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江南布衣⁺

JNBY Design Limited

江南布衣有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3306)

**AMENDMENT TO THE RSU SCHEME
AND
CONNECTED TRANSACTION
GRANT OF RSUs PURSUANT TO THE RSU SCHEME**

Reference is made to the announcement issued by JNBY Design Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated February 3, 2018, and the announcement issued by the Company dated February 22, 2018 (the “**Announcements**”) relating to the proposed amendment to the RSU Scheme, and the proposed grant of RSUs pursuant to the RSU Scheme. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

FURTHER AMENDMENT TO THE RSU SCHEME

As stated in the Announcements, 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 14, 2018, in order to better attract, motivate and retain RSU Participants and to streamline administrative procedures, the board of directors of the Company (the “**Board**”) has resolved to amend the lapse of RSUs clause of the RSU Scheme.

The previous RSU Scheme states that if at any time, a RSU Participant ceases to be an employee as a result of involuntary termination of his employment with our Group without Cause, then all unvested RSUs shall automatically lapse and such RSU Participant shall have no claim whatsoever in respect of the RSUs or the underlying Shares. However, such RSU Participant has the right to keep all vested RSUs. While if at any time, a RSU Participant ceases to be an employee as a result of voluntary termination of his employment with our Group without Cause, then 50% of the vested RSUs and all unvested RSUs shall automatically lapse and such RSU Participant shall have no claim whatsoever in respect of the RSUs or the underlying Shares. However, such RSU Participant has the right to keep the remaining 50% of the vested RSUs.

This clause has been amended to that if at any time, a RSU Participant ceases to be an employee as a result of either voluntary or involuntary termination of his employment with our Group without Cause, then all unvested RSUs shall automatically lapse and such RSU Participant shall have no claim whatsoever in respect of the RSUs or the underlying Shares. However, such RSU Participant has the right to keep all vested RSUs.

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.

CONNECTED TRANSACTION – GRANT OF RSUs PURSUANT TO THE RSU SCHEME

Grant of RSUs pursuant to the RSU Scheme

The Board announces that on May 14, 2018, RSUs representing 1,240,000 Shares were granted to 5 RSU Selected Persons pursuant to the RSU Scheme (the “**2018 Participants**”). The 2018 Participants are senior management and/or employees of the Group. Two of the 2018 Participants are connected persons (as defined in the Listing Rules) of the Company, namely Ms. Wu Liwen and Mr. Shen Chenxi. RSUs representing 400,000 Shares were granted to Ms. Wu Liwen. RSUs representing 600,000 Shares were granted to Mr. Shen Chenxi. Ms. Wu Liwen is serving as director of several wholly owned subsidiaries of the Company, and is a sister of Mr. Wu Jian, the Chairman and executive Director of the Company. Mr. Shen Chenxi is serving as chief executive of several wholly owned subsidiaries of the Company. None of other 2018 Participants is a director, chief executive or substantial shareholder of the Company or associate (as defined in the Listing Rules) of any of them.

The Board resolved to authorise the RSU Nominee to purchase 1,240,000 Shares from the market for the purpose of granting the Award Shares to the 2018 Participants 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. The 2018 Participants are required to pay HK\$8.70 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 have two vesting schedules as follows:

- (a) the 2018 Participants shall vest as to 20%, 20%, 20%, 20% and 20% on June 30, 2019, 2020, 2021, 2022 and 2023;
- (b) the 2018 Participants shall vest as to 25%, 25%, 25% and 25% on June 30, 2020, 2021, 2022 and 2023; and

Unless the Company shall otherwise determine and so notify the 2018 Participants in writing, the 2018 Participants shall vest following their respective vesting schedules described above.

Immediately after the grant of RSUs to the 2018 Participants representing 1,240,000 underlying Shares as mentioned in this announcement, RSUs representing a total of 26,289,701 Shares have been granted and are outstanding and held by the RSU Nominee and 61,299 Shares are held by the RSU Nominee for future grant of RSUs.

Reasons for and Benefits of the Grant

The purpose of the aforesaid grant of Restricted Shares to the 2018 Participants, including two connected persons of the Company, is to recognize the 2018 Participants' contribution to the success and development of the Company and to incentivize and motivate the 2018 Participants to continue to strive for the future development of the Company and its business.

The Directors (including the independent non-executive Directors) consider that the terms of the grant of RSUs by the Company to 2018 Participants, including two connected persons of the Company, 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 Company confirms that Mr. Wu Jian, the Chairman of the Board, chief executive officer and executive Director of the Company, and Ms. Li Lin, an executive Director, who have material interests in the aforesaid grant of RSUs, have abstained from voting at the relevant Board meeting on the resolution in relation to such grant. None of the other Directors has a material interest, or otherwise is required to abstain from voting on, the Board resolution in relation to such grant.

Information of the Company

The Company is a leading designer brand fashion house based in China. 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 seven brands – (i) JNBY, (ii) CROQUIS, (iii) jnby by JNBY, (iv) less, (v) Pomme de terre, (vi) JNBYHOME and (vii) SAMO, 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”.

Implications under the Listing Rules

Ms. Wu Liwen is serving as director of several wholly owned subsidiaries of the Company, and is a sister of Mr. Wu Jian, the Chairman and executive Director of the Company, and hence a sister-in-law of Ms. Li Lin, an executive Director. Mr. Shen Chenxi is serving as chief executive of several wholly owned subsidiaries of the Company. Ms. Wu Liwen and Mr. Shen Chenxi are connected persons of the Company, and the grant of RSUs to Ms. Wu Liwen and Mr. Shen Chenxi constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Based on the closing price of HK\$18.38 per Share as at the date of grant of the RSUs to the 2018 Participants and the number of RSUs granted to Ms. Wu Liwen and Mr. Shen Chenxi, one or more of the percentage ratios exceeds 0.1% but each of the applicable percentage ratios is less than 5%. Accordingly, the aforementioned grant of RSUs to Ms. Wu Liwen and Mr. Shen Chenxi is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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

Hong Kong, May 14, 2018

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