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江南布衣
JIANGNANBUYI

JNBY Design Limited
江南布衣有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3306)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL HIGHLIGHTS

- The total revenue of the Group for the year ended June 30, 2024 (“**Fiscal Year 2024**”) amounted to RMB5,238.1 million, an increase of 17.3% or RMB773.0 million as compared with RMB4,465.1 million for the year ended June 30, 2023 (“**Fiscal Year 2023**”).
- The gross profit for Fiscal Year 2024 amounted to RMB3,470.5 million, an increase of 19.0% or RMB553.5 million as compared with RMB2,917.0 million for Fiscal Year 2023, and the gross profit margin increased by 1.0 percentage point from 65.3% for Fiscal Year 2023 to 66.3%.
- The net profit for Fiscal Year 2024 amounted to RMB848.1 million, an increase of 36.5% or RMB226.9 million as compared with RMB621.3 million for Fiscal Year 2023.
- The net cash inflow from operating activities for Fiscal Year 2024 amounted to RMB1,603.0 million, an increase of 70.7% or RMB663.9 million as compared with RMB939.1 million for Fiscal Year 2023.
- The Board has recommended the payment of a final dividend of HK\$0.86 per ordinary share (equivalent to approximately RMB0.81 per ordinary share) for the year ended June 30, 2024, together with an interim dividend of HK\$0.46 per ordinary share and a special interim dividend of HK\$0.39 per ordinary share paid for the six months ended December 31, 2023, totaling HK\$887.1 million (equivalent to approximately RMB824.8 million), accounted for 97% of the net profit of the Company for Fiscal Year 2024.

CONSOLIDATED ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of JNBY Design Limited (the “**Company**”) is pleased to announce the audited consolidated results of our Company and its subsidiaries (the “**Group**”) for the year ended June 30, 2024, together with the comparative figures for the corresponding period of the previous fiscal year, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	Year ended 30 June	
		2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	5	5,238,149	4,465,124
Cost of sales	6	<u>(1,767,664)</u>	<u>(1,548,132)</u>
Gross profit		<u>3,470,485</u>	<u>2,916,992</u>
Selling and marketing expenses	6	(1,827,142)	(1,695,076)
Administrative expenses	6	(506,259)	(445,631)
(Provision for)/reversal of impairment on financial assets	6	(2,031)	462
Other income and gains, net	7	<u>59,213</u>	<u>81,151</u>
Operating profit		<u>1,194,266</u>	<u>857,898</u>
Finance income	8	57,987	38,260
Finance costs	8	<u>(37,791)</u>	<u>(45,336)</u>
Finance income/(costs), net		<u>20,196</u>	<u>(7,076)</u>
Share of loss of associates accounted for using the equity method	17	<u>(1,350)</u>	<u>—</u>
Profit before income tax		<u>1,213,112</u>	<u>850,822</u>
Income tax expense	9	<u>(364,973)</u>	<u>(229,539)</u>
Profit for the year		<u>848,139</u>	<u>621,283</u>

		Year ended 30 June	
		2024	2023
	<i>Note</i>	RMB'000	RMB'000
Currency translation differences			
<i>Items that may not be reclassified to profit or loss</i>		10,862	34,747
<i>Items that may be reclassified to profit or loss</i>		10,198	(13,642)
		<u>21,060</u>	<u>21,105</u>
Other comprehensive income		<u>21,060</u>	<u>21,105</u>
Total comprehensive income for the year		<u>869,199</u>	<u>642,388</u>
Profit attributable to:			
— Shareholders of the Company		849,087	621,292
— Non-controlling interests		(948)	(9)
		<u>849,087</u>	<u>621,292</u>
Total comprehensive income attributable to:			
— Shareholders of the Company		870,148	642,400
— Non-controlling interests		(949)	(12)
		<u>870,148</u>	<u>642,400</u>
Earnings per share (expressed in RMB per share)			
— Basic	<i>10(a)</i>	<u>1.67</u>	<u>1.24</u>
— Diluted	<i>10(b)</i>	<u>1.64</u>	<u>1.22</u>

CONSOLIDATED BALANCE SHEET

		As at 30 June	
		2024	2023
	<i>Note</i>	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	<i>12</i>	427,199	463,151
Investment properties	<i>12</i>	37,453	—
Right-of-use assets	<i>13</i>	642,123	769,585
Intangible assets	<i>14</i>	126,140	20,460
Prepayments, deposits and other assets	<i>17</i>	27,150	16,838
Amounts due from a related party		—	107,839
Financial assets at fair value through profit or loss		205,100	210,911
Term deposits with initial term over 3 months		51,780	—
Deferred income tax assets		260,931	254,397
		<u>1,777,876</u>	<u>1,843,181</u>
Total non-current assets			
Current assets			
Inventories	<i>15</i>	720,109	790,334
Trade receivables	<i>16</i>	121,657	125,429
Prepayments, deposits and other assets	<i>17</i>	337,226	290,617
Amounts due from related parties		13,129	1,477
Financial assets at fair value through profit or loss		20,479	—
Term deposits with initial term over 3 months		679,784	488,251
Restricted cash		3,430	1,391
Cash and cash equivalents		698,645	525,147
		<u>2,594,459</u>	<u>2,222,646</u>
Total current assets			
Total assets		<u>4,372,335</u>	<u>4,065,827</u>

		As at 30 June	
		2024	2023
	Note	RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	13	181,456	219,546
Accruals and other liabilities	19	—	495
Amounts due to related parties		198,626	243,161
Deferred income tax liabilities		34,420	5,317
		<u>414,502</u>	<u>468,519</u>
Current liabilities			
Trade and bills payables	18	260,889	236,399
Lease liabilities	13	177,687	214,571
Contract liabilities		458,132	368,876
Accruals and other liabilities	19	780,935	640,322
Amounts due to related parties		52,349	49,138
Borrowings		—	99,514
Current income tax liabilities		16,272	6,965
		<u>1,746,264</u>	<u>1,615,785</u>
Total liabilities		<u><u>2,160,766</u></u>	<u><u>2,084,304</u></u>
Net assets		<u><u>2,211,569</u></u>	<u><u>1,981,523</u></u>
EQUITY			
Equity attributable to shareholders of the Company			
Share capital		4,622	4,622
Shares held for restricted share unit (“RSU”) scheme		(87,216)	(137,541)
Share premium		510,007	507,820
Other reserves		266,831	253,981
Retained earnings		1,474,994	1,352,682
		<u>2,169,238</u>	<u>1,981,564</u>
Equity attributable to shareholders of the Company		<u>2,169,238</u>	<u>1,981,564</u>
Non-controlling interests	20(b)	42,331	(41)
Total equity		<u><u>2,211,569</u></u>	<u><u>1,981,523</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

Attributable to shareholders of the Company							
	Share capital	Share premium	Shares held for RSU scheme	Other reserves	Retained earnings	Non- controlling interests	Total equity
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at 1 July 2023	<u>4,622</u>	<u>507,820</u>	<u>(137,541)</u>	<u>253,981</u>	<u>1,352,682</u>	<u>(41)</u>	<u>1,981,523</u>
Comprehensive income							
Profit for the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>849,087</u>	<u>(948)</u>	<u>848,139</u>
Other comprehensive loss:							
Currency translation differences	<u>—</u>	<u>—</u>	<u>—</u>	<u>21,061</u>	<u>—</u>	<u>(1)</u>	<u>21,060</u>
Total comprehensive income	<u>—</u>	<u>—</u>	<u>—</u>	<u>21,061</u>	<u>849,087</u>	<u>(949)</u>	<u>869,199</u>
Transactions with shareholders							
Profit appropriations to statutory reserves	<u>—</u>	<u>—</u>	<u>—</u>	<u>242</u>	<u>(242)</u>	<u>—</u>	<u>—</u>
Dividends	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(726,533)</u>	<u>—</u>	<u>(726,533)</u>
Non-controlling interest arising on acquisition of subsidiaries	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>43,321</u>	<u>43,321</u>
Share-based compensation	<u>—</u>	<u>—</u>	<u>—</u>	<u>38,217</u>	<u>—</u>	<u>—</u>	<u>38,217</u>
Purchase ordinary shares for RSU scheme	<u>—</u>	<u>—</u>	<u>(20,687)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(20,687)</u>
Transfer and exercise of RSUs	<u>—</u>	<u>2,187</u>	<u>71,012</u>	<u>(46,670)</u>	<u>—</u>	<u>—</u>	<u>26,529</u>
Total transactions with shareholders	<u>—</u>	<u>2,187</u>	<u>50,325</u>	<u>(8,211)</u>	<u>(726,775)</u>	<u>43,321</u>	<u>(639,153)</u>
Balance at 30 June 2024	<u><u>4,622</u></u>	<u><u>510,007</u></u>	<u><u>(87,216)</u></u>	<u><u>266,831</u></u>	<u><u>1,474,994</u></u>	<u><u>42,331</u></u>	<u><u>2,211,569</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 30 June	
		2024	2023
	Note	RMB'000	RMB'000
Cash flows from operating activities			
Cash generated from operations		1,943,646	1,267,396
Income tax paid		(340,679)	(328,277)
Net cash generated from operating activities		1,602,967	939,119
Cash flows from investing activities			
Purchase of investment properties and other property, plant and equipment		(135,337)	(148,734)
Purchase of intangible assets		(8,554)	(6,661)
Proceeds from disposals of property, plant and equipment		261	626
Investment income received from financial products issued by commercial banks		768	894
Interest received		40,829	29,909
Payment of term deposits with initial term over 3 months		(1,161,131)	(827,129)
Proceeds from withdrawal of term deposits with initial term over 3 months		939,174	734,473
Payment for acquisition of subsidiaries, net of cash acquired	20	(39,121)	—
Payment for investments accounted for using the equity method		(4,279)	—
Payment of financial products issued by commercial banks		(120,000)	(90,000)
Loans granted to a related party	17	(2,804)	—
Loan repayments and interests received from a related party		112,391	—
Dividends received from venture capital funds		767	674
Proceeds from redemption of financial products issued by commercial banks		100,000	90,000
Payment for financial assets at fair value through profit or loss		(6,000)	(23,825)
Net cash used in investing activities		(283,036)	(239,773)

		Year ended 30 June	
		2024	2023
	<i>Note</i>	RMB'000	RMB'000
Cash flows from financing activities			
Proceeds from exercise of RSUs		18,461	16,400
Proceeds from borrowings		248,434	297,070
Repayments of borrowings		(350,000)	(350,000)
Payment of lease liabilities		(317,729)	(337,068)
Dividends paid	<i>11</i>	(726,533)	(391,864)
Payment for repurchase of treasury shares		(20,687)	(6,404)
		<u> </u>	<u> </u>
Net cash used in financing activities		(1,148,054)	(771,866)
		<u> </u>	<u> </u>
Net increase/(decrease) in cash and cash equivalents		171,877	(72,520)
Cash and cash equivalents at beginning of the year		525,147	591,746
Exchange gain on cash and cash equivalents		1,621	5,921
		<u> </u>	<u> </u>
Cash and cash equivalents at end of the year		698,645	525,147
		<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

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 Act, 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 of the Company (the “**Board**”) on 8 June 2016, the Company changed its name from Croquis Investment Limited to the present one.

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

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

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

The consolidated financial statements of the Group have been approved for issue by the Board on 5 September 2024.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRSs comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which have been measured at fair value.

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

3. FINANCIAL RISK FACTORS

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

5. SEGMENT INFORMATION

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

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

The CODM consider the operating segments as follows: mature brand representing JNBY, younger brands representing CROQUIS, jnby by JNBY and LESS, and emerging brands representing POMME DE TERRE (蓬馬), JNBYHOME, onmygame (Note 20), etc.

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

	Year ended 30 June 2024			
	Mature brand <i>RMB'000</i>	Younger brands <i>RMB'000</i>	Emerging brands <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue				
Mainland China	2,919,867	2,176,553	109,619	5,206,039
Outside mainland China	24,303	7,584	223	32,110
Revenue from external customers	2,944,170	2,184,137	109,842	5,238,149
Segment gross profit	2,008,528	1,412,563	49,394	3,470,485
Segment operating profit	1,187,428	614,529	2,680	1,804,637
Unallocated selling and marketing expenses, administrative expenses and net impairment losses on financial assets				(669,584)
Other income and gains, net				59,213
Total operating profit				1,194,266

	Year ended 30 June 2023			
	Mature brand <i>RMB'000</i>	Younger brands <i>RMB'000</i>	Emerging brands <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue				
Mainland China	2,480,772	1,857,608	84,216	4,422,596
Outside mainland China	<u>32,619</u>	<u>8,809</u>	<u>1,100</u>	<u>42,528</u>
Revenue from external customers	<u>2,513,391</u>	<u>1,866,417</u>	<u>85,316</u>	<u>4,465,124</u>
Segment gross profit	<u>1,689,045</u>	<u>1,188,332</u>	<u>39,615</u>	<u>2,916,992</u>
Segment operating profit/(loss)	<u>912,615</u>	<u>458,740</u>	<u>(5,422)</u>	<u>1,365,933</u>
Unallocated selling and marketing expenses, administrative expenses and net impairment losses on financial assets				(589,186)
Other income and gains, net				<u>81,151</u>
Total operating profit				<u><u>857,898</u></u>

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

6. EXPENSES BY NATURE

	Year ended 30 June	
	2024	2023
	RMB'000	RMB'000
Cost of inventories sold	1,620,362	1,374,982
Employee benefit expenses (including share-based compensation expenses)	486,503	434,792
Workforce contracting expenses	469,176	412,001
Depreciation and amortisation (Notes 12, 13 & 14)	416,729	415,579
— Right-of-use assets	293,663	293,623
— Investment properties and other property, plant and equipment	118,940	117,044
— Intangible assets	4,126	4,912
Promotion and marketing expense	406,758	411,663
Expenses relating to short-term leases and variable lease payments	292,226	236,833
Commission expenses to online platforms	77,927	68,160
Provision for inventories (Note 15)	61,700	109,252
Transportation and warehouse expense	60,279	52,176
Utilities charges and office expenses	52,819	50,694
Stamp duty, property tax and other surcharges	45,307	31,187
Entertainment and travelling expenses	26,526	20,082
Materials for apparel samples	25,155	22,699
Other professional service expenses	23,958	20,857
Auditors' remuneration	2,610	2,908
— Audit services	2,400	2,700
— Non-audit services	210	208
Provision for/(reversal of) impairment on financial assets	2,031	(462)
Others	33,030	24,974
	<hr/>	<hr/>
Total cost of sales, selling and marketing expenses, net impairment losses on financial assets and administrative expenses	4,103,096	3,688,377

7. OTHER INCOME AND GAINS, NET

	Year ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants (i)	64,226	64,968
Interest income from loans to a related party	4,552	4,590
Fair value gains of financial products	1,247	894
Fair value gains of venture capital funds	910	9,189
Gains on early termination of right-of-use assets	442	168
Losses on disposal of property, plant and equipment	(629)	(203)
Donations	(1,168)	(255)
Fair value (loss)/gain of investment for a private company	(14,945)	711
Others	4,578	1,089
	<u>59,213</u>	<u>81,151</u>

- (i) Government grants during the years presented are primarily financial subsidies received from local governments in the PRC. There are no unfulfilled conditions or contingencies relating to such income.

8. FINANCE INCOME/(COSTS), NET

	Year ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
Interest income on cash and cash equivalents, and term deposits with initial term over 3 months	44,524	31,050
Net foreign exchange gains on financing activities	13,463	7,210
	<u>57,987</u>	<u>38,260</u>
Finance costs		
Interest expenses on lease liabilities (<i>Note 13(b)</i>)	(35,739)	(41,760)
Interest expenses on bank borrowings	(2,052)	(3,576)
	<u>(37,791)</u>	<u>(45,336)</u>
Finance income/(costs), net	<u>20,196</u>	<u>(7,076)</u>

9. TAX EXPENSE

(a) Income tax expense

The income tax expense of the Group for the years ended 30 June 2024 and 2023 are analysed as follows:

	Year ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax expense		
— Enterprise income tax expense	298,174	213,460
Deferred income tax charge	66,799	16,079
	364,973	229,539

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

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

	Year ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before income tax	1,213,112	850,822
Tax calculated at domestic tax rate applicable to profits in the PRC (25%)	303,278	212,706
Preferential income tax benefits	(2,339)	(2,458)
Different tax jurisdiction	109	(399)
Interest income not subject to taxation	(5,204)	(1,090)
PRC dividend withholding income tax (i)	73,538	27,627
Research and development tax credit	(9,975)	(11,763)
Tax losses for which no deferred income tax asset was recognised	664	6
Tax differences related to the RSUs	4,628	5,984
Expenses not deductible for tax purpose	274	86
Utilisation of previously unrecognised deferred taxes	—	(1,160)
Income tax expense	364,973	229,539
Effective tax rate	30.09%	26.98%

- (i) The Group adopted a general annual dividend policy of declaring dividends on an annual basis of 75% of its total net profit attributable to the Group for any particular fiscal year.

During the year ended 30 June 2024, the Group revised its estimation and recognised additional withholding tax of RMB39,112,000. The Group remitted additional PRC dividends to overseas subsidiaries for cash management due to the unexpected falling interest rate in the PRC. The Group also remitted special interim dividends (Note 11) considering its cash flow situation and the shareholders' expectation. The directors are of the view that these are one-off events and the Group will continue to follow the general annual dividend policy going forward.

10. EARNINGS PER SHARE

(a) Basic

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

	Year ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to shareholders of the Company	849,087	621,292
Weighted average number of ordinary shares in issue excluding shares held under the RSU scheme in issue (thousands of shares)	<u>506,938</u>	<u>500,806</u>
Basic earnings per share (expressed in RMB per share)	<u><u>1.67</u></u>	<u><u>1.24</u></u>

(b) Diluted

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

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

	Year ended 30 June	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit attributable to shareholders of the Company	<u>849,087</u>	<u>621,292</u>
Weighted average number of ordinary shares in issue excluding shares held under the RSU scheme in issue (thousands of shares)	506,938	500,806
Adjustments for share based compensation — RSUs (thousands of shares)	<u>11,812</u>	<u>7,668</u>
Weighted average number of ordinary shares for the calculation of diluted earnings per share (thousands of shares)	<u>518,750</u>	<u>508,474</u>
Diluted earnings per share (expressed in RMB per share)	<u>1.64</u>	<u>1.22</u>

11. DIVIDENDS

	Year ended 30 June	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Dividends appropriated and paid by the Company	<u>726,533</u>	<u>391,864</u>

A final dividend of RMB322,591,000 that related to the year ended 30 June 2023 and an interim dividend of RMB218,604,000 that related to the six months ended 31 December 2023 were appropriated and paid during the year ended 30 June 2024. In addition to the interim dividend, the Group declared and paid a special interim dividend of RMB185,338,000 in order to celebrate its 30th anniversary.

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

12. INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

	Office equipment and others <i>RMB'000</i>	Machinery <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Buildings <i>RMB'000</i>	Subtotal <i>RMB'000</i>	Investment properties (a) <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 30 June 2023								
Opening net book value	30,601	67,840	4,651	162,410	185,539	451,041	—	451,041
Additions	9,699	5,399	988	96,500	17,397	129,983	—	129,983
Depreciation	(11,155)	(9,087)	(970)	(85,770)	(10,062)	(117,044)	—	(117,044)
Disposals	(480)	(228)	(121)	—	—	(829)	—	(829)
Closing net book value	<u>28,665</u>	<u>63,924</u>	<u>4,548</u>	<u>173,140</u>	<u>192,874</u>	<u>463,151</u>	<u>—</u>	<u>463,151</u>
As at 30 June 2023								
Cost	71,016	94,362	10,062	344,346	232,940	752,726	—	752,726
Accumulated depreciation	(42,351)	(30,438)	(5,514)	(171,206)	(40,066)	(289,575)	—	(289,575)
Net book value	<u>28,665</u>	<u>63,924</u>	<u>4,548</u>	<u>173,140</u>	<u>192,874</u>	<u>463,151</u>	<u>—</u>	<u>463,151</u>
Year ended 30 June 2024								
Opening net book value	28,665	63,924	4,548	173,140	192,874	463,151	—	463,151
Additions	7,402	1,869	1,467	63,188	9,676	83,602	37,594	121,196
Acquisition of subsidiaries (Note 20)	135	—	—	—	—	135	—	135
Depreciation	(10,883)	(9,349)	(1,192)	(86,669)	(10,706)	(118,799)	(141)	(118,940)
Disposals	(610)	(267)	(13)	—	—	(890)	—	(890)
Closing net book value	<u>24,709</u>	<u>56,177</u>	<u>4,810</u>	<u>149,659</u>	<u>191,844</u>	<u>427,199</u>	<u>37,453</u>	<u>464,652</u>
As at 30 June 2024								
Cost	75,644	94,897	11,399	342,717	242,616	767,273	37,594	804,867
Accumulated depreciation	(50,935)	(38,720)	(6,589)	(193,058)	(50,772)	(340,074)	(141)	(340,215)
Net book value	<u>24,709</u>	<u>56,177</u>	<u>4,810</u>	<u>149,659</u>	<u>191,844</u>	<u>427,199</u>	<u>37,453</u>	<u>464,652</u>

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

	Year ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Selling and marketing expenses	102,706	96,577
Administrative expenses	16,234	20,467
	<u>118,940</u>	<u>117,044</u>

(a) **Investment properties**

In May 2024, the Group acquired some commercial properties with lease arrangements from third parties in Hangzhou. Accordingly, these properties are accounted for as investment properties.

The investment properties are stated at cost less accumulated depreciation and less any impairment losses. As at 30 June 2024, the fair value of the Group's investment properties were approximately equivalent to the carrying amount of RMB37,453,000.

13. LEASES

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

The consolidated balance sheet shows the following amounts relating to leases:

Right-of-use assets

	Offices	Rented	Land use	Total
	RMB'000	premises	right	RMB'000
	RMB'000	for stores	RMB'000	RMB'000
	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 30 June 2023				
Opening net book value as at 1 July 2022	374,123	321,246	24,405	719,774
Additions	5,085	357,361	—	362,446
Early termination	(295)	(5,614)	—	(5,909)
Depreciation and amortisation	(53,343)	(239,722)	(558)	(293,623)
Modifications	—	(13,103)	—	(13,103)
	<u>325,570</u>	<u>420,168</u>	<u>23,847</u>	<u>769,585</u>
Closing net book value as at 30 June 2023	<u>325,570</u>	<u>420,168</u>	<u>23,847</u>	<u>769,585</u>
Year ended 30 June 2024				
Opening net book value as at 1 July 2023	325,570	420,168	23,847	769,585
Additions	8,185	172,240	—	180,425
Acquisition of subsidiaries (<i>Note 20</i>)	1,231	—	—	1,231
Early termination	(6,500)	(8,955)	—	(15,455)
Depreciation and amortisation	(51,095)	(242,010)	(558)	(293,663)
	<u>277,391</u>	<u>341,443</u>	<u>23,289</u>	<u>642,123</u>
Closing net book value as at 30 June 2024	<u>277,391</u>	<u>341,443</u>	<u>23,289</u>	<u>642,123</u>

Lease liabilities

	As at 30 June	
	2024	2023
	RMB'000	RMB'000
Lease liabilities	434,117	342,658
Lease liabilities due to related parties	<u>283,219</u>	<u>326,720</u>
At the beginning of the year	<u>717,336</u>	<u>669,378</u>
Lease payment	(317,729)	(337,068)
Acquisition of subsidiaries	874	—
Interest expenses (Note 8)	35,739	41,760
Additions	180,425	362,446
Modifications	—	(13,103)
Early termination	<u>(15,897)</u>	<u>(6,077)</u>
At the end of the year	<u>600,748</u>	<u>717,336</u>
Less: lease liabilities due to related parties	<u>(241,605)</u>	<u>(283,219)</u>
Lease liabilities	<u><u>359,143</u></u>	<u><u>434,117</u></u>

	As at 30 June	
	2024	2023
	RMB'000	RMB'000
Lease liabilities		
Current	177,687	214,571
Non-current	<u>181,456</u>	<u>219,546</u>
	<u><u>359,143</u></u>	<u><u>434,117</u></u>

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

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

	Year ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation charge of right-of-use assets		
Retail shops and offices	293,105	293,065
Land use right	558	558
Interest expenses	35,739	41,760
Expense relating to short-term leases	94,585	54,979
Expense relating to variable lease payments not included in lease liabilities	197,641	181,854
The cash outflow for leases as operating activities	286,962	243,056
The cash outflow for leases as financing activities	317,729	337,068

14. INTANGIBLE ASSETS

	Goodwill <i>RMB'000</i>	Computer software <i>RMB'000</i>	Brands <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 30 June 2023					
Opening net book value	—	18,567	—	144	18,711
Additions	—	6,661	—	—	6,661
Amortisation charge	—	(4,892)	—	(20)	(4,912)
Closing net book value	<u>—</u>	<u>20,336</u>	<u>—</u>	<u>124</u>	<u>20,460</u>
As at 30 June 2023					
Cost	—	36,457	—	244	36,701
Accumulated amortisation	—	(16,121)	—	(120)	(16,241)
Net book value	<u>—</u>	<u>20,336</u>	<u>—</u>	<u>124</u>	<u>20,460</u>
Year ended 30 June 2024					
Opening net book value	—	20,336	—	124	20,460
Additions	—	8,554	—	—	8,554
Acquisition of subsidiaries (Note 20)	51,352	—	49,900	—	101,252
Amortisation charge	—	(3,268)	(838)	(20)	(4,126)
Closing net book value	<u>51,352</u>	<u>25,622</u>	<u>49,062</u>	<u>104</u>	<u>126,140</u>
As at 30 June 2024					
Cost	51,352	45,011	49,900	244	146,507
Accumulated amortisation	—	(19,389)	(838)	(140)	(20,367)
Net book value	<u>51,352</u>	<u>25,622</u>	<u>49,062</u>	<u>104</u>	<u>126,140</u>

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

	Year ended 30 June	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Selling and marketing expenses	2,828	1,734
Administrative expenses	1,298	3,178
	<u>4,126</u>	<u>4,912</u>

15. INVENTORIES

	As at June 30	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Finished goods	1,056,806	1,179,752
Raw materials	27,739	35,631
Commissioned processing materials	152,473	158,051
	<u>1,237,018</u>	<u>1,373,434</u>
Less: provision	(516,909)	(583,100)
	<u><u>720,109</u></u>	<u><u>790,334</u></u>

Movements of provision for inventories are analysed as follows:

	Year ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Beginning of the year	583,100	533,908
Addition of provision for inventories to net realisable value included in “cost of sales” (<i>Note 6</i>)	61,700	109,252
Release of provision upon sales of inventories written down in prior years	(127,891)	(60,060)
End of the year	<u><u>516,909</u></u>	<u><u>583,100</u></u>

16. TRADE RECEIVABLES

	As at 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	143,116	144,721
Less: provision for impairment	<u>(21,459)</u>	<u>(19,292)</u>
	<u>121,657</u>	<u>125,429</u>

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

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

	As at 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	118,253	123,044
3 months to 6 months	6,581	4,467
6 months to 1 year	1,757	799
1 year to 2 years	2,986	3,277
More than 2 years	<u>13,539</u>	<u>13,134</u>
	<u>143,116</u>	<u>144,721</u>

17. PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets		
Long-term prepaid expenses	21,332	16,838
Other non-current assets (a)	5,818	—
	<u>27,150</u>	<u>16,838</u>
Current assets		
Deposits and other receivables	146,951	122,780
Prepayment to suppliers	67,666	52,926
Right of goods return	56,598	58,406
Value-added tax recoverable	26,952	13,888
Prepaid expenses	20,675	18,881
Prepaid income tax	17,952	23,653
Staff advances	432	83
	<u>337,226</u>	<u>290,617</u>
	<u><u>364,376</u></u>	<u><u>307,455</u></u>

- (a) The Group invested in Established & Sons Limited (“ES”), a company incorporated under the law of England, specializing in the design, development and sale of high-end furniture, at a consideration of approximately RMB4,279,000. The Group is able to exercise significant influence on ES and the investment was accounted for as an investment in an associate. In addition, the Group provided a loan of RMB2,804,000 to ES. The loan is interest free within 3 years and is entitled to an interest rate of 2% per annum over the Bank of England base rate after 3 years.

During the year ended 30 June 2024, the Group recognised a share of net loss of RMB1,350,000 related to the investment in ES.

18. TRADE AND BILLS PAYABLES

	As at 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables (a)	260,533	232,094
Bills payables	356	4,305
	<u>260,889</u>	<u>236,399</u>

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

	As at 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 6 months	256,557	229,211
6 months to 1 year	3,806	2,096
Over 1 year	170	787
	<u>260,533</u>	<u>232,094</u>

The Group's trade payables are denominated in RMB.

19. ACCRUALS AND OTHER LIABILITIES

	As at 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities		
Payables for property, plant and equipment	—	495
Current liabilities		
Payroll and welfare payables	168,428	131,380
Provisions for sales returns	165,990	166,891
Provisions for sales rebates	115,901	72,002
Deposits received from suppliers (a)	78,418	49,764
Value-added and other taxes payables	60,455	49,465
Workforce contracting payables	49,107	34,250
Distribution deposits (b)	39,180	30,808
Accrued marketing and promotion expenses	26,759	29,590
Payables for leasehold improvements	25,067	38,563
Cash consideration payable for business combination (<i>Note 20</i>)	15,721	—
Payables for property, plant and equipment	3,394	3,544
Others	32,515	34,065
	<u>780,935</u>	<u>640,322</u>
	<u><u>780,935</u></u>	<u><u>640,817</u></u>

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

20. BUSINESS COMBINATION

(a) Summary of acquisition

On 30 April 2024, the Group acquired 51% equity interests in Hangzhou Huiju Brand Management Co., Ltd, Hangzhou Yingbin Technology Co., Ltd, Hangzhou Yuanhan Cultural Creative Co., Ltd and Hangzhou Kudong Sports Technology Development Co., Ltd. (collectively, “**Huiju**”) from third parties at a cash consideration of approximately RMB96,441,000 and the acquisition is subject to a contingent consideration arrangement that set out in the share purchase agreement. After the acquisition, the Group has three out of the five seats of the board of directors of Huiju and is able to exercise effective control over Huiju. Huiju is principally engaged in the design, marketing and sales of functional sportswear and accessories for children and men. The contingent consideration arrangement requires the Group to pay or entitles the Group to receive from the founders of Huiju the contingent consideration, which is calculated based on net profits of Huiju adjusted by market conditions for a period of three years from 1 July 2025. As at the acquisition date and 30 June 2024, the fair value of contingent consideration was minimal.

The fair values of the identifiable assets and liabilities of Huiju as at 30 April 2024 were as follows:

	<i>Note</i>	Fair value recognised on acquisition <i>RMB'000</i>
Cash and bank balances		41,599
Intangible assets (i)	<i>14</i>	49,900
Property, plant and equipment	<i>12</i>	135
Right-of-use assets	<i>13</i>	1,231
Prepayments, deposits and other assets		5,413
Inventories		14,568
Other current assets		736
Accruals and other current liabilities		(5,880)
Trade and bills payables		(5,136)
Current income tax liabilities		(1,012)
Deferred tax liabilities		(12,270)
Lease liabilities	<i>13</i>	(874)
Net identifiable assets acquired		<u>88,410</u>
Less: non-controlling interests		(43,321)
Add: goodwill (ii)	<i>14</i>	<u>51,352</u>
Satisfied by cash		<u><u>96,441</u></u>

- (i) The intangible assets are acquired brands of RMB49,900,000 as a result of this business combination.

- (ii) The goodwill is attributable to the high growth, high return rate of the acquired business and synergies expected to arise after the acquisition, and it will not be deductible for tax purposes.

The Group recognised non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Huiju, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

Since the acquisition, Huiju contributed revenue of RMB19,989,000 and incurred net loss of RMB1,909,000 to the Group for the period from 1 May to 30 June 2024.

Had the acquisition taken place on 1 July 2023, the revenue and the profit of the Group for the year ended 30 June 2024 would have been RMB5,313,541,000 and RMB853,078,000, respectively. These amounts have been calculated using Huiju's results and adjusting them for the additional amortisation that would have been charged assuming the fair value adjustments to brands had applied from 1 July 2023, together with the consequential tax effects.

An analysis of the cash flows in respect of the acquisition is as follows:

	<i>RMB'000</i>
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	96,441
Less: cash consideration payable (iii)	<u>(15,721)</u>
Cash paid	<u>80,720</u>
Less: Cash balance of the acquired subsidiaries	<u>(41,599)</u>
Net outflow of cash — investing activities	<u><u>39,121</u></u>

- (iii) Part of the consideration for the business combination is unconditional and will be paid one year after the acquisition date.

The Group incurred insignificant transaction costs for this acquisition. These transaction costs have been expensed and are included in other expenses in the consolidated statement of comprehensive income during the year.

(b) Non-controlling interest (“NCI”)

Set out below is the summarised financial information for Huiju, which had NCI that accounted for 49% and that was material to the Group as at 30 June 2024. The amounts disclosed below for Huiju is before inter-company eliminations.

	Huiju 30 June 2024 RMB'000
Summarised balance sheet	
Current assets	59,057
Current liabilities	(22,567)
Net current assets	<u>36,490</u>
Non-current assets	50,607
Non-current liabilities	(595)
Net non-current assets	<u>50,012</u>
Net assets	<u>86,502</u>
Accumulated NCI	<u>42,386</u>
	For the period from 1 May 2024 to 30 June 2024 RMB'000
Summarised statement of comprehensive loss	
Revenue	19,989
Net loss for the period	(1,909)
Total comprehensive loss	<u>(1,909)</u>
Loss allocated to NCI	<u>(935)</u>
	For the period from 1 May 2024 to 30 June 2024 RMB'000
Summarised cash flows	
Net cash used in operating activities	(7,278)
Net cash used in investing activities	(50)
Net decrease in cash and cash equivalents	<u>(7,328)</u>

(c) Accounting policy of business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognised any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financial institution under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree at the acquisition date is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

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

The total revenue for Fiscal Year 2024 amounted to RMB5,238.1 million, an increase of 17.3% or RMB773.0 million as compared with RMB4,465.1 million for Fiscal Year 2023. The increase in revenue was mainly due to the increase in same store sales of offline shops, the growth in the sales of online channels and the increase in the scale of offline stores.

The total number of our standalone retail stores around the world increased from 1,990 as of June 30, 2023 to 2,024 as of June 30, 2024. Including standalone offline stores abroad, our sales network has covered all provinces, autonomous regions and municipalities in Mainland China and across nine other countries and regions around the world. The tables below set forth the information on the number of our standalone retail stores around the world by different brands and “JIANGNANBUYI+” multi-brand collection stores, respectively:

	As of June 30, 2024	As of June 30, 2023
Number of our standalone retail stores around the world by different brands		
Mature Brand:		
JNBY	924	921
Subtotal	924	921
Younger Brands:		
CROQUIS	310	300
jnby by JNBY	493	486
LESS	240	233
Subtotal	1,043	1,019
Emerging Brands:		
Other brands	37	31
Subtotal	37	31
“JIANGNANBUYI+” multi-brand collection stores	20	19
Total	2,024	1,990

As of
June 30, 2024 As of
June 30, 2023

Number and geographic distribution of our standalone retail stores by sales channels

Mainland China

Self-operated stores	514	564
Distributor-operated stores	1,488	1,402

Outside Mainland China

Self-operated stores	1	1
Distributor-operated stores	21	23

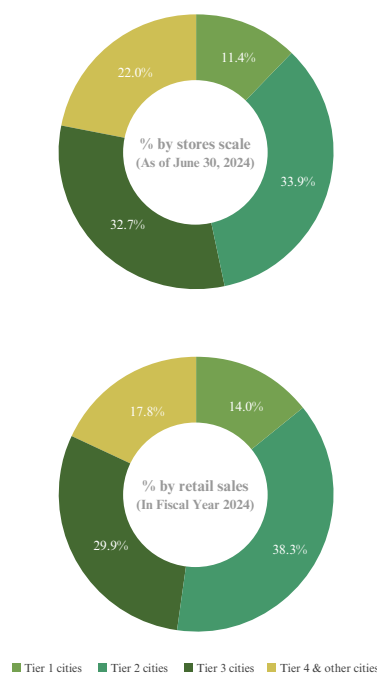
Total	2,024	1,990
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As of June 30, 2024, the total number of our standalone retail stores in countries and regions all over the world (excluding points of sale) was 2,024, and the following charts show the geographic distribution of our retail stores (including standalone distributor-operated and self-operated stores) across Mainland China, Hong Kong China and Taiwan China region as well as the distribution of our stores and retail sales by city tiers across Mainland China respectively:

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



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



Same store sales growth of offline shops

In Fiscal Year 2024, the offline customer traffic recovered as China's economy fully resumed normal operation. Against the backdrop of various uncertainties such as continuous changes in the retail environment and consumer behavioral habits, we have provided consumers with more value-added services by continuously launching new consumption scenarios or products such as “Box Project (不止盒子)” and “JIANGNANBUYI+” multi-brand collection stores, while gradually upgrading the store image of each brand in order to provide customers with more comfortable shopping experience. Same store sales of offline retail shops for Fiscal Year 2024 recorded an increase of 10.7%, which was mainly due to the following reasons:

- (i) Benefiting from the Group's increased strategic investment in store image upgrading and visual development for each brand, the Group has successfully created a number of “JIANGNANBUYI+” multi-brand collection stores, fully accessible by its fans and further enhancing the quality of store services;
- (ii) As a result of the upgrade and effective utilization of the inventory sharing and allocation system, the incremental retail sales generated by the system was RMB1,103.1 million for Fiscal Year 2024, representing an increase of 31.8% as compared with RMB836.7 million for Fiscal Year 2023; and
- (iii) The sales contributed by digital and smart retail channels including “Box Project (不止盒子)”, “WeChat Mall (微商城)” and “Diversified Social E-commerce (多元化社交電商)” was mostly reflected in same store sales growth of offline shops due to continuous empowerment of Internet+ mindsets and technologies.

Members-related data

During Fiscal Year 2024, the retail sales contributed by the members of the Group accounted for over 80% of our total retail sales, the number of active members accounts of the Group^(Note 1) (without duplication) was over 550,000 (Fiscal Year 2023: nearly 510,000), and the number of active members accounts was significantly higher than that in Fiscal Year 2023.

In Fiscal Year 2024, the number of membership accounts with annual purchases totaling over RMB5,000 was over 310,000 (Fiscal Year 2023: nearly 260,000), and the retail sales contributed by those membership accounts reached RMB4.49 billion (Fiscal Year 2023: RMB3.54 billion), accounting for over 60% of the total retail sales from offline channels. The membership accounts with annual purchases totaling over RMB5,000 and their retail sales in Fiscal Year 2024 were higher than that of Fiscal Year 2023, mainly due to the results of the Group's initiatives to continue to strengthen its brand equity and refine its membership operation.

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.

Revenue by brand

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

	2024		For the year ended June 30, 2023		Increase	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Mature Brand:						
JNBY	<u>2,944,170</u>	<u>56.2</u>	<u>2,513,391</u>	<u>56.3</u>	<u>430,779</u>	<u>17.1</u>
Subtotal	<u>2,944,170</u>	<u>56.2</u>	<u>2,513,391</u>	<u>56.3</u>	<u>430,779</u>	<u>17.1</u>
Younger Brands:						
CROQUIS	<u>754,686</u>	<u>14.4</u>	<u>675,510</u>	<u>15.1</u>	<u>79,176</u>	<u>11.7</u>
jnby by JNBY	<u>807,486</u>	<u>15.4</u>	<u>664,999</u>	<u>14.9</u>	<u>142,487</u>	<u>21.4</u>
LESS	<u>621,965</u>	<u>11.9</u>	<u>525,908</u>	<u>11.8</u>	<u>96,057</u>	<u>18.3</u>
Subtotal	<u>2,184,137</u>	<u>41.7</u>	<u>1,866,417</u>	<u>41.8</u>	<u>317,720</u>	<u>17.0</u>
Emerging Brands:						
Other brands	<u>109,842</u>	<u>2.1</u>	<u>85,316</u>	<u>1.9</u>	<u>24,526</u>	<u>28.7</u>
Subtotal	<u>109,842</u>	<u>2.1</u>	<u>85,316</u>	<u>1.9</u>	<u>24,526</u>	<u>28.7</u>
Total revenue ⁽¹⁾	<u>5,238,149</u>	<u>100.0</u>	<u>4,465,124</u>	<u>100.0</u>	<u>773,025</u>	<u>17.3</u>

Note:

(1) Includes revenue recorded by “JIANGNANBUYI+” multi-brand collection stores of RMB264.0 million.

For Fiscal Year 2024, revenue generated from the Group’s mature brand with a history of approximately 30 years, JNBY brand, increased by 17.1% or RMB430.8 million as compared to Fiscal Year 2023. For younger brands portfolio, it consists of brands which were successively launched from 2005 to 2011, namely CROQUIS, jnby by JNBY and LESS. Revenue generated from younger brands portfolio increased by 17.0% as compared to Fiscal Year 2023. For emerging brands portfolio, it consists of various new brands, such as POMME DE TERRE (蓬馬), JNBYHOME and onmygame. Revenue from emerging brands portfolio amounted to RMB109.8 million, representing an aggregate of 2.1% of the total revenue.

Revenue by sales channels

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

	2024		For the year ended June 30, 2023		Increase	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Offline channels						
Self-operated stores	2,158,621	41.2	1,854,009	41.5	304,612	16.4
Distributor-operated stores ⁽¹⁾	2,071,079	39.5	1,759,320	39.4	311,759	17.7
Online channels	<u>1,008,449</u>	<u>19.3</u>	<u>851,795</u>	<u>19.1</u>	<u>156,654</u>	<u>18.4</u>
Total revenue	<u>5,238,149</u>	<u>100.0</u>	<u>4,465,124</u>	<u>100.0</u>	<u>773,025</u>	<u>17.3</u>

Note:

(1) Includes stores operated by overseas customers.

In Fiscal Year 2024, revenue generated through both our online and offline channels increased as compared with that in Fiscal Year 2023, of which revenue generated through our offline channels increased by 17.1% and the revenue generated through our online channels increased by 18.4%.

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 of our total revenue, for the years indicated:

	2024		For the year ended June 30, 2023		Increase/(decrease)	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Mainland China	5,206,039	99.4	4,422,596	99.0	783,443	17.7
Outside Mainland China ⁽¹⁾	<u>32,110</u>	<u>0.6</u>	<u>42,528</u>	<u>1.0</u>	<u>(10,418)</u>	<u>(24.5)</u>
Total revenue	<u>5,238,149</u>	<u>100.0</u>	<u>4,465,124</u>	<u>100.0</u>	<u>773,025</u>	<u>17.3</u>

Note:

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

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit increased by 19.0% from RMB2,917.0 million for Fiscal Year 2023 to RMB3,470.5 million for Fiscal Year 2024, which was mainly attributable to the increase in revenue.

The Group's overall gross profit margin increased from 65.3% for Fiscal Year 2023 to 66.3% for Fiscal Year 2024, 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:

	2024		For the year ended June 30, 2023		Increase	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
Mature Brand:						
JNBY	<u>2,008,528</u>	<u>68.2</u>	<u>1,689,045</u>	<u>67.2</u>	<u>319,483</u>	<u>18.9</u>
Subtotal	<u>2,008,528</u>	<u>68.2</u>	<u>1,689,045</u>	<u>67.2</u>	<u>319,483</u>	<u>18.9</u>
Younger Brands:						
CROQUIS	<u>500,066</u>	<u>66.3</u>	<u>437,360</u>	<u>64.7</u>	<u>62,706</u>	<u>14.3</u>
jnby by JNBY	<u>477,861</u>	<u>59.2</u>	<u>389,731</u>	<u>58.6</u>	<u>88,130</u>	<u>22.6</u>
LESS	<u>434,636</u>	<u>69.9</u>	<u>361,241</u>	<u>68.7</u>	<u>73,395</u>	<u>20.3</u>
Subtotal	<u>1,412,563</u>	<u>64.7</u>	<u>1,188,332</u>	<u>63.7</u>	<u>224,231</u>	<u>18.9</u>
Emerging Brands:						
Other brands	<u>49,394</u>	<u>45.0</u>	<u>39,615</u>	<u>46.4</u>	<u>9,779</u>	<u>24.7</u>
Subtotal	<u>49,394</u>	<u>45.0</u>	<u>39,615</u>	<u>46.4</u>	<u>9,779</u>	<u>24.7</u>
Total	<u>3,470,485</u>	<u>66.3</u>	<u>2,916,992</u>	<u>65.3</u>	<u>553,493</u>	<u>19.0</u>

	2024		For the year ended June 30, 2023		Increase	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
Offline channels						
Self-operated stores	<u>1,599,076</u>	<u>74.1</u>	<u>1,357,401</u>	<u>73.2</u>	<u>241,675</u>	<u>17.8</u>
Distributor-operated stores	<u>1,228,165</u>	<u>59.3</u>	<u>1,036,165</u>	<u>58.9</u>	<u>192,000</u>	<u>18.5</u>
Online channels	<u>643,244</u>	<u>63.8</u>	<u>523,426</u>	<u>61.4</u>	<u>119,818</u>	<u>22.9</u>
Total	<u>3,470,485</u>	<u>66.3</u>	<u>2,916,992</u>	<u>65.3</u>	<u>553,493</u>	<u>19.0</u>

SELLING AND MARKETING EXPENSES AND ADMINISTRATIVE EXPENSES

In Fiscal Year 2024, selling and marketing expenses were RMB1,827.1 million (Fiscal Year 2023: RMB1,695.1 million), which primarily consist of: (i) workforce contracting expenses; (ii) promotion and marketing expenses; (iii) depreciation and amortisation; and (iv) expenses relating to short-term leases and variable lease payments. In terms of percentage, the selling and marketing expenses accounted for 34.9% of our total revenue in Fiscal Year 2024 (Fiscal Year 2023: 38.0%). The decrease in the expense ratio as compared to Fiscal Year 2023 was mainly attributable to the increase in the total revenue and the improvement of operating efficiency. The administrative expenses for Fiscal Year 2024 were RMB506.3 million (Fiscal Year 2023: RMB445.6 million), which primarily consist of: (i) employee benefit expenses; (ii) depreciation and amortisation; and (iii) workforce contracting expenses. In particular, the expenses incurred by the product design and research and development department amounted to RMB195.6 million (Fiscal Year 2023: RMB168.2 million). In terms of percentage, administrative expenses accounted for 9.7% of our revenue in Fiscal Year 2024 (Fiscal Year 2023: 10.0%).

FINANCE INCOME/(COSTS), NET

The Group's finance income, net for Fiscal Year 2024 was RMB20.2 million (Fiscal Year 2023: finance costs, net of RMB7.1 million).

NET PROFIT AND NET PROFIT MARGIN

Due to the above-mentioned factors, net profit for Fiscal Year 2024 was RMB848.1 million, representing an increase of 36.5% or RMB226.9 million as compared with RMB621.3 million for Fiscal Year 2023. Net profit margin increased from 13.9% for Fiscal Year 2023 to 16.2% for Fiscal Year 2024.

CAPITAL EXPENDITURE

The Group's capital expenditure mainly consists of payments for acquisition of subsidiaries, property, plant and equipment, intangible assets and decoration of office building and our self-operated stores. The Company's capital expenditure for Fiscal Year 2024 was RMB183.0 million (Fiscal Year 2023: RMB155.4 million).

PROFIT BEFORE INCOME TAX

The Group's profit before income tax increased by 42.6% from RMB850.8 million for Fiscal Year 2023 to RMB1,213.1 million for Fiscal Year 2024. The increase in profit before income tax was mainly due to the increase in the Group's operating profit.

FINANCIAL POSITION

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

As at June 30, 2024, the Group's cash and cash equivalents were RMB698.6 million (June 30, 2023: RMB525.1 million), of which 89.3% was denominated in Renminbi (“**RMB**”), 8.2% in HK dollars and 2.5% in other currencies. Net cash inflow from operating activities in Fiscal Year 2024 was RMB1,603.0 million, an increase of 70.7% as compared with RMB939.1 million in Fiscal Year 2023.

SIGNIFICANT INVESTMENT EVENTS

Subscription of Financial Products

On October 18, 2023, JNBY Finery Co., Ltd. (“**JNBY Finery**”), a subsidiary of the Company, subscribed for the financial products of China CITIC Bank with a principal of RMB20,000,000. The subscription mentioned above does not constitute a notifiable transaction of the Company.

On October 19, 2023, JNBY Finery subscribed for the short-term financial products of China CITIC Bank with a principal of RMB20,000,000. The subscription mentioned above does not constitute a notifiable transaction of the Company.

On January 8, 2024, JNBY Finery subscribed for the short-term financial products of China Merchants Bank with a principal of RMB30,000,000. The subscription mentioned above does not constitute a notifiable transaction of the Company.

On May 1, 2024, JNBY Finery subscribed for the short-term financial products of China CITIC Bank with a principal of RMB50,000,000. The subscription mentioned above does not constitute a notifiable transaction of the Company.

Investment Funds

In Fiscal Year 2024, the Group made total capital contributions of RMB6,000,000 to subscribe for a venture capital fund as a limited partner with a total capital commitment of RMB30,000,000. As of June 30, 2024, the Group made capital contributions of RMB10,500,000 to this venture capital fund. The subscription mentioned above does not constitute a notifiable transaction of the Company.

Equity Investment

On March 11, 2024, Hangzhou Liancheng Huazhuo Industrial Co., Ltd. (杭州聯成華卓實業有限公司) (“**Liancheng Huazhuo**”), a subsidiary of the Company, signed an equity investment agreement with Huiju (慧聚) to acquire 51% of its equity interests with a total cash consideration of RMB96,440,562, and Huiju mainly operates onmygame brands. This equity investment is beneficial to the diversification of designer brand portfolio. In Fiscal Year 2024, the Group paid cash consideration of RMB80,720,281. The equity investment mentioned above does not constitute a notifiable transaction of the Company.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

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

HUMAN RESOURCES

The number of the Group's employees increased to 1,596 as of June 30, 2024 (June 30, 2023: 1,508). The total staff costs for Fiscal Year 2024 (including basic salaries and allowances, social security insurance, bonuses and share-based compensation expenses) were RMB486.5 million (Fiscal Year 2023: RMB434.8 million), representing 9.3% of our revenue (Fiscal Year 2023: 9.7%).

PLEDGE OF ASSETS

As at June 30, 2024, the Group did not have any secured bank borrowings.

CONTINGENT LIABILITIES

As at June 30, 2024, the Group did not have any material contingent liabilities.

EVENTS AFTER THE BALANCE SHEET DATE

A final dividend in respect of the year ended June 30, 2024 of HK\$0.86 (equivalent to approximately RMB0.81) per ordinary share has been proposed by the Board and is to be approved at the annual general meeting of the Company (the "AGM") to be held on October 24, 2024. The financial statements set out in this results announcement do not reflect this dividend payable.

Except for the events as described above, there was no significant event occurred during the period from June 30, 2024 to the approval date of the consolidated financial statements by the Board on September 5, 2024.

OUTLOOK

China's economy has continued to stabilize and improve, with a steady increase in economic growth. With the implementation of policies and measures to expand domestic demand, the vitality of the domestic demand market has been gradually reactivated, laying a foundation for the high-quality development of enterprises. We have also observed that, with the recovery of the economy, consumption desire is increasing whilst consumer confidence is still fluctuating, and the Chinese clothing market continues to show diversified consumption trends, such as the influence of local brands in the Chinese market continues to increase, and the group of people who pursue distinguished lifestyles continues expanding. As the demand of customers for personalized and sustainable 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, consumers are rapidly shifting from traditional retails to more diversified emerging consumption scenarios where digital consumption and e-commerce platforms continue to play an important role. With the deeper integration of online and offline channels, the new retail model has been further promoted, during which consumers prefer brands that are more trustworthy and brands that can provide them with a quality experience, therefore, the segmented market where the designer brands operate has shown a competitive trend of inclining to the leading brands.

As an influential designer brand fashion group in China, benefiting from the diversified designer brand portfolio and sound operational management, we remain confident about our future. Based on sufficient cash flow, we continue to strengthen and enhance our position as an influential designer brand fashion group based in China, and we are committed to pursuing the following strategies thus to nurture the "JNBY" lifestyle ecosystem we advocate:

- to continue to attract and cultivate new "JNBY" fans through further optimizing designer brand portfolio and product offerings by way of self-incubation or mergers, through continuous enhancement of forward-looking design and research and development capabilities as well as through comprehensive strengthening of brand influence;
- to adopt internet thinking and technology to further enhance our various domestic and foreign retail networks, continue to invest strategically in store visual merchandising and image development, actively planning diversified social e-commerce and new retail channels and other emerging consumption scenarios, in order to optimize our omni-channel interactive marketing platform and intelligent quick response supply chain management capability, as well as being capable to establish an appropriately scaled operation in each sub-segment;

- to enhance fans’ experience in diversified omni-channel retail network by adhering to the strategy with data as the driver, technology as the carrier and fans economy as the core, encouraging operational innovation, constantly creating and providing scenarios for value-added services and customer touchpoints to our fans; and
- to establish a corporate governance structure integrated with environmental, social and governance (“**ESG**”) to facilitate the implementation of ESG practices and gradually fulfill its 2025 ESG commitment, thus ensuring the sustainable, healthy and high-quality development of the Company’s business in a long run.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK\$0.86 per ordinary share (equivalent to approximately RMB0.81 per ordinary share) for the year ended June 30, 2024.

The final dividend is subject to the approval of the shareholders of the Company (the “**Shareholders**”) at the AGM to be held on October 24, 2024, and will be paid on November 8, 2024 to those Shareholders whose names appear on the Company’s register of members on October 31, 2024.

CLOSURE OF REGISTER OF MEMBERS

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

- (a) For the purpose of determining Shareholders who are entitled to attend and vote at the forthcoming AGM to be held on Thursday, October 24, 2024, the register of members will be closed from Monday, October 21, 2024 to Thursday, October 24, 2024, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company’s branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited situated at Suite 1601, 16/F., Central Tower, 28 Queen’s Road Central, Hong Kong not later than 4:30 p.m. on Friday, October 18, 2024.
- (b) For the purpose of determining Shareholders who qualify for the final dividend, the register of members will be closed from Wednesday, October 30, 2024 to Thursday, October 31, 2024, both days inclusive. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Company’s branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited situated at Suite 1601, 16/F., Central Tower, 28 Queen’s Road Central, Hong Kong not later than 4:30 p.m. on Tuesday, October 29, 2024.

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 C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) as its own corporate governance code.

The Company has complied with all applicable code provisions under the CG Code during Fiscal Year 2024. 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 C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Specific enquiry has been made to all Directors and each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during Fiscal Year 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During Fiscal Year 2024, save as the trustee of the Restricted Share Unit Scheme purchased a total of 1,611,000 shares of the Company with approximately HK\$22.8 million at the Stock Exchange pursuant to rules of the Restricted Share Unit Scheme and terms of the trust in order to grant shares to selected participants, none of the Company or any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sales of treasury shares, if any).

AUDIT COMMITTEE

The audit committee of the Company has, together with the senior management and the external auditor of the Company, reviewed the accounting principles and practices adopted by the Group as well as the audited consolidated financial statements of the Group for Fiscal Year 2024.

AUDITOR’S PROCEDURES PERFORMED ON THIS RESULTS ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes thereto for the year ended June 30, 2024 as set out in this results announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for Fiscal Year 2024. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this results announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT FOR FISCAL YEAR 2024 ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement has been published on the website of the Stock Exchange (www.hkexnews.hk) and that of the Company (www.jiangnanbuyigroup.com.cn), and the annual report of the Company for Fiscal Year 2024 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the aforesaid websites in due course.

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

Hong Kong, September 5, 2024

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