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Cosmo Lady (China) Holdings Company Limited

都市麗人(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2298)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reference is made to the annual report of Cosmo Lady (China) Holdings Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) for the year ended 31 December 2022 (the “**2022 Annual Report**”) and the announcement of the Company dated 28 June 2019 in relation to the adoption of a share award scheme by the Company (the “**2019 Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the 2022 Annual Report and the 2019 Announcement.

In addition to the information provided in the 2022 Annual Report, the Company would like to supplement the following information pursuant to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in relation to the share award scheme adopted by the Company on 28 June 2019 (the “**2019 Share Award Scheme**”).

2019 SHARE AWARD SCHEME

As disclosed in the 2019 Announcement, the Company adopted the 2019 Share Award Scheme on 28 June 2019. A summary of the principal terms of the 2019 Share Award Scheme is set out as follows as additional information to the 2022 Annual Report.

Eligible participants

Eligible participants of the 2019 Share Award Scheme include members of the management of any member of the Group.

Maximum entitlement of each participant

Under the 2019 Share Award Scheme, the maximum aggregate nominal value of Awarded Shares which may be awarded to an eligible participant selected by the Board for participation in the 2019 Share Award Scheme shall not exceed 0.1% of the issued share capital of the Company at the date of such Award.

Vesting period of Awarded Shares

Subject to the terms and conditions of the 2019 Share Award Scheme and the fulfilment of all vesting conditions (if any) to the vesting of the Awarded Shares on such Selected Participant as specified in the Scheme Rules and the grant notice (as the case may be), the respective Awarded Shares held by the Trustee on behalf of the Selected Participant pursuant to the provision hereof shall vest in such Selected Participant in accordance with the vesting schedule as set out in his/her grant notice, and the Trustee shall cause the Awarded Shares to be transferred to such Selected Participant (or his nominee) as soon as practicable on or after the Vesting Date and in any event not later than thirty Business Days after the Vesting Date.

Payment on acceptance of Award

Selected Participants are not required to pay the Company upon acceptance of the Award.

Basis of determining the purchase price of Awarded Shares

Not applicable as there is no purchase price under the 2019 Share Award Scheme.

Remaining life of the 2019 Share Award Scheme

Subject to any early termination as may be determined by the Board, the 2019 Share Award Scheme is valid and effective for a term of ten years commencing on the Adoption Date (i.e. 28 June 2019).

As at the date of the 2022 Annual Report, the remaining life of the 2019 Share Award Scheme is approximately six years.

Pursuant to Rule 17.07 of the Listing Rules, particulars and movements of the Awarded Shares under the 2019 Share Award Scheme during the year ended 31 December 2022 (the “Year”) are as follows:

Grantee	Date of grant of Awards	Purchase price per Share (HK\$)	Average fair value per Share (Note 1) (HK\$)	Vesting period	Number of Awarded Shares			
					Unvested Awards as at 1 January 2022	Lapsed/ Cancelled Awards during the Year	Vested Awards during the Year	Unvested Awards as at 31 December 2022
The five highest paid individuals ^(Note 4)	28 June 2019	-	1.33	28 June 2019 to 28 June 2024 ^(Note 2)	3,637,600	-	(1,127,200) ^(Note 4)	2,510,400
Other grantees – employees	28 June 2019	-	1.33	28 June 2019 to 28 June 2024 ^(Note 2)	13,544,000	(1,205,600) ^(Note 3)	-	12,338,400
	10 July 2020	-	0.60	10 July 2020 to 10 July 2023	5,643,000	(128,000) ^(Note 3)	-	5,515,000
	1 November 2021	-	0.55	1 November 2021 to 1 November 2024	1,350,000	-	-	1,350,000
					<u>24,174,600</u>	<u>(1,333,600)</u> ^(Note 3)	<u>(1,127,200)</u> ^(Note 4)	<u>21,713,800</u>

Notes:

- (1) The average fair value per share represent the share price of the Company on the grant date.
- (2) The Company entered into agreement with the relevant employees during the Year to extend the vesting period from 28 June 2022 to 28 June 2024.
- (3) A total number of 1,333,600 Shares were lapsed during the Year. Save as disclosed above, no other Awarded Shares were granted, vested, cancelled or lapsed under the 2019 Share Award Scheme.
- (4) During the Year, no Awarded Shares were granted, and only 1,127,200 Shares were vested to one of the five highest paid individuals of the Group who is neither a Director nor a chief executive of the Company. The closing price immediately prior to vesting of such number of Shares was HK\$0.176. Accordingly, the weighted average closing price of the Shares immediately before the date on which the Awards were vested was HK\$0.176.

The supplemental information provided in this announcement does not affect other information contained in the 2022 Annual Report and, save as disclosed above, the contents of the 2022 Annual Report remain unchanged.

By Order of the Board
Cosmo Lady (China) Holdings Company Limited
Zheng Yaonan
Chairman

Hong Kong, 13 October 2023

As at the date of this announcement, the Board comprises Mr. Zheng Yaonan, Mr. Zhang Shengfeng, Ms. Wu Xiaoli, Mr. Xian Shunxiang and Mr. Zhu Hongbo as executive Directors; Mr. Lin Zonghong and Ms. Kong Xiangying as non-executive Directors; and Mr. Yau Chi Ming, Dr. Dai Yiyi, Mr. Chen Zhigang and Dr. Lu Hong Te as independent non-executive Directors.