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江南布衣⁺ JNBY GROUP

JNBY Design Limited

江南布衣有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3306)

ADJUSTMENT TO EXERCISE PRICE AND CANCELLATION OF RSUs GRANTED TO THE RSU SELECTED PARTICIPANTS

Reference is made to the announcements issued by JNBY Design Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated February 3, 2018, May 14, 2018, August 28, 2018, May 8, 2019 and October 17, 2019 (together, the “**RSU Announcements**”) relating to the RSU Scheme. Unless otherwise stated, capital terms used in this announcement shall have the same meanings as defined in the RSU Announcements.

ADJUSTMENT TO EXERCISE PRICE OF RSUs GRANTED TO THE RSU SELECTED PARTICIPANTS

On June 30, 2020, the Board resolved to adjust the exercise price of all the outstanding RSUs representing an aggregate of 20,530,000 Shares that were granted to 26 employees (“**RSU Selected Participants**”) pursuant to the RSU Scheme as disclosed in RSU Announcements from either HK\$11.6 per Award Share, HK\$10.0 per Award Share or HK\$8.7 per Award Share (as the case may be) to HK\$3.2 per Award Share. Two of the RSU Selected Participants are connected persons (as defined in the Listing Rules) of the Company, namely Ms. Wu Huating and Ms. Wu Liwen. Outstanding RSUs representing 10,000,000 Shares were granted to Ms. Wu Huating, the executive director and chief executive of the Company, the exercise price of which is adjusted from HK\$11.60 per Award Share to HK\$3.2 per Award Share. Outstanding RSUs representing 320,000 Shares were granted to Ms. Wu Liwen, the director of several wholly owned subsidiaries of the Company and a sister of Mr. Wu Jian, the Chairman and executive director of the Company, the exercise price of which is adjusted from HK\$8.7 per Award Share to HK\$3.2 per Award Share. None of other RSU Selected Participants is a director, chief executive or substantial shareholder of the Company or associate (as defined in the Listing Rules) of any of them.

In determining the above revised exercise prices that RSU Selected Participants are required to pay for the exercise of the RSUs representing an aggregate of 20,530,000 Shares upon satisfaction of terms and conditions set out in the relevant Grant Letters, our Directors have considered that the stock price of the Company has been constantly lower than the previous exercise prices for a period of time as a result of the turbulence of the stock market, and the purpose of the grant of RSUs to RSU Selected Participants is to recognize contribution of RSU Selected Participants to the success and development of the Company and to incentivize and motivate them to continue to strive for the future development of the Company and its business. In order to effectively achieve the purposes of the grant of RSUs to RSU Selected Participants under the current market environment, the Board approved the resolutions in relation to the aforesaid adjustment of the exercise prices of the RSUs representing aggregated 20,530,000 Shares that were granted to RSU Selected Participants, pursuant to the RSU Scheme. Ms. Wu Huating has abstained from voting on the Board resolutions for approving the adjustment of exercise price of RSUs granted to herself, and Mr. Wu Jian and Ms. Li Lin, the executive directors of the Company, have abstained from voting on the Board resolutions for approving the adjustment of exercise price of RSUs granted to Ms. Wu Liwen.

CANCELLATION OF RSUs GRANTED TO RSU SELECTED PARTICIPANTS

On June 30, 2020, the Board resolved to cancel 50% of RSUs which are not vested or lapsed granted to each of RSU Selected Participants pursuant to the RSU Scheme. Upon cancellation, RSUs representing an aggregate of 10,265,000 Shares granted to RSU Selected Participants were cancelled and were held by RSU Nominee for future grant of RSUs. The remaining RSUs granted to RSU Selected Participants represented an aggregate of 10,265,000 Shares.

In determining the cancellation of RSUs granted to RSU Selected Participants, our Directors have considered that the adjustment of exercise price of RSUs granted to RSU Selected Participants is a compensation arrangement which has reduced the cost for the exercise of RSUs representing an aggregated of 20,530,000 Shares. RSU Selected Participants have agreed to have less Shares represented by RSUs with a lower exercise price for the exercise of RSUs. Ms. Wu Huating has abstained from voting on the Board resolutions for approving the cancellation of RSUs granted to herself, and Mr. Wu Jian and Ms. Li Lin have abstained from voting on the Board resolutions for approving the cancellation of RSUs granted to Ms. Wu Liwen.

Details of the RSUs granted to RSU Selected Participants that are not vested or lapsed before and upon the cancellation are set out below:

| Name of participants of RSU | Date of grant | Number of Shares represented by RSUs before the cancellation | Number of Shares represented by RSUs upon the cancellation |
|------------------------------------|----------------------|---|---|
| Connected Persons | | | |
| Wu Liwen | May 14, 2018 | 320,000 | 160,000 |
| Wu Huating | May 8, 2019 | <u>10,000,000</u> | <u>5,000,000</u> |
| Sub-total | | <u>10,320,000</u> | <u>5,160,000</u> |
| Employees of the Group | | | |
| 24 other employees of the Group | February 3, 2018 | 8,250,000 | 4,125,000 |
| | May 14, 2018 | 160,000 | 80,000 |
| | August 28, 2018 | 80,000 | 40,000 |
| | July 9, 2019 | 400,000 | 200,000 |
| | October 17, 2019 | <u>1,320,000</u> | <u>660,000</u> |
| Sub-total | | <u>10,210,000</u> | <u>5,105,000</u> |
| Total | | <u>20,530,000</u> | <u>10,265,000</u> |

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

Hong Kong, June 30, 2020

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