16	Long position
Ahead Global Holdings Limited <sup>(1)</sup>	Interest in a controlled corporation	152,100,000	29.32	Long position
Li Family Limited <sup>(2)</sup>	Interest in a controlled corporation	154,781,000	29.84	Long position
Ninth Capital Limited <sup>(1)</sup>	Beneficial owner	152,100,000	29.32	Long position
Ninth Investment Limited <sup>(2)</sup>	Beneficial owner	154,781,000	29.84	Long position
Puheng Limited <sup>(2)</sup>	Interest in a controlled corporation	154,781,000	29.84	Long position
Seletar Limited <sup>(1), (2)</sup>	Nominee for another person	306,881,000	59.16	Long position
Serangoon Limited <sup>(1), (2)</sup>	Nominee for another person	306,881,000	59.16	Long position
Wu Family Limited <sup>(1)</sup>	Interest in a controlled corporation	152,100,000	29.32	Long position
TCT (BVI) Limited <sup>(3)</sup>	Trustee	38,417,100	7.41	Long position
The Core Trust Company Limited <sup>(3)</sup>	Trustee	38,417,100	7.41	Long position
Energetic Design Limited <sup>(4)</sup>	Nominee for another person	26,617,100	5.13	Long position

Notes:

- (1) As at the date of this interim report, to the best knowledge of the Directors, Ninth Capital Limited holds 152,100,000 shares of the Company, representing approximately 29.32% of the issued shares of the Company. Credit Suisse Trust Limited, as the trustee of the Wu Family Trust, holds the entire issued share capital of Wu Family Limited through its nominee companies Seletar Limited and Serangoon Limited. Wu Family Limited holds the entire issued share capital of Ahead Global Holdings Limited which in turn holds the entire issued share capital of Ninth Capital Limited. Ninth Capital Limited holds 152,100,000 shares of the Company. The Wu Family Trust is a discretionary trust established by Mr. Wu Jian (as the settlor), and its discretionary beneficiaries are Mr. Wu Jian, Ms. Li Lin and their children. Accordingly, each of Mr. Wu Jian, Credit Suisse Trust Limited, Seletar Limited, Serangoon Limited, Wu Family Limited and Ahead Global Holdings Limited is deemed to be interested in the 152,100,000 shares of the Company held by Ninth Capital Limited.
- (2) As at the date of this interim report, to the best knowledge of the Directors, Ninth Investment Limited holds 154,781,000 shares of the Company, representing approximately 29.84% of the issued shares of the Company. Credit Suisse Trust Limited, as the trustee of the Li Family Trust, holds the entire issued share capital of Li Family Limited through its nominee companies Seletar Limited and Serangoon Limited. Li Family Limited holds the entire issued share capital of Puheng Limited, which in turn holds the entire issued share capital of Ninth Investment Limited. Ninth Investment Limited holds 154,781,000 shares of the Company. The Li Family Trust is a discretionary trust established by Ms. Li Lin (as the settlor), and its discretionary beneficiaries are Ms. Li Lin, Mr. Wu Jian and their children. Accordingly, each of Ms. Li Lin, Credit Suisse Trust Limited, Seletar Limited, Serangoon Limited, Li Family Limited and Puheng Limited is deemed to be interested in the 154,781,000 shares of the Company held by Ninth Investment Limited.
- (3) TCT (BVI) Limited is the wholly-owned subsidiary of The Core Trust Company Limited. Such 38,417,100 shares represent the same batch of shares.
- (4) Energetic Design Limited is the wholly-owned subsidiary of TCT (BVI) Limited. Accordingly, TCT (BVI) Limited is deemed to be interested in the 26,617,100 shares held by Energetic Design Limited.

Save as disclosed above, as at December 31, 2021, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as otherwise disclosed in this interim report, at no time during the six months ended December 31, 2021 was the Company or its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

## **RESTRICTED SHARE UNIT SCHEME**

We have adopted the RSU Scheme in order to incentivize senior management, designers and key employees for their contribution to our Group and to attract and retain suitable personnel to enhance the development of our Group. The total number of shares under the RSU Scheme does not exceed 40,000,000 shares and is valid for a period up to June 30, 2029, with the remaining period of about 7 years and 3 months. The RSU Scheme was approved and adopted by the Board on May 16, 2014, and amended on February 3, 2018, May 14, 2018 and May 8, 2019, a summary of principal terms of which is set out in "Statutory and General Information — D. Share Incentive Scheme — 1. RSU Scheme" in Appendix IV of the Prospectus, and the Company's announcements dated February 3, 2018, May 14, 2018 and May 8, 2019.

## OUTSTANDING RSUs

Prior to the Company's shares listed on the Main Board of the Stock Exchange, RSUs in respect of an aggregate of 11,776,040 shares of the Company, representing approximately 2.27% of the issued shares of the Company as at December 31, 2021, had been granted to 89 RSU participants pursuant to the RSU Scheme. We have appointed The Core Trust Company Limited as the trustee to assist with the administration and vesting of RSUs granted pursuant to the RSU Scheme.

There are twelve vesting schedules under the RSU Scheme:

	Date of Grant	Vesting Schedule
1	(i) June 30, 2014 (ii) July 23, 2014 (iii) November 20, 2014	the RSU participants shall vest as to 20%, 20%, 30% and 30% prior to August 31, 2015, 2016, 2017 and 2018, respectively
2	(i) May 16, 2014 (ii) December 1, 2014 (iii) March 9, 2015 (iv) September 10, 2015	the RSU participants shall vest as to 25%, 25%, 25% and 25% prior to August 31, 2016, 2017, 2018 and 2019, respectively
3	(i) November 23, 2015 (ii) December 15, 2016	the RSU participants shall vest as to 25%, 25%, 25% and 25% prior to August 31, 2017, 2018, 2019 and 2020, respectively
4	December 7, 2015	the RSU participants shall vest as to 20%, 20%, 30% and 30% prior to August 31, 2017, 2018, 2019 and 2020, respectively
5	(i) February 25, 2017 (ii) August 29, 2017	the RSU participants shall vest as to 25%, 25%, 25% and 25% prior to August 31, 2018, 2019, 2020 and 2021, respectively
6	(i) February 3, 2018 (ii) May 14, 2018 (iii) August 28, 2018	the RSU participants shall vest as to 20%, 20%, 20%, 20% and 20% prior to August 31, 2019, 2020, 2021, 2022 and 2023, respectively
7	(i) February 3, 2018 (ii) May 14, 2018 (iii) October 17, 2019	the RSU participants shall vest as to 25%, 25%, 25% and 25% prior to August 31, 2020, 2021, 2022 and 2023, respectively
8	February 3, 2018	the RSU participants shall vest as to 1/3, 1/3 and 1/3 on August 31, 2021, 2022 and 2023, respectively
9	(i) May 8, 2019 (ii) July 9, 2019 (iii) October 17, 2019	the RSU participants shall vest as to 20%, 20%, 20%, 20% and 20% prior to August 31, 2020, 2021, 2022, 2023 and 2024, respectively
10	July 9, 2019	the RSU participants shall vest as to 50% and 50% prior to August 31, 2020 and 2021, respectively
11	October 17, 2019	the RSU participants shall vest as to 15.6%, 21.1%, 21.1%, 21.1% and 21.1% prior to August 31, 2020, 2021, 2022, 2023 and 2024, respectively
12	October 29, 2021	the RSU participants shall vest as to 25%, 25%, 25% and 25% prior to August 31, 2022, 2023, 2024 and 2025, respectively

Unless the Company shall otherwise determine and so notify the RSU participants in writing, the RSU participants shall vest following their respective vesting schedules described above.

During the six months ended December 31, 2021, 11,980,000 RSUs have been granted, 12,000 RSUs were forfeited or cancelled. As at December 31, 2021, there were a total of 27,364,122 RSUs outstanding.

The following is a summary table showing details of the RSUs granted under the RSU Scheme as at December 31, 2021. As of December 31, 2021, a total of 14,775,000 RSUs, representing 14,775,000 shares, were granted to the connected persons of the Company, among which 13,000,000 RSUs were granted to a Director.

Shares Represented by RSUs	Date of Grant	As at	During the six months ended December 31, 2021				As at
		July 1, 2021	Granted	Exercised	Cancelled	Forfeited	December 31, 2021
		Outstanding					Outstanding
9,764,560	June 30, 2014	5,830,716	—	679,500	—	—	<b>5,151,216</b>
711,480	November 20, 2014	6	—	—	—	—	<b>6</b>
280,000	September 10, 2015	500	—	500	—	—	<b>—</b>
50,000	November 23, 2015	9,500	—	9,500	—	—	<b>—</b>
500,000	December 7, 2015	100,000	—	—	—	—	<b>100,000</b>
680,000	February 25, 2017	563,000	—	5,000	—	—	<b>558,000</b>
30,000	August 29, 2017	7,500	—	7,500	—	—	<b>—</b>
15,000,000	February 3, 2018	3,992,900	—	495,400	—	—	<b>3,497,500</b>
1,240,000	May 14, 2018	280,000	—	120,000	—	—	<b>160,000</b>
180,000	August 28, 2018	140,000	—	—	—	—	<b>140,000</b>
10,000,000	May 8, 2019	5,000,000	—	—	—	—	<b>5,000,000</b>
492,500	July 9, 2019	281,500	—	11,500	—	6,000	<b>264,000</b>
2,755,000	October 17, 2019	636,500	—	117,100	—	6,000	<b>513,400</b>
11,980,000	October 29, 2021	—	11,980,000	—	—	—	<b>11,980,000</b>
<b>Total</b>		<b>16,842,122</b>	<b>11,980,000</b>	<b>1,446,000</b>	<b>—</b>	<b>12,000</b>	<b>27,364,122</b>

Note:

(1) On June 30, 2020, the Board resolved to adjust the exercise prices of the RSUs granted on February 3, 2018, May 14, 2018, August 28, 2018, May 8, 2019, July 9, 2019 and October 17, 2019 from HK\$11.60, HK\$10.00 and HK\$8.70 per share to HK\$3.20 per share, and also to cancel 50% of the shares that have not been vested, i.e. an aggregate of 10,265,000 shares.

The weighted average closing price of the shares immediately before the dates on which the RSUs were exercised during the six months ended December 31, 2021 was approximately HK\$16.64.

## EXPECTED RETENTION RATE OF GRANTEEES

The Group estimates the expected yearly percentage of grantees that will stay within the Group at the end of vesting periods of RSUs in order to determine the amount of share-based compensation expenses charged to the condensed consolidated statement of comprehensive income.

+ FINANCIAL SECTION +

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**TO THE BOARD OF DIRECTORS OF JNBY Design Limited**  
(incorporated in the Cayman Islands with limited liability)

### INTRODUCTION

We have reviewed the interim financial information set out on pages 21 to 40, which comprises the interim condensed consolidated balance sheet of JNBY Design Limited (the "Company") and its subsidiaries (together, the "Group") as at 31 December 2021 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 28 February 2022

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2021

	Note	Unaudited Six months ended 31 December	
		2021 RMB'000	2020 RMB'000
Revenue	6	2,484,680	2,314,663
Cost of sales	7	(910,876)	(889,511)
<b>Gross profit</b>		<b>1,573,804</b>	<b>1,425,152</b>
Selling and marketing expenses	7	(797,892)	(671,246)
Administrative expenses	7	(189,492)	(145,370)
(Provision for)/reversal of impairment on financial assets	7	(1,146)	5,481
Other income and gains, net	8	28,485	27,911
<b>Operating profit</b>		<b>613,759</b>	<b>641,928</b>
Finance income	9	20,438	13,043
Finance costs	9	(19,595)	(12,395)
Finance income, net		843	648
<b>Profit before income tax</b>		<b>614,602</b>	<b>642,576</b>
Income tax expense	10	(170,769)	(179,043)
<b>Profit for the period</b>		<b>443,833</b>	<b>463,533</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences	24	(9,633)	(32,373)
<b>Total comprehensive income for the period</b>		<b>434,200</b>	<b>431,160</b>
<b>Profit attributable to:</b>			
Shareholders of the Company		443,836	463,536
Non-controlling interests		(3)	(3)
		443,833	463,533
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company		434,203	431,163
Non-controlling interests		(3)	(3)
		434,200	431,160
<b>Earnings per share (expressed in RMB per share)</b>			
— Basic	11	0.89	0.93
— Diluted	11	0.88	0.93

The notes on pages 25 to 40 form an integral part of this condensed consolidated interim financial information.

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2021

	Note	Unaudited 31 December 2021 RMB'000	Audited 30 June 2021 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	435,128	398,299
Right-of-use assets	14	697,162	640,068
Intangible assets	15	16,389	15,698
Prepayments, deposits and other assets	19	23,537	20,167
Financial assets at fair value through profit or loss	20	100,444	54,712
Deferred income tax assets	16	233,740	200,744
<b>Total non-current assets</b>		<b>1,506,400</b>	<b>1,329,688</b>
<b>Current assets</b>			
Inventories	17	760,636	706,838
Trade receivables	18	199,869	119,105
Prepayments, deposits and other assets	19	264,084	240,945
Amounts due from related parties	32	103,293	2,623
Financial assets at fair value through profit or loss	20	30,098	131,062
Term deposits with initial term over 3 months	21	405,781	739,370
Cash and cash equivalents	22	853,180	549,012
<b>Total current assets</b>		<b>2,616,941</b>	<b>2,488,955</b>
<b>Total assets</b>		<b>4,123,341</b>	<b>3,818,643</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	30	176,690	125,689
Accruals and other current liabilities	28	2,350	5,413
Amounts due to related parties	32(b)	290,137	318,912
Deferred income tax liabilities	16	17,828	16,404
<b>Total non-current liabilities</b>		<b>487,005</b>	<b>466,418</b>
<b>Current liabilities</b>			
Trade and bills payables	26	358,269	256,492
Lease liabilities	30	146,231	121,647
Contract liabilities	27	284,612	309,776
Accruals and other current liabilities	28	802,309	622,253
Amounts due to related parties	32(b)	43,049	44,082
Borrowings	29	148,953	243,619
Current income tax liabilities		158,132	38,105
<b>Total current liabilities</b>		<b>1,941,555</b>	<b>1,635,974</b>
<b>Total liabilities</b>		<b>2,428,560</b>	<b>2,102,392</b>
<b>Net assets</b>		<b>1,694,781</b>	<b>1,716,251</b>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital	23	4,622	4,622
Shares held for restricted share units ("RSU") scheme	23	(174,608)	(164,430)
Share premium	23	509,648	668,308
Other reserves	24	194,063	192,057
Retained earnings		1,161,080	1,015,715
<b>Equity attributable to shareholders of the Company</b>		<b>1,694,805</b>	<b>1,716,272</b>
Non-controlling interests		(24)	(21)
<b>Total equity</b>		<b>1,694,781</b>	<b>1,716,251</b>

The notes on pages 25 to 40 form an integral part of this condensed consolidated interim financial information.

Wu Jian

Director

Li Lin

Director

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2021

	Unaudited								
	Attributable to shareholders of the Company							Non-controlling interests RMB'000	Total equity RMB'000
	Note	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000		
<b>Balance at 1 July 2020</b>		4,622	665,520	(172,414)	222,095	766,104	1,485,927	(15)	1,485,912
<b>Comprehensive income</b>									
Profit for the period		—	—	—	—	463,536	463,536	(3)	463,533
<b>Other comprehensive income</b>									
Currency translation differences	24	—	—	—	(32,373)	—	(32,373)	—	(32,373)
<b>Total comprehensive income</b>		—	—	—	(32,373)	463,536	431,163	(3)	431,160
<b>Transactions with shareholders</b>									
Profit appropriations to statutory reserves	24	—	—	—	32	(32)	—	—	—
Share-based compensation	25	—	—	—	8,261	—	8,261	—	8,261
Purchase ordinary shares for RSU scheme	23	—	—	(3,748)	—	—	(3,748)	—	(3,748)
Transfer and exercise of RSUs	24	—	1,563	6,196	(5,703)	—	2,056	—	2,056
Dividend	12	—	—	—	—	(234,048)	(234,048)	—	(234,048)
<b>Total transactions with Shareholders</b>		—	1,563	2,448	2,590	(234,080)	(227,479)	—	(227,479)
<b>Balance at 31 December 2020</b>		4,622	667,083	(169,966)	192,312	995,560	1,689,611	(18)	1,689,593

	Unaudited								
	Attributable to shareholders of the Company							Non-controlling interests RMB'000	Total equity RMB'000
	Note	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000		
<b>Balance at 1 July 2021</b>		4,622	668,308	(164,430)	192,057	1,015,715	1,716,272	(21)	1,716,251
<b>Comprehensive income</b>									
Profit for the period		—	—	—	—	443,836	443,836	(3)	443,833
<b>Other comprehensive income</b>									
Currency translation differences	24	—	—	—	(9,633)	—	(9,633)	—	(9,633)
<b>Total comprehensive income</b>		—	—	—	(9,633)	443,836	434,203	(3)	434,200
<b>Transactions with shareholders</b>									
Profit appropriations to statutory reserves	24	—	—	—	316	(316)	—	—	—
Share-based compensation	25	—	—	—	17,107	—	17,107	—	17,107
Purchase ordinary shares for RSU scheme	23	—	—	(16,318)	—	—	(16,318)	—	(16,318)
Transfer and exercise of RSUs	24	—	2,798	6,140	(5,784)	—	3,154	—	3,154
Dividend	12	—	(161,458)	—	—	(298,155)	(459,613)	—	(459,613)
<b>Total transactions with Shareholders</b>		—	(158,660)	(10,178)	11,639	(298,471)	(455,670)	—	(455,670)
<b>Balance at 31 December 2021</b>		4,622	509,648	(174,608)	194,063	1,161,080	1,694,805	(24)	1,694,781

The notes on pages 25 to 40 form an integral part of this condensed consolidated interim financial information.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2021

	Note	Unaudited	
		Six months ended 31 December	
		2021	2020
		RMB'000	RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from operations		855,134	1,134,523
Income tax paid		(82,314)	(20,171)
<b>Net cash generated from operating activities</b>		<b>772,820</b>	<b>1,114,352</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(77,630)	(68,664)
Purchase of intangible assets		(1,906)	(2,844)
Proceeds from disposals of property, plant and equipment		115	283
Investment income received from financial products issued by commercial banks		556	4,293
Interest received		19,597	9,310
Payment of term deposits with initial term over 3 months		(462,708)	(731,000)
Payment of financial products issued by commercial banks		(70,000)	(40,000)
Loans granted to a related party	32	(150,000)	—
Proceeds from withdrawal of term deposits with initial term over 3 months		800,837	439,940
Loan repayments received from a related party	32	50,000	—
Proceeds from redemption of financial products issued by commercial banks		171,520	210,000
Purchase of venture capital funds	20	(41,036)	—
<b>Net cash generated from/(used in) investing activities</b>		<b>239,345</b>	<b>(178,682)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		48,822	142,038
Repayments of borrowings		(146,000)	(140,000)
Dividends paid	12	(459,613)	(234,048)
Proceeds from exercise of RSUs		3,154	—
Payment for repurchase of treasury shares		(16,318)	(3,748)
Repayments of lease liabilities		(137,009)	(136,345)
<b>Net cash used in financing activities</b>		<b>(706,964)</b>	<b>(372,103)</b>
<b>Net increase in cash and cash equivalents</b>		<b>305,201</b>	<b>563,567</b>
Cash and cash equivalents at beginning of the period	22	549,012	336,672
Exchange loss on cash and cash equivalents		(1,033)	(6,935)
<b>Cash and cash equivalents at end of the period</b>	22	<b>853,180</b>	<b>893,304</b>

The notes on pages 25 to 40 form an integral part of this condensed consolidated interim financial information.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 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 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 "Listing").

This condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated. This condensed consolidated interim financial information was approved by the board of directors of the Company for issue on 28 February 2022.

This condensed consolidated interim financial information has not been audited.

## 2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 31 December 2021 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2021 as set out in the annual report dated 31 August 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

## 3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2021 as described in those annual financial statements except that income tax is accrued using the tax rate that would be applicable to expected total annual earnings and the adoption of new and amended standards as set out below.

(i) The following new standards and amendments to standards and interpretations are effective for the interim period beginning 1 July 2021.

- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 "Interest Rate Benchmark Reform Phase 2"
- Amendments to HKFRS 16 "Covid-19-related Rent Concessions"

There are no new standards or amendments to standards that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

(ii) The following new standards and amendments to standards and interpretations have been issued but are not effective for the interim period beginning 1 July 2021 and have not been early adopted by the Group.

	Effective Date
HKFRS 17 "Insurance Contracts"	1 January 2023
Amendments to HKAS 16 "Property, Plant and Equipment: Proceeds before intended use"	1 January 2022
Amendments to HKFRS 3 "Reference to the Conceptual Framework"	1 January 2022
Amendments to HKAS 37 "Onerous Contracts — Cost of Fulfilling a Contract"	1 January 2022
Annual Improvements to HKFRS Standards 2018–2020	1 January 2022
Revised Accounting Guideline 5 Merger Accounting for Common Control Combinations (AG 5)	1 January 2022
Amendments to HKFRS 10 and HKAS 28 "Sale or contribution of assets between an investor and its associate or joint venture"	To be determined
Amendments to HKAS 1 and HKFRS Practice Statement 2 "Disclosure of Accounting Policies"	1 January 2023
Amendments to HKAS 8 "Definition of Accounting Estimates"	1 January 2023
Amendments to HKAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	1 January 2023
Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current"	1 January 2023
Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (HK Int 5 (2020))	1 January 2023

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2021 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

## 4. ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were the same as those that applied to the consolidated financial statements for the year ended 30 June 2021.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2021.

There have been no changes in the risk management policies since 30 June 2021.

### 5.2 Fair value estimation

#### (i) Fair value hierarchy

##### (a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily DAX, FTSE 100 and Dow Jones equity investments classified as trading securities or financial assets at fair value through profit or loss.

##### (b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

##### (c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The following table presents the Group's assets that are measured at fair value as at 31 December 2021.

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss				
— venture capital funds	—	—	100,444	100,444
— financial products of commercial banks	—	30,098	—	30,098
	—	30,098	100,444	130,542

## 5. FINANCIAL RISK MANAGEMENT (Continued)

### 5.2 Fair value estimation (Continued)

#### (i) Fair value hierarchy (Continued)

The following table presents the Group's assets that are measured at fair value as at 30 June 2021.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
— venture capital funds	—	—	54,712	54,712
— financial products of commercial banks	—	131,062	—	131,062
	—	131,062	54,712	185,774

There were no transfers among level 1, 2 and 3 for recurring fair value measurements during the period.

As at 31 December and 30 June 2021, the Group has no liabilities that are measured at fair value.

#### (ii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the six months ended 31 December 2021:

	Venture capital funds
<b>Opening balance as at 30 June 2021</b>	<b>54,712</b>
Acquisitions	41,036
Net fair value gain recognised in consolidated statements of comprehensive income under 'other income and gains, net'	5,817
Currency translation difference	(1,121)
<b>Closing balance as at 31 December 2021</b>	<b>100,444</b>
Net unrealised gain for the period included in consolidated statements of comprehensive income for assets held at the period end	5,817

There were no financial assets in level 3 during six months ended 31 December 2020.

### 5.3 Fair value of financial assets and liabilities measured at amortised cost

The fair values of the following financial assets and liabilities approximate their carrying amount:

- Deposits and other receivables
- Trade receivables
- Term deposits with initial term over 3 months
- Restricted cash
- Cash and cash equivalents
- Trade and bills payables
- Accruals and other current liabilities
- Amounts due to related parties
- Borrowings

## 6. 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.

## 6. SEGMENT INFORMATION (Continued)

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

	Six months ended 31 December 2021			
	Mature brand RMB'000	Younger brands RMB'000	Emerging brands RMB'000	Total RMB'000
Revenue				
Mainland China	1,425,218	998,341	42,517	2,466,076
Outside mainland China	14,646	3,786	172	18,604
Revenue from external customers	1,439,864	1,002,127	42,689	2,484,680
Segment gross profit	922,994	630,151	20,659	1,573,804
Segment operating profit/(loss)	571,292	293,885	(584)	864,593
Unallocated selling and marketing expenses and administrative expenses				(279,319)
Other income and gains, net				28,485
Total operating profit				613,759

	Six months ended 31 December 2020			
	Mature brand RMB'000	Younger brands RMB'000	Emerging brands RMB'000	Total RMB'000
Revenue				
Mainland China	1,306,052	945,971	45,086	2,297,109
Outside mainland China	12,517	4,950	87	17,554
Revenue from external customers	1,318,569	950,921	45,173	2,314,663
Segment gross profit	826,509	583,825	14,818	1,425,152
Segment operating profit/(loss)	520,855	306,998	(4,598)	823,255
Unallocated selling and marketing expenses and administrative expenses				(209,238)
Other income and gains, net				27,911
Total operating profit				641,928

## 7. EXPENSES BY NATURE

	Six months ended 31 December	
	2021 RMB'000	2020 RMB'000
Cost of inventories sold	834,343	795,159
Workforce contracting expenses	198,425	164,057
Promotion and marketing expenses	185,053	91,482
Employee benefit expenses (including share-based compensation expenses)	175,522	158,741
Expenses relating to short-term leases and variable lease payments	161,124	169,897
Depreciation and amortisation (Notes 13,14 &15)		
— Right-of-use assets	109,718	87,517
— Property, plant and equipment	40,324	29,484
— Intangible assets	1,215	1,132
Provision for inventories (Note 17)	42,431	77,259
Utilities charges and office expenses	27,621	26,002
Transportation and warehouse expenses	27,500	25,822
Commission expenses to online platforms	26,853	24,376
Taxes and other surcharges	20,095	17,682
Consumables and service fee for apparel design	13,704	12,218
Other professional service expenses	10,868	6,337
Entertainment and travelling expenses	7,504	5,673
Auditors' remuneration	1,350	1,200
Provision/(reversal of) for impairment losses on financial assets	1,146	(5,481)
Others	14,610	12,089
Total cost of sales, selling and marketing expenses and administrative expenses	1,899,406	1,700,646

## 8. OTHER INCOME AND GAINS, NET

	Six months ended 31 December	
	2021 RMB'000	2020 RMB'000
<b>Other income</b>		
Government grants (i)	21,180	25,266
<b>Other gains</b>		
Fair value gains of venture capital funds (Note 20)	5,817	—
Interest income from loans to a related party (Note 32)	1,900	—
Fair value gains of financial products (ii)	556	2,865
Losses on disposal of property, plant and equipment	(478)	(278)
Donations	(1,249)	(521)
Others	759	579
	7,305	2,645
	28,485	27,911

- (i) Government grants during the six months 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 (Note 20).

## 9. FINANCE INCOME AND COSTS

	Six months ended 31 December	
	2021 RMB'000	2020 RMB'000
<b>Finance income</b>		
Interest income on cash and cash equivalents, restricted cash and term deposits with initial term over 3 months	16,845	10,419
Net foreign exchange gains on financing activities	3,593	2,624
	20,438	13,043
<b>Finance costs</b>		
Interest on lease liabilities	(17,083)	(9,140)
Discount charges of bills receivables (Note 29)	(2,512)	(3,255)
	(19,595)	(12,395)
<b>Finance income — net</b>	843	648

## 10. INCOME TAX EXPENSE

The Group is not subject to taxation in the Cayman Islands. Entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 8.25% on assessable profits up to HK\$2,000,000 and 16.5% on any part of assessable profits over HK\$2,000,000 for the periods presented. Entities established and operated in the PRC are subject to PRC Enterprise Income Tax ("EIT") at a rate of 25% (2020: 25%).

	Six months ended 31 December	
	2021 RMB'000	2020 RMB'000
Current income tax expense		
— Enterprise income tax expense	185,341	183,230
Deferred income tax expense (Note 16)	(14,572)	(4,187)
	170,769	179,043

Income tax expense is recognised based on management's estimate of weighted average annual income tax rate expected for the full financial year. The estimated effective tax rate used for the Group is 27.8% (six months ended 31 December 2020: 27.9%).

## 11. 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 each interim period.

	Six months ended 31 December	
	2021 RMB'000	2020 RMB'000
Profit attributable to shareholders of the Company	443,836	463,536
Weighted average number of ordinary shares in issue excluding shares held under the RSU scheme in issue (thousands of shares)	498,406	499,477
Basic earnings per share (expressed in RMB per share)	0.89	0.93

### (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.

## 11. EARNINGS PER SHARE (Continued)

### (b) Diluted (Continued)

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

	Six months ended 31 December	
	2021 RMB'000	2020 RMB'000
Profit attributable to shareholders of the Company	<b>443,836</b>	463,536
Weighted average number of ordinary shares in issue excluding shares held under the RSU scheme in issue (thousands of shares)	<b>498,406</b>	499,477
Adjustments for share based compensation — RSUs (thousands of shares)	<b>7,864</b>	23
Weighted average number of ordinary shares for the calculation of diluted EPS (thousands of shares)	<b>506,270</b>	499,500
Diluted earnings per share (expressed in RMB per share)	<b>0.88</b>	0.93

## 12. DIVIDENDS

Pursuant to the shareholders' resolution on 22 October 2021, a final dividend of RMB298,155,000 (six months ended 31 December 2020: RMB234,048,000) and a special dividend of RMB161,458,000 out of share premium account relating to the year ended 30 June 2021 were paid during the six months ended 31 December 2021.

Pursuant to a resolution of the board of directors on 28 February 2022, an interim dividend of HK\$0.39 (approximately RMB0.32) per ordinary share totaling approximately RMB159,367,000 was approved. These financial statements do not reflect this dividend payable.

### 13. PROPERTY, PLANT AND EQUIPMENT

	Office equipment and others RMB'000	Machinery RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Construction- in-progress RMB'000	Buildings of logistics center RMB'000	Total RMB'000
<b>Six months ended 31 December 2021</b>							
Opening net book value as at 1 July 2021	29,909	53,650	2,618	126,299	103	185,720	398,299
Additions	6,991	11,740	2,731	54,869	790	625	77,746
Transfer from construction-in-progress	—	—	—	—	(893)	893	—
Depreciation	(4,951)	(3,421)	(376)	(26,612)	—	(4,964)	(40,324)
Disposals	(500)	(93)	—	—	—	—	(593)
Closing net book value	31,449	61,876	4,973	154,556	—	182,274	435,128
<b>As at 31 December 2021</b>							
Cost	61,707	79,365	10,058	297,037	—	207,703	655,870
Accumulated depreciation	(30,258)	(17,489)	(5,085)	(142,481)	—	(25,429)	(220,742)
Net book value	31,449	61,876	4,973	154,556	—	182,274	435,128

	Office equipment and others RMB'000	Machinery RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Construction- in-progress RMB'000	Buildings of logistics center RMB'000	Total RMB'000
<b>Six months ended 31 December 2020</b>							
Opening net book value as at 1 July 2020	19,478	52,356	1,057	24,384	34,069	192,776	324,120
Additions	13,837	3,225	1,014	20,107	43,881	—	82,064
Transfer from construction-in-progress	—	—	—	77,950	(77,950)	—	—
Depreciation	(2,631)	(3,330)	(217)	(18,632)	—	(4,674)	(29,484)
Disposals	(351)	(185)	(25)	—	—	—	(561)
Closing net book value	30,333	52,066	1,829	103,809	—	188,102	376,139
<b>As at 31 December 2020</b>							
Cost	53,759	63,189	6,307	225,401	—	203,861	552,517
Accumulated depreciation	(23,426)	(11,123)	(4,478)	(121,592)	—	(15,759)	(176,378)
Net book value	30,333	52,066	1,829	103,809	—	188,102	376,139

## 14. RIGHT-OF-USE ASSETS

	Rented premises for stores and offices RMB'000	Land use right RMB'000	Total RMB'000
<b>Six months ended 31 December 2021</b>			
Opening net book value as at 1 July 2021	615,105	24,963	640,068
Additions	168,229	—	168,229
Disposals	(1,417)	—	(1,417)
Depreciation and amortisation	(109,439)	(279)	(109,718)
Closing net book value as at 31 December 2021	672,478	24,684	697,162
<b>Six months ended 31 December 2020</b>			
Opening net book value as at 1 July 2020	170,623	25,521	196,144
Additions	428,106	—	428,106
Disposals	(2,063)	—	(2,063)
Depreciation and amortisation	(87,238)	(279)	(87,517)
Closing net book value as at 31 December 2020	509,428	25,242	534,670

## 15. INTANGIBLE ASSETS

	Computer software RMB'000	Others RMB'000	Total RMB'000
<b>Six months ended 31 December 2021</b>			
Opening net book value as at 1 July 2021	15,527	171	15,698
Additions	1,906	—	1,906
Amortisation charge	(1,198)	(17)	(1,215)
Closing net book value as at 31 December 2021	16,235	154	16,389
<b>As at 31 December 2021</b>			
Cost	26,153	244	26,397
Accumulated amortisation	(9,918)	(90)	(10,008)
Net book value	16,235	154	16,389
<b>Six months ended 31 December 2020</b>			
Opening net book value as at 1 July 2020	13,376	221	13,597
Additions	2,844	—	2,844
Amortisation charge	(1,107)	(25)	(1,132)
Closing net book value as at 31 December 2020	15,113	196	15,309
<b>As at 31 December 2020</b>			
Cost	22,710	244	22,954
Accumulated amortisation	(7,597)	(48)	(7,645)
Net book value	15,113	196	15,309

## 16. DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at	As at
	31 December 2021 RMB'000	30 June 2021 RMB'000
Total deferred tax assets	<b>401,860</b>	354,520
Set-off of deferred tax assets pursuant to set-off provisions	<b>(168,120)</b>	(153,776)
Net deferred tax assets	<b>233,740</b>	200,744
Deferred income tax assets:		
— to be recovered after 12 months	<b>122,903</b>	130,704
— to be recovered within 12 months	<b>110,837</b>	70,040
	<b>233,740</b>	200,744
Total deferred tax liabilities	<b>185,948</b>	170,180
Set-off of deferred tax liabilities pursuant to set-off provisions	<b>(168,120)</b>	(153,776)
Net deferred tax liabilities	<b>17,828</b>	16,404
Deferred income tax liabilities:		
— to be settled within 12 months	<b>17,828</b>	16,404

The deferred tax assets and deferred tax liabilities relating to right-of-use assets and lease liabilities have been offset in the consolidated financial statements.

The gross movement of the deferred income tax assets is as follows:

	Six months ended 31 December	
	2021 RMB'000	2020 RMB'000
Opening balance as at 1 July	<b>200,744</b>	185,823
Credited in the consolidated statements of comprehensive income	<b>32,996</b>	21,242
Closing balance as at 31 December	<b>233,740</b>	207,065

The gross movement of the deferred income tax liabilities is as follows:

	Six months ended 31 December	
	2021 RMB'000	2020 RMB'000
Opening balance as at 1 July	<b>16,404</b>	14,561
Debited in the consolidated statements of comprehensive income	<b>18,424</b>	17,055
Settled within current tax liabilities	<b>(17,000)</b>	(13,500)
Closing balance as at 31 December (i)	<b>17,828</b>	18,116

(i) As at 31 December 2021, the provisions of RMB17,828,000 (30 June 2021: RMB16,404,000) represented provision for withholding income tax of 5% made for the planned profit distribution of the PRC subsidiaries which will be settled within one year.

## 17. INVENTORIES

	As at	As at
	31 December 2021 RMB'000	30 June 2021 RMB'000
Finished goods	<b>1,089,237</b>	1,003,862
Commissioned processing materials	<b>119,230</b>	177,623
Raw materials	<b>34,939</b>	27,554
Less: provision	<b>(482,770)</b>	(502,201)
	<b>760,636</b>	706,838

Movements of provision for inventories are as follows:

	Six months ended 31 December	
	2021 RMB'000	2020 RMB'000
Opening balance as at 1 July	<b>502,201</b>	452,658
Addition of provision for inventories to net realisable value included in "cost of sales" (Note 7)	<b>42,431</b>	77,259
Release of provision upon sales of inventories written down in prior years	<b>(61,862)</b>	(46,787)
Closing balance as at 31 December	<b>482,770</b>	483,130

## 18. TRADE RECEIVABLES

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Trade receivables	<b>227,035</b>	145,327
Less: provision for impairment	<b>(27,166)</b>	(26,222)
	<b>199,869</b>	119,105

The trade receivables are mainly related to sales through retail stores within department stores and shopping malls, and are generally received within 45 to 90 days from the invoice date.

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

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Within 3 months	<b>198,718</b>	114,991
3 months to 6 months	<b>2,252</b>	8,186
6 months to 1 year	<b>5,360</b>	4,014
1 year to 2 years	<b>6,401</b>	4,731
more than 2 years	<b>14,304</b>	13,405
	<b>227,035</b>	145,327

## 19. PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
<b>Long-term prepayments</b>		
Long-term prepaid expenses	<b>15,096</b>	11,726
Advance payments for long-term assets	<b>8,441</b>	8,441
	<b>23,537</b>	20,167
<b>Current assets</b>		
Right of goods return	<b>108,586</b>	53,279
Deposits and other receivables	<b>100,603</b>	96,942
Prepayment to suppliers	<b>27,547</b>	52,742
Prepaid expenses	<b>23,505</b>	36,602
Value added tax recoverable	<b>3,799</b>	1,237
Staff advances	<b>44</b>	143
	<b>264,084</b>	240,945
	<b>287,621</b>	261,112

## 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
<b>Included in non-current assets</b>		
Venture capital funds (a)	<b>100,444</b>	54,712
<b>Included in current assets</b>		
Financial products of commercial banks (b)	<b>30,098</b>	131,062

## 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

- (a) Set out below are the movements of the Group's investments in such funds as at 31 December 2021:

	Six months ended 31 December 2021 RMB'000
<b>Investments in venture capital funds</b>	
Opening balance as at 30 June (i)	54,712
Additions (i)	41,036
Fair value gain recognised in consolidated statement of comprehensive income (Note 8)	5,817
Currency translation difference	(1,121)
<b>Closing balance as at 31 December</b>	<b>100,444</b>

- (i) This represents the Group's investments in venture capital funds as a limited partner. The nature and purpose of the venture capital funds is to achieve investment appreciation and ultimately realise the investment income through equity and equity-related investments in companies with investment value and development potential. These vehicles are financed through issuing units to investors. The Group subscribed for certain interests as passive investors in the fund. The Group's maximum exposure to loss is limited to the carrying amount of the interests held by the Group.

In June 2021, the Group signed the subscription agreements of a venture capital fund as a limited partner. The Group made the remaining capital contribution of US\$2,200,000 (approximately RMB14,036,000) during the six months ended 31 December 2021.

In July 2021, the Group signed the subscription agreements of two venture capital funds as a limited partner for a total capital commitment of RMB60,000,000. Both venture capital funds are related parties of Mr. Wei Zhe, the non-executive director of the Group. During the six months ended 31 December 2021, the Group made capital contributions of RMB27,000,000. The Group has uncalled capital commitments of RMB33,000,000 in accordance with the subscription agreements (Note 31).

- (b) This represents the Group's financial product of commercial bank with expected return rate of 3.3% per annum and maturity period within 1 year. The financial product of commercial bank is offered by a reputable financial institution in the Mainland China.

## 21. TERM DEPOSITS WITH INITIAL TERM OVER 3 MONTHS

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Term deposits	405,781	739,370

The effective interest rate for the term deposits of the Group with initial term over 3 months for the six months ended 31 December 2021 was 3.27% per annum (30 June 2021: 2.77%).

Term deposits with initial term over 3 months were neither past due nor impaired. The fair value of these term deposits with initial term over 3 months approximated its carrying amount.

## 22. CASH AND BANK BALANCE

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Cash at bank and on hand	853,180	549,012

## 23. SHARE CAPITAL, SHARE PREMIUM AND SHARES HELD FOR RSU SCHEME

	Number of shares authorised	Number of shares issued	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000	Subtotal RMB'000
As at 1 July 2021	1,000,000,000	518,750,000	4,622	668,308	(164,430)	508,500
Transfer and exercise of RSUs	—	—	—	2,798	6,140	8,938
Dividend (Note 12)	—	—	—	(161,458)	—	(161,458)
Purchase of ordinary shares for RSU scheme (a)	—	—	—	—	(16,318)	(16,318)
As at 31 December 2021	1,000,000,000	518,750,000	4,622	509,648	(174,608)	339,662

	Number of shares authorised	Number of shares issued	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000	Subtotal RMB'000
As at 1 July 2020	1,000,000,000	518,750,000	4,622	665,520	(172,414)	497,728
Transfer and exercise of RSUs	—	—	—	1,563	6,196	7,759
Purchase of ordinary shares for RSU scheme (a)	—	—	—	—	(3,748)	(3,748)
As at 31 December 2020	1,000,000,000	518,750,000	4,622	667,083	(169,966)	501,739

- (a) During the period, the Group purchased 1,407,000 of its own shares through the trustee of the RSU scheme at a total consideration of HK\$19,958,221 (approximately RMB16,318,000). As at 31 December 2021, there were 20,727,000 (30 June 2021: 20,251,000) shares held through the trustee of the RSU scheme.

## 24. OTHER RESERVES

	Statutory reserves RMB'000	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Merger reserve (b) RMB'000	Total RMB'000
As at 1 July 2021	156,791	62,615	(25,750)	(1,599)	192,057
Appropriation to statutory reserves(a)	316	—	—	—	316
Share based compensation (Note 25)	—	17,107	—	—	17,107
Currency translation differences	—	—	(9,633)	—	(9,633)
Vest of RSUs	—	(5,784)	—	—	(5,784)
As at 31 December 2021	157,107	73,938	(35,383)	(1,599)	194,063
As at 1 July 2020	155,048	54,496	14,150	(1,599)	222,095
Appropriation to statutory reserves(a)	32	—	—	—	32
Share based compensation (Note 25)	—	8,261	—	—	8,261
Currency translation differences	—	—	(32,373)	—	(32,373)
Vest of RSUs	—	(5,703)	—	—	(5,703)
As at 31 December 2020	155,080	57,054	(18,223)	(1,599)	192,312

- (a) In accordance with the respective articles of association and board resolutions, the subsidiaries of the Group incorporated in the PRC appropriate 10% of the annual net profits as determined under the PRC accounting standards, after offsetting any prior year losses, to the statutory surplus reserve fund before distributing any dividends. When the balance of the statutory surplus reserve fund reaches 50% of the registered capital of the PRC operating entities, any further appropriation is at the discretion of shareholders. The statutory surplus reserve fund can be used to offset accumulated losses, if any, and may be converted into paid-in capital. For the six months ended 31 December 2021 and 2020, approximately RMB316,000 and RMB32,000 were appropriated to the statutory surplus reserve fund, respectively.
- (b) During the reorganisation of the Group prior to the IPO, the Group acquired the equity interests of certain Group entities from the controlling shareholders. The difference between the considerations paid and their net assets was recognised as merger reserve.

## 25. SHARE-BASED PAYMENTS

The Company adopted the RSU scheme, under which the board of directors may grant RSUs to any qualifying participants, subject to the terms and conditions stipulated therein. During the six months ended 31 December, RMB17,107,000 were recognised by the Group for share based compensation expenses (RMB8,261,000 for six months ended 31 December 2020).

Movements in the number of outstanding RSUs are as follows:

	Period ended 31 December 2021		Period ended 31 December 2020	
	Weighted average exercise price per RSU	Number of RSUs	Weighted average exercise price per RSU	Number of RSUs
Opening unvested balance(a)	HK\$3.08	8,333,250	HK\$2.99	10,961,500
Granted	HK\$3.20	11,980,000	—	—
Forfeited	—	(12,000)	—	—
Vested	HK\$2.83	(2,503,251)	HK\$2.69	(2,628,250)
Ending unvested balance	HK\$3.19	17,797,999	HK\$3.08	8,333,250
Exercised	HK\$2.63	1,446,000	HK\$2.25	1,044,000
Exercisable at balance sheet date	HK\$1.49	9,566,123	HK\$1.79	10,149,372

The fair value of RSUs was calculated based on the fair value of underlying ordinary shares as at the grant date.

- (a) On 29 October 2021, the Board resolved to grant 11,980,000 RSUs to 37 selected grantees pursuant to RSU Scheme. The newly granted RSUs shall vest as to 25% each prior to 31 August 2022, 2023, 2024 and 2025, respectively.
- (b) The weighted average closing price of the shares immediately before the dates on which the RSUs were exercised during the six months ended 31 December 2021 was HK\$16.64 (six months ended 31 December 2020: HK\$8.32).
- (c) The Group is required to estimate the forfeiture rate in order to determine the amount of share-based compensation expenses charged to the consolidated statement of comprehensive income. As at 31 December 2021, the expected forfeiture rate was estimated at 3% (30 June 2021: 3%).

## 26. TRADE AND BILLS PAYABLES

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Trade payables	344,038	256,492
Bills payables	14,231	—
	<b>358,269</b>	256,492

Ageing analysis of trade payables based on date of goods received as at 31 December 2021 and 30 June 2021 was as follows:

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Within 6 months	340,711	250,799
6 months to 1 year	1,153	2,994
1 to 2 years	532	1,160
2 to 3 years	1,642	1,539
	<b>344,038</b>	256,492

## 27. CONTRACT LIABILITIES

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Advances from distributors	261,795	290,362
Customer loyalty programme	22,817	19,414
Contract liabilities	<b>284,612</b>	309,776

## 28. ACCRUALS AND OTHER CURRENT LIABILITIES

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
<b>Non-current liabilities</b>		
Payables for guarantee deposits	2,350	5,413
<b>Current liabilities</b>		
Provisions for sales returns	305,588	138,628
Value-added tax and other taxes payables	117,584	62,890
Provisions for sales rebates	86,588	61,647
Payroll and welfare payables	74,982	161,670
Payables for leasehold improvements	52,669	49,361
Workforce contracting payables	41,680	27,315
Deposits received from suppliers (a)	39,503	38,600
Distribution deposits (b)	29,812	30,831
Accruals for marketing and promotions	11,438	19,796
Rentals	4,523	2,749
Payables for property, plant and equipment	2,708	2,837
Others	35,234	25,929
	<b>802,309</b>	<b>622,253</b>
	<b>804,659</b>	<b>627,666</b>

- (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 should be refunded to the distributors when the distribution relationship with the Group is terminated.

## 29. BORROWINGS

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Short-term borrowings	<b>148,953</b>	243,619

As at 31 December 2021, the bills receivables, amounting to RMB150,000,000, issued by a subsidiary to another subsidiary of the Group for intra-group transaction settlement were discounted to commercial banks with recourse. The Directors were of the view that balance under such factoring arrangements were borrowings from banks. As at 31 December 2021, the average discounted rate was 2.75% per annum (30 June 2021: 2.73%).

## 30. LEASE LIABILITIES

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Total lease liabilities	<b>322,921</b>	247,336
Less: current portion	<b>(146,231)</b>	(121,647)
Non-current portion	<b>176,690</b>	125,689

The Group leases various retail shops, offices and land use right. Most lease liabilities are denominated in RMB.

## 31. COMMITMENTS

### (a) Capital commitments

As at 31 December 2021, the capital expenditure contracted but not provided for amounted to RMB33,000,000 (30 June 2021: RMB12,318,000).

### (b) Operating lease commitments

As at 31 December 2021, lease commitments for the Group for leases not yet commenced or short-term leases are as follows:

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
No later than 1 year	<b>28,126</b>	27,832

## 32. RELATED-PARTY TRANSACTIONS

The following persons/companies are related parties of the Group that had balances and/or transactions with the Group for the periods presented.

Name	Relationship with the Group
Wu Jian	One of the controlling shareholders
Li Ming	Close family of the controlling shareholders
Hangzhou Huikang Industrial Co., Ltd.	Controlled by the controlling shareholders
Hangzhou Shangwei Apparel Co., Ltd.	Controlled by the controlling shareholders
Hangzhou JNBY Finery Co., Ltd.	Controlled by the controlling shareholders
Hangzhou New Shangwei Finery Co., Ltd.	Controlled by the controlling shareholders
Huizhan Technology (Hangzhou) Co., Ltd	Controlled by the controlling shareholders

### (a) Significant transactions with related parties

Saved as disclosed in note 20, the Group had the following significant transactions with related parties, which are all continuing connected transactions except for purchase of right-of-use assets under lease agreements (Note 32(v)) and loan arrangements (Noted 32 (vi)(vii)(viii)) as disclosed below.

	Six months ended 31 December	
	2021 RMB'000	2020 RMB'000
<b>(i)</b> Processing fee charged by a related party		
Hangzhou Shangwei Apparel Co., Ltd.	15,724	12,475
<b>(ii)</b> Framework sample apparel manufacturing charged by a related party		
Hangzhou JNBY Finery Co., Ltd.	19,832	16,448
<b>(iii)</b> Operating lease expenses charged by related parties		
Hangzhou Huikang Industrial Co., Ltd.	—	546
Li Ming	—	112
Huizhan Technology (Hangzhou) Co., Ltd	1,022	81
Wu Jian	—	67
	1,022	806

	Six months ended 31 December	
	2021 RMB'000	2020 RMB'000
<b>(iv)</b> Concession fees charged by a related party		
Huizhan Technology (Hangzhou) Co., Ltd	997	603
<b>(v)</b> Purchase of right-of-use assets under lease agreements		
Huizhan Technology (Hangzhou) Co., Ltd (Note 14)	—	286,460
Hangzhou Huikang Industrial Co., Ltd.	—	2,805
	—	289,265
<b>(vi)</b> Loan granted to a related party		
Huizhan Technology (Hangzhou) Co., Ltd	150,000	—

In July 2021, the Group agreed to provide a loan to Huizhan Technology (Hangzhou) Co., Ltd., in the principal amount of RMB150,000,000 with an interest rate of 4.90% per annum in three installments with one-year maturity since their drawdown dates. Mr. Wu Jian and Ms. Li Lin provide personal guarantee to the Group. RMB50,000,000 repayments were received ahead of schedule in December 2021.

<b>(vii)</b> Loan repayment from a related party		
Huizhan Technology (Hangzhou) Co., Ltd	50,000	—
<b>(viii)</b> Interest income from loan granted to a related party		
Huizhan Technology (Hangzhou) Co., Ltd	1,900	—

## 32. RELATED-PARTY TRANSACTIONS (Continued)

### (a) Significant transactions with related parties (Continued)

#### (ix) Key management compensation

Details of compensation paid or payable to key management of the Group are as follows:

	Six months ended 31 December	
	2021 RMB'000	2020 RMB'000
Basic salaries and allowances	11,407	6,994
Share-based compensation	11,368	6,337
Discretionary bonuses	4,350	2,933
Other benefits including pension	432	284
	<b>27,557</b>	16,548

### (b) Balances with related parties

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
	<b>Due from related parties</b>	
Trade receivables:		
— Huizhan Technology (Hangzhou) Co., Ltd	2,369	2,623
Loan to a related party:		
— Huizhan Technology (Hangzhou) Co., Ltd	100,924	—
	<b>103,293</b>	2,623
<b>Due to related parties</b>		
Trade payables:		
— Hangzhou Shangwei Apparel Co., Ltd.	4,359	5,338
— Hangzhou JNBY Finery Co., Ltd.	—	545
	<b>4,359</b>	5,883
Other payables:		
— Hangzhou JNBY Finery Co., Ltd.	4,650	4,756
— Huizhan Technology (Hangzhou) Co., Ltd	290	320
	<b>4,940</b>	5,076

	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Current lease liabilities:		
— Huizhan Technology (Hangzhou) Co., Ltd	33,157	32,711
— Hangzhou Huikang Industrial Co., Ltd.	593	412
	<b>33,750</b>	33,123
Amounts due to related parties in current portion	<b>43,049</b>	44,082
Non-current lease liabilities:		
— Huizhan Technology (Hangzhou) Co., Ltd (Note 14)	290,137	318,272
— Hangzhou Huikang Industrial Co., Ltd.	—	640
	<b>290,137</b>	318,912
	<b>333,186</b>	362,994