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If you have sold or transferred all your shares in Feiyu Technology International Company Ltd. (飛魚科技國際有限公司) (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities or other registered dealer, or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Feiyu Technology International Company Ltd.

飛魚科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1022)

**PROPOSED GRANT OF SHARE OPTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting (the “EGM”) of the Company to be held at Meeting Room, 3/F, Block 2, No.14 Wanghai Road, Software Park II, Siming District, Xiamen, Fujian Province, the People’s Republic of China on Friday, 8 May 2020 at 3:00 p.m. is set out on pages 20 to 21 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.feiyuhk.com).

Whether or not you are able to attend the EGM or any adjournment thereof, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

8 April 2020

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China which, for the purpose of this circular, does not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Chengdu Feiyu”	Chengdu Feiyu XingKong Technology Company Limited, a wholly-owned subsidiary of the Company
“Companies Laws”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Feiyu Technology International Company Ltd. (飛魚科技國際有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Conditional Grantees”	each of Ms. Tu, Mr. Yang and Ms. Xu, the grant of Share Options to each of whom is subject to the independent Shareholders’ approval
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Meeting Room, 3/F, Block 2, No.14 Wanghai Road, Software Park II, Siming District, Xiamen, Fujian Province, the People’s Republic of China on Friday, 8 May 2020 at 3:00 p.m.
“Grant Date”	21 January 2020
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HR”	Human Resources
“KPI”	Key Performance Indicator
“Latest Practicable Date”	1 April 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yang”	Mr. Yang Guangwen, being the Vice President of the Company
“Ms. Tu”	Ms. Tu Qin, being the Chief Operating Officer of the Company
“Ms. Xu”	Ms. Xu Yiqing, being the Vice President of the Company
“Post-IPO Share Option Scheme”	the Company’s post-IPO share option scheme adopted by the shareholders of the Company and effective on 17 November 2014
“Proposed Grant”	the conditional grant of 90,000,000 Share Options to the Conditional Grantees to subscribe for an aggregate of 90,000,000 new Shares, which is subject to the approval of the independent Shareholders at the EGM
“R&D”	research and development
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.0000001 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

DEFINITIONS

“Share Option(s)”	the share option(s) granted or to be granted under the Post-IPO Share Option Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.



Feiyu Technology International Company Ltd.

飛魚科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1022)

Executive Directors:

Mr. YAO Jianjun (*Chairman and Chief Executive Officer*)

Mr. CHEN Jianyu (*President*)

Mr. BI Lin (*Vice President*)

Mr. LIN Jiabin (*Vice President*)

Mr. LIN Zhibin (*Vice President*)

Registered Office:

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman, KY1-1111,
Cayman Islands

Independent non-executive Directors:

Ms. LIU Qianli

Mr. LAI Xiaoling

Mr. MA Suen Yee Andrew

Headquarters in the PRC:

Floor 2, Block 2,
No. 14 Wanghai Road,
Ruanjian Yuan Two,
Siming District,
Xiamen, Fujian Province,
PRC

*Principal place of business in
Hong Kong:*

17/F, Winsan Tower,
98 Thomson Road,
Wanchai,
Hong Kong

8 April 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANT OF SHARE OPTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 21 January 2020 in relation to, among others, the Proposed Grant to the Conditional Grantees.

The purpose of this circular is to provide you with (i) further information regarding the Proposed Grant; and (ii) the notice of the EGM.

LETTER FROM THE BOARD

2. PROPOSED GRANT OF SHARE OPTIONS

On 21 January 2020, the Board resolved to grant an aggregate of 112,000,000 Share Options of the Company to 5 senior management of the Company to subscribe for an aggregate of 112,000,000 new Shares in the share capital of the Company under the Company's Post-IPO Share Option Scheme, subject to acceptance. Among the 112,000,000 Share Options, 90,000,000 Share Options conditionally granted to the Conditional Grantees are subject to the approval of the independent Shareholders at the EGM.

The entitlement of the Conditional Grantees is as follows:

Name	Position held with the Company	No. of Share Options proposed to be granted	Approximate percentage of the Shares out of the total number of Shares in issue as at the date of Proposed Grant	Approximate percentage of the Shares out of the total number of Shares in issue as at the Latest Practicable Date
Ms. Tu Qin	Chief Operating Officer	50,000,000	3.232%	3.232%
Mr. Yang Guangwen	Vice President	18,000,000	1.164%	1.164%
Ms. Xu Yiqing	Vice President	22,000,000	1.422%	1.422%
Total		<u>90,000,000</u>	<u>5.818%</u>	<u>5.818%</u>

Principal terms of the Proposed Grant are set out below:

Date of Proposed Grant	21 January 2020
Exercise price of the Share Options granted	<p>HK\$0.1804 per Share, which represents the highest of:</p> <p>(i) the closing price of HK\$0.165 per Share as stated in the daily quotation sheets issued by the Stock Exchange on 21 January 2020;</p> <p>(ii) the average closing price of HK\$0.1804 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) business days immediately preceding 21 January 2020; and</p> <p>(iii) the nominal value of US\$0.0000001 per Share.</p>

LETTER FROM THE BOARD

Number of Share Options granted	90,000,000 Share Options (each Share Option shall entitle the holder thereof to subscribe for one (1) Share)
Consideration for the grant of Share Options	HK\$1.00 to be paid by each grantee upon acceptance of the Share Options.
Validity Period	From the date of independent Shareholders' approval at the EGM to 21 January 2024
Exercise period and vesting conditions of the Share Options	The 90,000,000 Share Options, which are conditional upon the approval of the independent Shareholders, shall be vested and exercisable in the following manner:

In respect of the 50,000,000 Share Options proposed to be granted to Ms. Tu

Number of Share Options	Exercise period and performance targets
10,000,000	From 31 December 2020 to 21 January 2024 subject to the achievement and satisfaction of the targeted profit before tax of operating department of the Group for the year ending 31 December 2020 as determined by the Board.
15,000,000	From 31 December 2021 to 21 January 2024 subject to the achievement and satisfaction of the targeted profit before tax of operating department of the Group for the year ending 31 December 2021 as determined by the Board.
25,000,000	From 31 December 2022 to 21 January 2024 subject to the achievement and satisfaction of the targeted profit before tax of operating department of the Group for the year ending 31 December 2022 as determined by the Board.

LETTER FROM THE BOARD

Note:

- (1) In case of partial achievement and satisfaction of the performance targets, the applicable Share Options will be vested in proportion to the percentage of performance targets actually achieved for the relevant financial year. For example, if the actual profit before tax is 50% of the targeted profit before tax, only 50% of the Share Options granted would be vested.
- (2) If the respective performance target is not fully met in the manner mentioned above for a given year, the unvested portion of the relevant tranche of the Share Options shall remain eligible to be vested at the end of 31 December 2022, if the accumulated performance targets for the three years ending 31 December 2020, 2021 and 2022 could be fulfilled by end of 31 December 2022.

In respect of the 18,000,000 Share Options proposed to be granted to Mr. Yang

Number of Share Options	Exercise period and performance targets
8,000,000	From 31 December 2021 to 21 January 2024 subject to the achievement and satisfaction of the targeted profit before tax of Chengdu Feiyu for the year ending 31 December 2021 as determined by the Board.
10,000,000	From 31 December 2022 to 21 January 2024 subject to the achievement and satisfaction of the targeted profit before tax of Chengdu Feiyu for the year ending 31 December 2022 as determined by the Board.

Note:

- (1) In case of partial achievement and satisfaction of the performance target, the applicable Share Options will be vested in proportion to the percentage of performance targets actually achieved for the relevant financial year. For example, if the actual profit before tax is 50% of the targeted profit before tax, only 50% of the Share Options granted would be vested.
- (2) If the respective performance target is not fully met in the manner mentioned above for a given year, the unvested portion of the relevant tranche of the Share Options shall remain eligible to be vested at the end of 31 December 2022, if the accumulated performance targets for the two years ending 31 December 2021 and 2022 could be fulfilled by end of 31 December 2022.

LETTER FROM THE BOARD

In respect of the 22,000,000 Share Options proposed to be granted to Ms. Xu

Number of Share Options	Exercise period and performance targets
7,000,000	From 31 December 2020 to 21 January 2024. Among the 7,000,000 Share Options, 5,250,000 Share Options are subject to the achievement of the performance targets as determined by the Board with reference to the KPIs of each of the HR department, the planning department and the administrative department for the year ending 31 December 2020. The remaining 1,750,000 Share Options are not subject to any performance targets.
7,000,000	From 31 December 2021 to 21 January 2024. Among the 7,000,000 Share Options, 5,250,000 Share Options are subject to the achievement of the performance targets as determined by the Board with reference to the KPIs of each of the HR department, the planning department and the administrative department for the year ending 31 December 2021. The remaining 1,750,000 Share Options are not subject to any performance targets.
8,000,000	From 31 December 2022 to 21 January 2024. Among the 8,000,000 Share Options, 6,000,000 Share Options are subject to the achievement of the performance targets as determined by the Board with reference to the KPIs of each of the HR department, the planning department and the administrative department for the year ending 31 December 2022. The remaining 2,000,000 Share Options are not subject to any performance targets.

LETTER FROM THE BOARD

Note:

- (1) KPI of the HR department includes the service satisfaction rate, recruitment rate of key staff and cost efficiency.
- (2) KPI of the planning department includes the awareness of corporate culture and cost efficiency.
- (3) KPI of the administrative department includes the total amount of government grants received, service satisfaction rate and cost efficiency.
- (4) If the respective performance targets is not fully achieved in the manner mentioned above for a given year, the relevant tranche of the Share Options which may otherwise be exercisable shall automatically lapse and cannot be carried forward to the next year.
- (5) If any Share Option(s) is/are not exercised within the relevant exercise periods set out above, such Share Option(s) will lapse upon the expiry of the relevant exercise period.

Basis for
determining
the number of
Share Options
to be granted

The number of Share Options to be granted to each of the Conditional Grantees was determined with reference to:

1. contribution of the respective department to the profits of the Group based on the performance indicators and targeted future contribution to the Group;
2. value of the Share Options based on the targeted share price upon achievement of the performance targets deducted by the exercise price of the Share Options;
3. salary level and number of Share Options previously granted to each of the Conditional Grantees.

LETTER FROM THE BOARD

Basis for
determining
the
performance
targets

In respect of each of Ms. Tu and Mr. Yang:

The performance targets for each of Ms. Tu and Mr. Yang include the annual profit before tax of the Group.

In determining the performance targets for each of Ms. Tu and Mr. Yang, the Board has taken into account various factors including the targeted market value of the Group and of other comparable companies in the gaming industry, the current pipeline and planned schedule for the launch of new games in the coming three years, as well as the contributions required from the respective department of each of Ms. Tu and Mr. Yang in achieving the targeted profit of the Group, made with reference to the historical price earnings ratio of the Group and of other comparable companies in the gaming industry.

In respect of Ms. Xu:

The performance targets for Ms. Xu include the KPIs of each of the HR department, the planning department and the administrative department of the Group which Ms. Xu is responsible for.

In determining the performance targets for Ms. Xu, the Board has taken into account various factors including the targeted market value of the Group and of other comparable companies in the gaming industry, the role of the three departments in supporting the Group's performance and their importance and contributions to the achievement of the targeted profit of the Group, made with reference to the historical KPIs of the three departments and performance of the Group.

LETTER FROM THE BOARD

Process and timing for determining the performance targets

The above performance targets were initially formulated by the management and submitted to the remuneration committee of the Board (the “**Remuneration Committee**”) for review, whereupon the Remuneration Committee has approved and recommended the performance targets to the Board for final approval.

The Board has preliminarily confirmed the performance targets for each of the years ending 31 December 2020, 2021 and 2022, and will review and consider if adjustments to the performance targets for each of the years ending 31 December 2021 and 2022 would be required upon completion of the audited financial results of the Group for the preceding year.

The Remuneration Committee will be responsible for monitoring the performance targets and ascertaining whether or not they have been met for the relevant year.

All of the above performance targets were set as a basis for performance measurement under the Post-IPO Share Option Scheme for the vesting of the Share Options only and do not represent the Board’s projection or forecast of the Group’s performance in the three years ending 31 December 2020, 2021 and 2022. The Board makes no representation on whether any of these targets can or may be achieved by the Group.

LETTER FROM THE BOARD

The Shares to be allotted and issued upon the exercise of the Share Options shall rank *pari passu* in all respects with the fully paid Shares in issue as of the date when the name of the Conditional Grantees is registered on the register of members of the Company and accordingly will entitle the holder has the same rights in relation to voting, dividend, transfer and other rights as the Shares in issue in accordance with the Articles of Association. The Share Options themselves, however, do not carry any right to voting, dividend, transfer or other rights (including those arising on the liquidation of the Company) prior to their being exercised and the underlying Shares being issued.

No Share Option has been granted to any of the Conditional Grantees within the 12-month period prior to the Proposed Grant.

None of the Conditional Grantees is a Director, chief executive or Substantial Shareholder of the Company, nor an associate (as defined under the Listing Rules) of any of them.

4. REASONS FOR THE PROPOSED GRANT OF SHARE OPTIONS

As part of the Group's remuneration policy, the grant of Share Options aims to provide sufficient incentives to attract and motivate senior management to remain in the Company, so as to strive for the future development and expansion of the Group as well as to enhance Shareholders' value through further aligning the interests of senior management with the Company. Furthermore, there will not be substantial cash outflow by the Company under the grant of Share Options.

Contributions of each of the Conditional Grantees to the Group and the basis of determining the terms and conditions of the Proposed Grant are set out below.

Ms. Tu Qin

Ms. Tu has been appointed as our Chief Operating Officer on 31 October 2017. She is responsible for the operations of the Group's web and mobile games. Ms. Tu has been playing a key role in the Group's game distribution and operation. She set up our Shenzhen game distribution and operation team in a short period of time in 2017 and also established our overseas game distribution and operation team in 2019. Benefiting from Ms. Tu's extensive experience in game distribution and operation industry and her business networks, an efficient and capable distribution team has been successfully established, and the Group's game distribution has achieved initial success. Our distribution team successfully published Horcrux College (魂器學院) in October 2019, which is a two-dimensional space type of game and has demonstrated great potential and received very positive feedback, which ranked number 1 on the most expected game list and rank number 1 on the top sellers list for 4 days following its launch in bilibili, a leading anime, comics and games (ACG) platform which is particularly popular among the young generations in China, and maintained in top 10 on the top sellers list for almost the entire first month following its launch in bilibili. Horcrux College (魂器學院) also ranked number 1 on the top played list for 3 days following its launch in Taptap, a popular game distribution platform in China and maintained in top 10 on the top played list for almost the

LETTER FROM THE BOARD

entire first month following its launch in Taptap. Horcrux College (魂器學院) has been recommended by editors of bilibili and taptap for several times since its launch. Ms. Tu is now, actively seeking business opportunities to strengthen our game distribution and operation business as well as IP licensing business. Several pipeline games, having received the new game approval, target to launch in mainland China and overseas in 2020 and the game distribution team also strives to introduce appealing games by working with other game developers that have mastered different game genres under the leadership of Ms. Tu. The performance and contribution of the new game operated by the distribution team will benefit the Group and enhance value for the Company, which are also in the interests of the Shareholders. Taking into account that Ms. Tu's past and expected future contribution to the Company is significant and the stability of the key personnel is crucial to the further development of the Group, in order to encourage Ms. Tu to further engage in the game distribution and operation of the Group, the Board has resolved to grant 50,000,000 Share Options to Ms. Tu with performance targets for the coming three years as incentive and motivation to commit to the long-term growth of the Group.

Mr. Yang Guangwen

Mr. Yang joined our Group on 27 April 2015 and has been appointed as one of our vice presidents on 28 April 2015. He is responsible for the overall management of production planning, design and development of the games of Chengdu Feiyu. Mr. Yang has been playing a key role in the Group's game development. He set up several efficient and capable R&D teams and our Chengdu R&D center in a short period of time. Under his leadership and guidance, our Chengdu R&D center launched The Initial (初體計畫) series, a PC game series first launched in July 2017 on Steam and was ranked number 1 on the best-selling list for 1 week following its launch, and Demon Tower (魔界塔), an RPG mobile game launched in August 2018 which was recommended by Apple on its China App Store's home page for games and ranked number 2 in the paid download game list of Apple's China App Store. The above games have received very positive feedback. Under Mr. Yang's outstanding leadership, the R&D capability of our Chengdu R&D center has been growing over past 4 years, and Mr. Yang is now focusing on the overall management of the development and operation of a key new game on our current pipeline that the Company targets to launch in 2021. Benefiting from Mr. Yang's extensive experience in game development and operation industry and his business networks, the Group could expect a high quality game and could explore more business opportunities. The Board believes that the performance and contribution of the new game will benefit the Group and increase value for the Company, which are also in the interests of the Shareholders. Taking into account that Mr. Yang's past and expected future contribution to the Company is significant and the stability of the key personnel is crucial to the further development of the Group, in order to encourage Mr. Yang to further engage in the development and operation of the key new games, the Board has decided to grant Mr. Yang 18,000,000 Share Options with performance targets for the years 2021 and 2022 as incentive and motivation to commit to the long-term business growth of the Company.

LETTER FROM THE BOARD

Ms. Xu Yiqing

Ms. Xu joined our Group on 10 December 2014, and has been appointed as one of our vice presidents on the same day. She is responsible for HR development and administrative and organisational management of the Company. Ms. Xu has made valuable contribution to the Group by leading the HR department, administrative department and planning department in achieving various outstanding milestones including but not limited to reshaping the organisational structure, establishing the corporate culture, establishing a good image for the Company in government relationship, successfully bidding for the land use rights of our R&D center and applying for a series of government grants. In 2019, Ms. Xu led the teams to optimise the Group's organisational structure, recruit a number of high-end talents (including our newly employed Chief Technical Officer), implement objectives and key results project management system in the Group, and provide effective support for the game development and operation teams. She also successfully led the teams to apply for a series of honors for the Group such as national high-tech enterprises and apply for a series of government grants, and also successfully obtain 7 new game approvals under the condition of regulatory restriction on new game approvals, which greatly improved the confidence of the game development team and operation team. In view of the above, the Board resolved to grant 5,500,000 Share Options with no performance target as a reward to her past contribution to the Group.

In order to encourage Ms. Xu to further engage in the HR development, administrative and organisational management and application of government subsidies, qualification and new game approval, the Board resolved to further grant 16,500,000 Share Options to Ms. Xu with performance targets in 2020, 2021 and 2022 as incentive and motivation to commit to the long-term business growth of the Company. The Board is of the view that the conditional grant of such 16,500,000 Share Options is commensurate with her possible future contribution to the Group given that more demand for high-end talents is to be expected in the forthcoming years to maintain our development and operation competitive, as well as to increase the awareness of corporate culture to strengthen corporate cohesion, it will also be important to provide effective support for the development and operation teams. Government grants will be a contribution to the Group's financial performance, obtaining new game approvals for our pipeline games will be an important basis for our future game operation. The Group must adapt to the regulation changes by adjusting its development from time to time. The Board believes that Ms. Xu with her extensive experience could lead the teams to strive to achieve the above goals.

Having considered the leadership and contributions of the Conditional Grantees to the Group as detailed above, the Board considers that the Proposed Grant could provide incentives to the Conditional Grantees to continue putting efforts in enhancing the Group's financial and business performance.

In view of the above, the Directors considered that the Proposed Grant is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

5. OUTSTANDING SHARE OPTIONS GRANTED UNDER THE POST-IPO SHARE OPTION SCHEME BEFORE THE PROPOSED GRANT

As at the Latest Practicable Date, details of the outstanding Share Options granted under the Post-IPO Share Option Scheme before the Proposed Grant are as follows:

	Date of grant of share options	Number of Share Options outstanding as at the Latest Practicable Date	Vesting schedule	Option period	Exercise price (HK\$)
Conditional Grantees					
Ms. Tu	13 November 2017	15,000,000	1/3 of options on 13 November 2018, 2019 and 2020 respectively	10 years from the date of grant	1.026
Mr. Yang	10 June 2015	3,000,000	25% of options on 10 June 2016, 2017, 2018 and 2019 respectively	10 years from the date of grant	3.934
	27 March 2017	3,000,000	50% of options on 30 June 2017 and 25% of options on 30 June 2018 and 2019 respectively	10 years from the date of grant	1.256
Ms. Xu	27 March 2017	3,000,000	25% of options on 31 December 2017, 2018, 2019 and 2020 respectively	10 years from the date of grant	1.256
Sub-total		<u>24,000,000</u>			
Other grantees					
	27 March 2017	3,300,000	25% of options on 31 December 2017, 2018, 2019 and 2020 respectively	10 years from the date of grant	1.256
	21 January 2020	22,000,000	5,000,000 options on 31 December 2020, 8,000,000 options on 31 December 2021 and 9,000,000 options on 31 December 2022	4 years from the date of grant	0.1804
Sub-total		<u>25,300,000</u>			
Total		<u>49,300,000</u>			

6. LISTING RULES IMPLICATIONS

Pursuant to Rule 17.03(4) of the Listing Rules and the Post-IPO Share Option Scheme, where any further grant of options to a participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such participant and his close associates abstaining from voting at the general meeting.

As the total number of Shares issued and to be issued upon full exercise of the Share Options granted to Ms. Tu, Mr. Yang, and Ms. Xu each represents over 1% of the Shares in issue as at the Grant Date respectively, the grant of the Share Options to each of Ms. Tu, Mr. Yang and Ms. Xu is subject to approval by the independent Shareholders pursuant to the Listing Rules. Each of Ms. Tu, Mr. Yang, Ms. Xu and his/her respective close associates must abstain from voting in favour at the EGM.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolutions in relation to the grant of Share Options to the Conditional Grantees or any of them.

LETTER FROM THE BOARD

7. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (a) as at the date of the Latest Practicable Date; (b) immediately after the allotment and issuance of new Shares upon full exercise of the Share Options granted under the Proposed Grant; and (c) immediately after the allotment and issuance of new Shares upon full exercise of all outstanding Share Options granted under the Post-IPO Share Option Scheme (including the Proposed Grant), assuming there being no other change in the share capital or shareholding of the Company from the Latest Practicable Date to the date of such allotment and issuance of new Shares:

Name	As at the Latest Practicable Date		Immediately after the allotment and issuance of new Shares upon full exercise of the Share Options granted under the Proposed Grant		Immediately after the allotment and issuance of new Shares upon full exercise of all outstanding Share Options granted under the Post-IPO Share Option Scheme (including the Proposed Grant)	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Substantial Shareholders, Directors and their associate(s)						
Yao Holdings Limited						
(notes 1 and 2)	481,399,000	31.12	481,399,000	29.41	481,399,000	28.55
Mr. Yao Jianjun (note 3)	8,485,500	0.55	8,485,500	0.52	8,485,500	0.50
Fishchen Holdings Limited (notes 1 and 4)	161,538,000	10.44	161,538,000	9.87	161,538,000	9.58
BILIN Holdings Limited (notes 1 and 5)	112,470,000	7.27	112,470,000	6.87	112,470,000	6.67
LINCHEN Holdings Limited (notes 1 and 6)	44,890,500	2.90	44,890,500	2.74	44,890,500	2.66
LINT Holdings Limited (notes 1 and 7)	44,890,500	2.90	44,890,500	2.74	44,890,500	2.66
Public Shareholders						
Ms. Tu Qin	–	–	50,000,000	3.05	65,000,000	3.85
Mr. Yang Guangwen	–	–	18,000,000	1.10	24,000,000	1.42
Ms. Xu Yiqing	–	–	22,000,000	1.34	25,000,000	1.48
Other grantees	–	–	–	–	25,300,000	1.50
Other public Shareholders	693,269,955	44.82	693,269,955	42.35	693,269,955	41.11
Total (note 8)	1,546,943,455	100.00	1,636,943,455	100.00	1,686,243,455	100.00

LETTER FROM THE BOARD

Notes:

- (1) TMF (Cayman) Ltd. is the trustee of The Yao Family Trust, The Bi Family Trust, The Chen Family Trust, The Lin Family Trust and The Zhi Family Trust.
- (2) The entire share capital of YAO Holdings Limited is wholly owned by Jolly Spring International Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Yao Family Trust, which was established by Mr. YAO Jianjun (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. YAO and his family members. Mr. YAO (as founder of The Yao Family Trust) and Jolly Spring International Limited are taken to be interested in 481,399,000 Shares held by YAO Holdings Limited pursuant to Part XV of the SFO.
- (3) Mr. Yao Jianjun directly holds 8,485,500 Shares.
- (4) The entire share capital of Fishchen Holdings Limited is wholly owned by Honour Gate Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Chen Family Trust, which was established by Mr. CHEN Jianyu (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. CHEN and his family members. Mr. CHEN (as founder of The Chen Family Trust) and Honour Gate Limited are taken to be interested in 161,538,000 Shares held by Fishchen Holdings Limited pursuant to Part XV of the SFO.
- (5) The entire share capital of BILIN Holdings Limited is wholly owned by Rayoon Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Bi Family Trust, which was established by Mr. BI Lin (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. BI and his family members. Mr. BI (as founder of The Bi Family Trust) and Rayoon Limited are taken to be interested in 112,470,000 Shares held by BILIN Holdings Limited pursuant to Part XV of the SFO.
- (6) The entire share capital of LINCEN Holdings Limited is wholly owned by Sheen Field Limited, as the nominee of TMF (Cayman) Ltd., the trustee of The Zhi Family Trust, which was established by Mr. LIN Zhibin on 13 August 2014 as a discretionary trust for the benefit of Mr. LIN and his family members. Mr. LIN (as founder of The Zhi Family Trust) and Sheen Field Limited are taken to be interested in 44,890,500 Shares held by LINCEN Holdings Limited pursuant to Part XV of the SFO.
- (7) The entire share capital of LINT Holdings Limited is wholly owned by Supreme Top Global Limited, as the nominee of TMF (Cayman) Ltd., the trustee of The Lin Family Trust, which was established by Mr. LIN Jiabin (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. LIN and his family members. Mr. LIN (as founder of The Lin Family Trust) and Supreme Top Global Limited are taken to be interested in 44,890,500 Shares held by LINT Holdings Limited pursuant to Part XV of the SFO.
- (8) Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

8. EGM

The notice of the EGM is set out on pages 20 to 21 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules and article 66 of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll vote results will be published by the Company after the general meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.feiyuhk.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and the completed form of proxy must be returned to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish and in such event, the form of proxy shall be deemed to be revoked.

For determining qualification of members to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 5 May 2020 to Friday, 8 May 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be qualify as members to attend and vote at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 4 May 2020.

9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

10. RECOMMENDATION

The Directors (including all of the independent non-executive Directors) consider that the terms of the Proposed Grant to the Conditional Grantees are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Proposed Grant to the Conditional Grantees.

Yours faithfully,
For and on behalf of the Board
Feiyu Technology International Company Ltd.
Yao Jianjun
Chairman, Chief Executive Officer and Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



Feiyu Technology International Company Ltd.

飛魚科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1022)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Feiyu Technology International Company Ltd. (the “**Company**”) will be held at Meeting Room, 3/F, Block 2, No.14 Wanghai Road, Software Park II, Siming District, Xiamen, Fujian Province, the People’s Republic of China on Friday, 8 May 2020 at 3:00 p.m., for the purposes of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions of the Company:

Ordinary Resolutions

1. “**THAT** the grant of 50,000,000 share options of the Company to Ms. Tu Qin under the post-IPO share option scheme adopted by the Company and effective on 17 November 2014 to subscribe for 50,000,000 ordinary shares of the Company at the exercise price of HK\$0.1804 per share and on the terms and conditions as set out in the circular of the Company dated 8 April 2020 be and is hereby approved and that any one director of the Company is hereby authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give full effect to the foregoing.”
2. “**THAT** the grant of 18,000,000 share options of the Company to Mr. Yang Guangwen under the post-IPO share option scheme adopted by the Company and effective on 17 November 2014 to subscribe for 18,000,000 ordinary shares of the Company at the exercise price of HK\$0.1804 per share and on the terms and conditions as set out in the circular of the Company dated 8 April 2020 be and is hereby approved and that any one director of the Company is hereby authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give full effect to the foregoing.”
3. “**THAT** the grant of 22,000,000 share options of the Company to Ms. Xu Yiqing under the post-IPO share option scheme adopted by the Company and effective on 17 November 2014 to subscribe for 22,000,000 ordinary shares of the Company at the exercise price of HK\$0.1804 per share and on the terms and conditions as set out in the circular of the Company dated 8 April 2020 be and is hereby approved and that any one director of the Company is hereby authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give full effect to the foregoing.”

By Order of the Board

Feiyu Technology International Company Ltd.

Yao Jianjun

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 8 April 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered Office:
Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman, KY1-1111,
Cayman Islands

Headquarters in the PRC:
Floor 2, Block 2,
No. 14 Wanghai Road,
Ruanjian Yuan Two,
Siming District, Xiamen,
Fujian Province, the PRC

*Principal place of
business in Hong Kong:*
17/F, Winsan Tower,
98 Thomson Road,
Wanchai, Hong Kong

Notes:

1. All resolutions (except for procedural and administrative matters) at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the above meeting. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting or any adjournment thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining qualification of members to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, 5 May 2020 to Friday, 8 May 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be qualify as members to attend and vote at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 4 May 2020.

As at the date of this notice, the board of Directors comprises Messrs. YAO Jianjun, CHEN Jianyu, BI Lin, LIN Jiabin and LIN Zhibin as executive Directors; and Ms. LIU Qianli, and Messrs. LAI Xiaoling and MA Suen Yee Andrew as independent non-executive Directors.