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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)**

## **CONNECTED TRANSACTION ACQUISITION OF THE TARGET COMPANY**

### **THE ACQUISITION**

The Board announces that on November 28, 2024, JNBY Finery entered into the Equity Transfer Agreement with Huizhan Technology, pursuant to which JNBY Finery has agreed to acquire, and Huizhan Technology has agreed to sell, the entire equity interest in the Target Company, subject to the terms and conditions as set out in the Equity Transfer Agreement.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Huizhan Technology is indirectly wholly-owned by the Founders, being the executive Directors and controlling shareholders of the Company, and thus is a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is subject to the reporting and announcement requirements, but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarised as follows:

- Date : November 28, 2024
- Parties : (1) JNBY Finery (as purchaser)  
(2) Huizhan Technology (as seller)
- Subject Matter : JNBY Finery has agreed to acquire, and Huizhan Technology has agreed to sell, the entire equity interest in the Target Company.
- Consideration : The consideration under the Acquisition is RMB1,672,000 (the “**Acquisition Sum**”), which shall be payable to Huizhan Technology in cash within 7 business days after execution of the Equity Transfer Agreement.

A maximum amount of up to RMB82,000,000 shall be payable by JNBY Finery through the Target Company to Huizhan Technology and its related parties for settlement of the Accounts Payable within one month after execution of the Equity Transfer Agreement, of which RMB40,000,000 shall be accounted for as a loan from JNBY Finery to the Target Company, and the remaining amount shall be accounted for as a capital injection into the Target Company by JNBY Finery.

The Acquisition Sum was determined after arm's length negotiations between the parties based on normal commercial terms and with reference to the appraised value of the Target Company of RMB1,672,000 as at June 30, 2024 (the “**Appraised Value**”) according to a valuation report prepared by an independent valuer. The Appraised Value was determined based on comparable company method under market method with reference to five comparable companies that engaged in clothing wholesale and retail business.

Completion : Completion shall take place within 14 business days after execution of the Equity Transfer Agreement.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Target Company's main brand, namely “Block”, is a buyer-driven department store brand that blends contemporary art with lifestyle aesthetics. It provides richer business categories and a unique art-business integration model, giving consumers a different shopping experience. With the comprehensive capabilities such as pioneering fashion, art curation and creative retailing, it is able to provide more high-quality art content. The Acquisition can also create synergy by cross-selling and offering a wider range of choices for the Group's existing customers, which is in line with one of the Group's strategies, “multi-brand large-scale development”.

In view of the above, the Directors (including the independent non-executive Directors) consider the terms of the Equity Transfer Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Save for the Founders who have abstained from voting on the Board resolution(s) approving the Equity Transfer Agreement and the transactions contemplated thereunder, none of the Directors had a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder, or was required to abstain from voting on the relevant Board resolution(s).

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Huizhan Technology is indirectly wholly-owned by the Founders, being the executive Directors and controlling shareholders of the Company, and thus is a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is subject to the reporting and announcement requirements, but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## INFORMATION ON THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

### The Target Company

The Target Company 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", such business was operating under Huizhan Technology before incorporation of the Target Company. As at the date of this announcement, the Target Company is wholly-owned by Huizhan Technology, which is in turn indirectly wholly-owned by the Founders.

As the Target Company is newly incorporated on December 14, 2023, no financial information before its incorporation is available. As at June 30, 2024, the unaudited total assets of the Target Company were approximately RMB78.2 million and the unaudited total liabilities were approximately RMB77.9 million. The unaudited net profit (or loss) before taxation and after taxation of the Target Company for the two years ended June 30, 2024 were as follows:

	<b>For the year ended June 30, 2023</b>	<b>For the year ended June 30, 2024</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	(unaudited)	(unaudited)
<b>Net profit (or loss) before taxation</b>	(2,424)	(1,760)
<b>Net profit (or loss) after taxation</b>	(2,424)	(1,760)

As at the date of this announcement, the registered capital of the Target Company is RMB1,000,000, which was fully paid. As the Target Company was incorporated by Huizhan Technology, no original acquisition cost for the Target Company is available.

### 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”.

JNBY Finery is a limited liability company incorporated in the PRC on June 21, 2011 and an indirect wholly-owned subsidiary of the Company, which is principally engaged in fashion sales with a focus on designer brands. It operates as a centralized and integrated sales platform of the Group, including direct and online sales.

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.

### **Huizhan Technology**

Huizhan Technology is a wholly foreign owned enterprise established under the laws of the PRC on July 16, 2008. United Citi Investment Limited is the sole shareholder of Huizhan Technology and is indirectly wholly-owned by the Founders. Huizhan Technology is principally engaged in property holding business, including office complexes as well as other venues.

### **DEFINITIONS**

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Accounts Payable”	accounts payable of up to RMB82,000,000 owed by the Target Company to Huizhan Technology and its related parties
“Acquisition”	the acquisition of the entire equity interest in the Target Company by JNBY Finery from Huizhan Technology pursuant to the terms and conditions of the Equity Transfer Agreement
“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
“Completion”	completion of the Acquisition as contemplated under the Equity Transfer Agreement
“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
“Equity Transfer Agreement”	the equity transfer agreement dated November 28, 2024 entered into between JNBY Finery and Huizhan Technology in respect of the Acquisition
“Founders”	Mr. Wu Jian (吳健) and Ms. Li Lin (李琳), both of whom are executive Directors and controlling shareholders of the Company
“Group”	the Company and its subsidiaries from time to time
“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 a wholly foreign owned enterprise established under the laws of the PRC on July 16, 2008 and 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
“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)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“Target Company”	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

“%” 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, November 28, 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.*