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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)

CHANGE OF EXECUTIVE DIRECTOR AMENDMENT TO THE RSU SCHEME

AND

GRANT OF RSUs PURSUANT TO THE RSU SCHEME

CHANGE OF EXECUTIVE DIRECTOR

The board of directors of JNBY Design Limited hereby announces that with effect from May 8, 2019:

1. Mr. Li Ming has resigned as an executive director of the Company;
2. Ms. Wu Huating, the chief executive officer of the Company, has been appointed as an executive director of the Company.

AMENDMENT TO THE RSU SCHEME

The Board announces that the Board has resolved to amend the term of the RSU Scheme, which has been amended to that the RSU Scheme will be valid and effective until June 30, 2029. Save as aforesaid, other provisions of the RSU Scheme shall remain unchanged.

GRANT OF RSUS PURSUANT TO THE RSU SCHEME

The Board announces that, on May 8, 2019, RSUs representing 10,000,000 Shares were granted to Ms. Wu pursuant to the RSU Scheme. The Board also resolved to authorise the RSU Nominee to purchase a total number of 10,000,000 Shares from the market according to the five-year vesting schedule and the Company's separate instructions for the purpose of granting the Award Shares to Ms. Wu and shall hold such Shares until they are vested in accordance with the RSU Scheme. Ms. Wu is required to pay HK\$15.34 per Award Share for the exercise of the RSUs upon satisfaction of terms and conditions set out in the relevant Grant Letter. As no new Shares will be issued as a result of the grant of the Award Shares, the grant of the Award Shares will not result in any dilution effect on the shareholding of the existing shareholders of the Company.

CHANGE OF EXECUTIVE DIRECTOR

The board of directors (the "**Board**") of JNBY Design Limited (the "**Company**", together with its subsidiaries, the "**Group**") hereby announces that Mr. Li Ming ("**Mr. Li**") has resigned as an executive director of the Company with effect from May 8, 2019, due to his intention to dedicate more time to the store image designing of the Group. The Board hereby announces that Ms. Wu Huating ("**Ms. Wu**"), the chief executive officer of the Company ("**Chief Executive Officer**"), has been appointed as an executive director of the Company with effect from May 8, 2019.

Mr. Li has confirmed that there is no disagreement with the Board and there is no matter in respect of his aforesaid resignation as an executive director of the Company that needs to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited.

The Board would like to express its appreciation to Mr. Li for his contribution to the Group during his term of service and its warmest welcome to Ms. Wu for joining the Board.

Biographical details of Ms. Wu are as follows:

Ms. Wu Huating, 44, has nearly 21 years of experience in the operation, management and investment of retail and Internet industries. Ms. Wu joined the Group as Chief Executive Officer in March 2019. She was a partner of Vision Knight Capital General Partners Ltd., a private equity investment fund, from 2011 to 2018. Prior to joining Vision Knight Capital General Partners Ltd., Ms. Wu had been employed by Alibaba (China) Network Technology Co., Ltd. and served as senior director since 2006. She was mainly responsible for company brand, business marketing operations as well as marketing channel management, operation and optimization of Internet online marketing. In addition, she served as director of market development for UTStarcom Holdings Corp. from 2002 to 2006. She was also the product manager of Hangzhou Tingyi International Food Co., Ltd. under Ting Hsin International Group from 1998 to the end of 2001.

Ms. Wu graduated from Zhejiang University in the PRC in 1997 with a bachelor's degree in mechanical engineering. She holds the professional certificate in Project Management Professional (PMP) issued by Project Management Institute (PMI) and the qualification certification of Asset Management Association of China.

Ms. Wu entered into a service contract in relation to the appointment of Chief Executive Officer with the Company (the "**CEO Service Contract**") on March 7, 2019. Pursuant to the CEO Service Contract, Ms. Wu has a salary of RMB95,000 per month and discretionary bonus.

Ms. Wu has also entered into a new service contract with the Company in relation to the appointment as an executive director of the Company for an initial fixed term of three years from May 8, 2019 (the "**Director Service Contract**"), and is subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the provisions of the articles of association of the Company. The Director Service Contract may be terminated by either party by giving three months' written notice and may be renewed in accordance with our articles of association, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and any other applicable laws and regulations. Pursuant to the Director Service Contract, Ms. Wu shall not receive additional fixed portion of the annual salary for serving as an executive director of the Company. As part of her remuneration package under her Director Service Contract, Ms. Wu is entitled to join the Company's RSU Scheme and other incentive schemes which may be in effect from time to time, subject to the terms and conditions of the relevant grant letter(s) and rules governing the Company's RSU Scheme and other incentive schemes from time to time in force. The remuneration package of Ms. Wu is determined by reference to her duties, responsibilities as well as the Company's remuneration policy and the market benchmark and will be reviewed by the Board and the remuneration committee of the Company on an annual basis. As at the date of this announcement, save as personal interest held in 20,000 shares of the Company, Ms. Wu does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, (i) Ms. Wu does not hold any position with the Company and/or its subsidiaries; (ii) Ms. Wu does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules); (iii) Ms. Wu has not held any directorship in any listed public companies in the last three years or held any other positions in other members of the Group and does not have other major appointments or professional qualifications; (iv) there is no other information that needs to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to the appointment of Ms. Wu as an executive director of the Company that need to be brought to the attention of the shareholders of the Company.

AMENDMENT TO THE RSU SCHEME

Reference is made to the announcement issued by the Company dated May 14, 2018 (the “**Announcement**”) relating to the proposed amendment to the RSU Scheme and the proposed grant of RSUs pursuant to the RSU Scheme. Unless otherwise stated, capital terms used in this announcement shall have the same meanings as defined in the Announcement.

As stated in the Announcement, the purpose of the RSU Scheme is to incentivize senior management and employees for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group. On May 8, 2019, in order to better attract, motivate and retain RSU Participants in a long term, the Board has resolved to amend the term of the RSU Scheme.

The previous RSU Scheme states that the RSU Scheme will be valid and effective for a period of ten years, commencing from the date of the first grant of the RSUs, being June 30, 2014. This clause has been amended to that the RSU Scheme will be valid and effective until June 30, 2029.

Save as aforesaid, other provisions of the RSU Scheme shall remain unchanged.

Pursuant to the rules of the RSU Scheme, the Board may alter any of the terms of the RSU Scheme at any time. Written notice of any amendment to the RSU Scheme shall be given to all RSU Participants. Any alterations which are of a material nature shall be subject to the consent of the RSU Participants amounting to three-fourths in nominal value of all underlying RSUs so held by the RSU Participants on the date of the relevant resolution passed by the Board in approving the amendment. The Board considers the amendment above does not constitute an alteration that is of a material nature.

GRANT OF RSUS PURSUANT TO THE RSU SCHEME

Grant of RSUs

The Board announces that, on May 8, 2019, RSUs representing 10,000,000 Shares were granted to Ms. Wu pursuant to the RSU Scheme. Ms. Wu is a connected person (as defined in the Listing Rules) of the Company, as Ms. Wu is an executive director of the Company and Chief Executive Officer.

The Board resolved to authorise the RSU Nominee to purchase a total number of 10,000,000 Shares from the market according to the five-year vesting schedule and the Company's separate instructions for the purpose of granting the Award Shares to Ms. Wu and shall hold such Shares until they are vested in accordance with the RSU Scheme. The Board shall cause to pay the RSU Nominee the purchase price and the related expenses from the Company's resources for the Shares to be purchased by the RSU Nominee. Ms. Wu is required to pay HK\$15.34 per Award Share for the exercise of the RSUs upon satisfaction of terms and conditions set out in the relevant Grant Letter. As no new Shares will be issued as a result of the grant of the Award Shares, the grant of the Award Shares will not result in any dilution effect on the shareholding of the existing shareholders of the Company.

The newly granted RSUs to Ms. Wu shall vest as to 20%, 20%, 20%, 20% and 20% prior to August 31, 2020, 2021, 2022, 2023 and 2024, respectively and shall be subject to Ms. Wu's meeting or satisfying each annual performance target or review for the year ending June 30, 2020, 2021, 2022, 2023 and 2024, respectively. Subject to the above vesting conditions and the satisfaction of the above performance targets, unless the Company shall otherwise determine and so notify Ms. Wu in writing, Ms. Wu shall vest according to the respective vesting schedules described above.

As no new Shares will be issued as a result of the grant of the RSUs to Ms. Wu, the grant of RSUs to Ms. Wu will not result in any dilution effect on the shareholding of the existing shareholders of the Company.

In accordance with the rules of the RSU Scheme, the grant of RSUs to Ms. Wu has been approved by the Board (including but not limited to the independent non-executive directors), save that Ms. Wu has abstained from approving the resolution relating to the grant of the RSUs to her.

Reasons for and Benefits of the Grant

The purpose of the aforesaid grant of RSUs to Ms. Wu is to recognize Ms. Wu's contribution to the success and development of the Company and to incentivize and motivate the Ms. Wu to continue to strive for the future development of the Company and its business.

The directors of the Company (including the independent non-executive directors) consider that the terms of the grant of RSUs by the Company to Ms. Wu are fair and reasonable, that the grant is on normal commercial terms or better (as far as the Company is concerned) and in the ordinary and usual course of business of the Group, and that the grant is in the interests of the Company and its shareholders as a whole.

The Board will constantly review and determine at its absolute discretion such number of RSUs to be awarded to Ms. Wu under the RSU Scheme with such vesting conditions as the Board may deem appropriate.

Listing Rules implications

Ms. Wu, an executive director of the Company and Chief Executive Officer, is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the grant of RSUs to Ms. Wu constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. However, no new Shares will be issued as a result of the grant of the RSUs to Ms. Wu, and the grant of RSUs to Ms. Wu will not result in any dilution effect on the shareholding of the existing shareholders of the Company.

The grant of RSUs to Ms. Wu forms part of the remuneration package under her service contract with the Company, and accordingly, is exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.73(6) and Rule 14A.95 of the Listing Rules.

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

Hong Kong, May 8, 2019

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.