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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)**

## **CONTINUING CONNECTED TRANSACTIONS 2024 CONCESSION AGREEMENT (BLOCK)**

Reference is made to the announcement of JNBY Design Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated June 3, 2024 (the “**Announcement**”) in relation to, among other things, the (1) 2024 Concession Agreement (JNBY Membership Store); (2) 2024 Concession Agreement (jnby by JNBY); (3) 2024 Concession Agreement (POMME DE TERRE); (4) 2024 OōEli Multi-purpose Space Framework Agreement; and (5) 2024 Xiaoshan Dormitory Lease Agreement. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement.

The Board is pleased to announce that on December 13, 2024, Hangzhou OōEli, a wholly-owned subsidiary of the Company, has entered into the 2024 Concession Agreement (BLOCK) with Huizhan Technology, pursuant to which Hangzhou OōEli (as concessioner) was granted concession from Huizhan Technology (as grantor) the sole and exclusive right to operate retail business at specified premises in the OōEli Complex for a term starting from December 13, 2024 and ending on June 30, 2026.

## **LISTING RULES IMPLICATIONS**

As Huizhan Technology is indirectly wholly-owned by the Founders and thus is a connected person of the Company, transactions contemplated with Huizhan Technology may constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given the transactions contemplated under the 2024 Concession Agreement (B1OCK) involve variable payments based on different factors (such as the sales generated from the premises), such fees and charges payable under the 2024 Concession Agreement (B1OCK) will be recognized as expenses in the Company's profit or loss accounts during its terms. On this basis, the transactions under the 2024 Concession Agreement (B1OCK) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In addition, given the transactions contemplated under the 2024 Concession Agreement (JNBY Membership Store), 2024 Concession Agreement (jnby by JNBY), 2024 Concession Agreement (POMME DE TERRE), 2024 OōEli Multi-purpose Space Framework Agreement, 2024 Xiaoshan Dormitory Lease Agreement and 2024 Concession Agreement (B1OCK) are of similar nature, the Company considers that such transactions may be aggregated and be treated as if they were one transaction pursuant to Rules 14A.81 and 14A.83 of the Listing Rules.

On an aggregated basis, as one or more of the applicable percentage ratios in respect of the annual caps for the amount of fees payable by the Group under the 2024 Concession Agreement (JNBY Membership Store), 2024 Concession Agreement (jnby by JNBY), 2024 Concession Agreement (POMME DE TERRE), 2024 OōEli Multi-purpose Space Framework Agreement, 2024 Xiaoshan Dormitory Lease Agreement and 2024 Concession Agreement (B1OCK) exceeds 0.1% but all the applicable percentage ratios are less than 5%, such continuing connected transactions are subject to the reporting, annual review and announcement requirements set out in the Listing Rules, but are exempt from the independent shareholders' approval requirement under the Listing Rules.

## **2024 CONCESSION AGREEMENT (B1OCK)**

Reference is made to the announcement of the Company dated June 3, 2024 (the "Announcement") in relation to, among other things, the (1) 2024 Concession Agreement (JNBY Membership Store); (2) 2024 Concession Agreement (jnby by JNBY); (3) 2024 Concession Agreement (POMME DE TERRE); (4) 2024 OōEli Multi-purpose Space Framework Agreement; and (5) 2024 Xiaoshan Dormitory Lease Agreement.

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Set forth below is a summary of the principal terms of the 2024 Concession Agreement (BLOCK):

Date:	December 13, 2024
Parties:	Hangzhou OōEli as concessioner; and Huizhan Technology as grantor
Premises:	The premises of approximately 5,472 sq m of retail space in total located at the OōEli Complex, which Hangzhou OōEli is granted the sole and exclusive right to operate its retail businesses for the Group to operate the retail store of Hangzhou OōEli’s brand, “BLOCK”
Term:	19 months commencing from December 13, 2024 and ending on June 30, 2026
Pricing policy and payment schedule:	The monthly fees payable by Hangzhou OōEli to Huizhan Technology during the term in respect of the 2024 Concession Agreement (BLOCK) include:  a) a monthly rent component that is calculated based on the monthly turnover (tax inclusive) of such specific retail operation multiplied by a royalty rate of 10%; and  b) property management fees of RMB93,019 payable per month

In addition to the above fees, Hangzhou OōEli will also be responsible for the utilities fees, which will be determined by the actual usage of the Group

Historical transaction amounts: The historical transaction amounts for the fees and other charges paid by Hangzhou OōEli to Huizhan Technology for the years ended June 30, 2023, June 30, 2022 and June 30, 2021 were RMB7,312,241, RMB5,738,565 and RMB3,928,000, respectively. Prior to the date of this announcement, Hangzhou OōEli was a wholly-owned subsidiary of Huizhan Technology. Please refer to the announcements dated November 28, 2024 and December 13, 2024 in relation to the acquisition of the entire equity interest in Hangzhou OōEli by JNBY Finery (the “**Acquisition**”) for details

Usage: To house the retail operation of Hangzhou OōEli’s brand, “B10CK” in the OōEli Complex

### **PROPOSED ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS**

Set out below are the annual caps for the years ending June 30, 2025 and 2026 for the 2024 Concession Agreement (JNBY Membership Store), 2024 Concession Agreement (jnby by JNBY), 2024 Concession Agreement (POMME DE TERRE), 2024 OōEli Multi-purpose Space Framework Agreement, 2024 Xiaoshan Dormitory Lease Agreement and 2024 Concession Agreement (B10CK):

	<b>For the year ending June 30, 2025 (RMB)</b>	<b>For the year ending June 30, 2026 (RMB)</b>
Annual caps for the 2024 Concession Agreement (JNBY Membership Store)	5,000,000	5,000,000
Annual caps for the 2024 Concession Agreement (jnby by JNBY)	600,000	600,000
Annual caps for the 2024 Concession Agreement (POMME DE TERRE)	400,000	400,000
Annual caps for the 2024 OōEli Multi-purpose Space Framework Agreement	12,000,000	12,000,000
Annual caps for the 2024 Xiaoshan Dormitory Lease Agreement	600,000	2,400,000
Annual caps for the 2024 Concession Agreement (B10CK)	<u>6,000,000</u>	<u>10,000,000</u>
Aggregated annual caps	<u><u>24,600,000</u></u>	<u><u>30,400,000</u></u>

In determining the annual caps for the 2024 Concession Agreement (B1OCK), the Directors have considered the historical transaction amounts prior to the Acquisition and the expected increase in the sales amount with respect to the retail operation at such stores going forward. On this basis, the Directors believe that such annual caps could reflect the Company's expectation of the fees payable in relation to the 2024 Concession Agreement (B1OCK).

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2024 CONCESSION AGREEMENT (B1OCK)**

The Directors took into consideration a range of relevant factors (such as location, size, transportation, and amenity facilities of the premises) to determine whether the premises were suitable for the Group and the retail business of Hangzhou OōEli's brand, "B1OCK". On this basis, the Directors (including the independent non-executive Directors) are of the view that fees and other charges payable and the relevant annual caps (to the extent applicable) under the 2024 Concession Agreement (B1OCK) were determined on the basis of the prevailing market price of the comparable properties in the place where the leased properties are located.

In addition, the Directors (including the independent non-executive Directors) are also of the view that the 2024 Concession Agreement (B1OCK) is entered into in the ordinary and usual course of the Company's business, and that such agreement is on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

As Huizhan Technology is indirectly wholly-owned by the Founders and thus is a connected person of the Company, transactions contemplated with Huizhan Technology may constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given the transactions contemplated under the 2024 Concession Agreement (B1OCK) involve variable payments based on different factors (such as the sales generated from the premises), such fees and charges payable under the 2024 Concession Agreement (B1OCK) will be recognized as expenses in the Company's profit or loss accounts during its terms. On this basis, the transactions under the 2024 Concession Agreement (B1OCK) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In addition, given the transactions contemplated under the 2024 Concession Agreement (JNBY Membership Store), 2024 Concession Agreement (jnby by JNBY), 2024 Concession Agreement (POMME DE TERRE), 2024 OōEli Multi-purpose Space Framework Agreement, 2024 Xiaoshan Dormitory Lease Agreement and 2024 Concession Agreement (BLOCK) are of similar nature, the Company considers that such transactions may be aggregated and be treated as if they were one transaction pursuant to Rules 14A.81 and 14A.83 of the Listing Rules.

On an aggregated basis, as one or more of the applicable percentage ratios in respect of the annual caps for the amount of fees payable by the Group under the 2024 Concession Agreement (JNBY Membership Store), 2024 Concession Agreement (jnby by JNBY), 2024 Concession Agreement (POMME DE TERRE), 2024 OōEli Multi-purpose Space Framework Agreement, 2024 Xiaoshan Dormitory Lease Agreement and 2024 Concession Agreement (BLOCK) exceeds 0.1% but all the applicable percentage ratios are less than 5%, such continuing connected transactions are subject to the reporting, annual review and announcement requirements set out in the Listing Rules, but are exempt from the independent shareholders' approval requirement under the Listing Rules.

## **INFORMATION ABOUT THE PARTIES**

### **The Group**

The Company is a leading designer brand fashion house based in the PRC. The Group designs, promotes and sells contemporary apparel, footwear and accessories for women, men, children and teenagers as well as household products. Brand portfolio of the Group currently comprises a number of brands in three stages — the mature brand, namely JNBY, three younger brands, namely (i) CROQUIS, (ii) jnby by JNBY and (iii) LESS, as well as various emerging brands, such as POMME DE TERRE (蓬馬), onmygame and JNBYHOME, each targeting at a distinct customer segment and having a uniquely defined design identity based on the Group's universal brand philosophy — “Just Naturally Be Yourself”.

Mr. Wu Jian and Ms. Li Lin are the Founders. Mr. Wu Jian is the Chairman of the Board, an executive Director and a controlling shareholder of the Company. Ms. Li Lin is an executive Director, the Chief Creative Officer, and a controlling shareholder of the Company. Mr. Wu Jian and Ms. Li Lin are connected persons of the Company.

Hangzhou OōEli is a limited liability company incorporated in the PRC on December 14, 2023 and is principally engaged in the sales of designer brands named “BLOCK”. Hangzhou OōEli was wholly-owned by Huizhan Technology, which was in turn indirectly wholly-owned by the Founders, prior to the Acquisition, and it is a wholly-owned subsidiary of the Company following completion of the Acquisition as at the date of this announcement.

## **Huizhan Technology**

Huizhan Technology is a wholly foreign owned enterprise established under the laws of the PRC on July 16, 2008, engaging in property holding business, including office complexes as well as other venues. Since the completion of certain transaction among its shareholders on June 20, 2023 and as at the date of this announcement, Huizhan Technology is wholly-owned by United Citi Investment Limited, which is in turn indirectly wholly-owned by the Founders.

On December 13, 2024, the Board considered and approved the resolution in relation to the entering into of the 2024 Concession Agreement (BLOCK) and the annual caps of such contemplated transactions. As Mr. Wu Jian (the Chairman of the Board and an executive Director) and Ms. Li Lin (an executive Director) are deemed to have material interests in the 2024 Concession Agreement (BLOCK), they have abstained from voting on the Board resolution for approving the said matter.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“2024 Concession Agreement (BLOCK)”	has the meaning ascribed to it in the section headed “2024 Concession Agreement (BLOCK)” of this announcement
“2024 Concession Agreement (jnby by JNBY)”	has the meaning ascribed to it in the section headed “CONTINUING CONNECTED TRANSACTIONS — (5) 2024 Concession Agreement (jnby by JNBY)” of the Announcement
“2024 Concession Agreement (JNBY Membership Store)”	has the meaning ascribed to it in the section headed “CONTINUING CONNECTED TRANSACTIONS — (4) 2024 Concession Agreement (JNBY Membership Store)” of the Announcement
“2024 Concession Agreement (POMME DE TERRE)”	has the meaning ascribed to it in the section headed “CONTINUING CONNECTED TRANSACTIONS — (6) 2024 Concession Agreement (POMME DE TERRE)” of the Announcement
“2024 OōEli Multi-purpose Space Framework Agreement”	has the meaning ascribed to it in the section headed “CONTINUING CONNECTED TRANSACTIONS — (7) 2024 OōEli Multi-purpose Space Framework Agreement” of Announcement

“2024 Xiaoshan Dormitory Lease Agreement”	has the meaning ascribed to it in the section headed “CONTINUING CONNECTED TRANSACTIONS — (8) 2024 Xiaoshan Dormitory Lease Agreement” of the Announcement
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors of the Company
“Company”	JNBY Design Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Founders”	Mr. Wu Jian (吳健) and Ms. Li Lin (李琳), both are executive Directors
“Group”	the Company and its subsidiaries from time to time
“Hangzhou OōEli”	Hangzhou OōEli Brand Management Co., Ltd.* (杭州目里品牌管理有限公司), a limited liability company incorporated in the PRC on December 14, 2023
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhan Technology”	Huizhan Technology (Hangzhou) Co., Ltd. (慧展科技(杭州)有限公司), which is indirectly wholly-owned by the Founders
“JNBY Finery”	JNBY Finery Co., Ltd.* (江南布衣服飾有限公司), a limited liability company incorporated in the PRC on June 21, 2011 and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited



“OōEli Complex”	the office building and art park complex commonly known as the “OōEli Complex” and located in 398 Tianmushan Road, Xihu District, Hangzhou, Zhejiang Province, the PRC (中國浙江省杭州市西湖區天目山路398號), which was previously identified and referred to as “Tianmuli” or “Tianmu Qingshui Commercial Center”
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the capital of the Company listed on the Main Board of the Stock Exchange
“Shareholder(s)”	the holder(s) of the Share(s)
“sq m”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“%”	per cent.

\* *The Chinese name of the entities incorporated in the PRC is the official name and the English name is the translation for identification purpose only.*

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

Hong Kong, December 13, 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 the independent non-executive Directors.*