
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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361 Degrees International Limited

361 度國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1361)

**GRANT OF THE ISSUE MANDATE,
GRANT OF THE SHARE BUY-BACK MANDATE,
RE-ELECTION OF DIRECTORS,
ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of 361 Degrees International Limited ("Company") to be held at Room 2, 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 18 May 2021 at 10:00 a.m. is set out on pages 32 to 37 of this circular. Resolutions will be proposed at the AGM to consider and, if thought fit, approve, among other things, the grant of the Issue Mandate, the Share Buy-back Mandate, and the re-election of Directors and the adoption of Share Option Scheme by way of ordinary resolutions.

A form of proxy is enclosed with this circular. Whether or not you are intending to attend and vote at the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM (i.e. by 10:00 a.m. on Sunday, 16 May 2021) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM in person or any adjourned meeting (as the case may be) should you so desire.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please refer to pages iii to iv of this circular for measures being taken to try to prevent and control the spread of the Novel Coronavirus 2019 (COVID-19) at the AGM, including:

- compulsory temperature checks and health declarations;
- wearing of surgical face masks throughout the AGM; and
- no distribution of corporate gifts and refreshments.

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue. Attendees of the Meeting should wear face masks at all times at the AGM venue and reminds Shareholders that they may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.

All times and dates specified herein refer to Hong Kong local times and dates.

16 April 2021

CONTENTS

	<i>Page</i>
Responsibility statement	ii
Precautionary measures for the AGM	iii
Definitions	1
Letter from the Board	4
Appendix I – Explanatory statement for the Share Buy-back Mandate	10
Appendix II – Particulars of Directors proposed to be re-elected at the AGM	15
Appendix III – Summary of the principal terms of the Share Option Scheme	20
Notice of AGM	32

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.

PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing the Novel Coronavirus 2019 (COVID-19) pandemic and recent requirements for prevention and control of its spread, and taking into consideration of the guidelines issued by the Government of Hong Kong (available at www.chp.gov.hk/en/features/102742.html), the Company will implement the following preventive measures at the AGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the AGM venue or be required to leave the AGM venue.
- All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the AGM venue a declaration form by providing their names and contact details, and confirming that they have not travelled to, and to their best of knowledge, had no physical contact with any person who has recently travelled from the PRC or any overseas countries/territories at any time in the preceding 14 days. Any person who does not comply with this requirement may be denied entry into the AGM venue or be required to leave the AGM venue.
- Attendees shall wear surgical face masks inside the AGM venue at all times, and to maintain a safe distance between seats.
- No refreshments will be served, and there will be no corporate gifts.
- Appropriate distancing and spacing in line with the guidance from the HKSAR Government will be maintained and as such, the Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding.

To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

PRECAUTIONARY MEASURES FOR THE AGM

The proxy form is enclosed with this Circular. Alternatively, the proxy form can also be downloaded from the website of the Stock Exchange (**www.hkewnews.hk**) or the website of the Company (**ir.361sport.com**). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy. Please also refer to “Letter from the Board – Actions to be Taken” in this circular for more information on the completing and returning the proxy form before the AGM.

If Shareholders choosing not to attend the AGM in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary whose contact details are as follows:

The Company Secretary

Room 1609, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong

Tel: +852 2907 7088

Fax: +852 2907 7198

Email: 361@361sportshk.com

If Shareholders have any questions relating to the AGM, please contact Computershare Hong Kong Investor Services Limited, the Company’s branch share registrar in Hong Kong as follows:

Room 1712-16, 17th Floor

Hopewell Centre

183 Queen’s Road East

Wanchai, Hong Kong

Tel: +852 2862 8555

Fax: +852 2865 0990

E-mail: hkinfo@computershare.com.hk

DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme is to be conditionally adopted by the Shareholders at the AGM
“AGM”	the annual general meeting of the Company to be convened and held at Room 2, 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 18 May 2021 at 10:00 a.m. or any adjournment thereof, the notice of which is set out on pages 32 to 37 of this circular
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Companies Law”	the Companies Law (2020 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor
“Company”	361 Degrees International Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Employee”	any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group
“Eligible Participant(s)”	the classes of participants set out in paragraph 5.1 of Appendix III to this circular

DEFINITIONS

“Grantee”	any Eligible Participant who accepts an Offer in accordance with the terms of the Share Option Scheme or (where the context so permits) his personal representative
“Group”	the Company and its Subsidiaries
“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
“Issue Mandate”	a general and unconditional mandate to allot, issue and deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the ordinary resolution approving the same
“Latest Practicable Date”	12 April 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Nomination Committee”	the nomination committee of the Company
“Offer”	an offer for the grant of an Option
“Offer Date”	the date, which must be a Business Day, on which an Offer is made to an Eligible Participant
“Option(s)”	option(s) to subscribe for the Shares granted pursuant to the Share Option Scheme
“Option Period”	in respect of any particular Option, a period (which may not be later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the Grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses; and (ii) 10 years from the Offer Date of that Option
“PRC”	The People’s Republic of China and for the purpose of this circular, does not include Hong Kong, the Macau Special Administrative Region and Taiwan

DEFINITIONS

“Previous Share Option Scheme”	the previous share option scheme adopted by the Company on 10 June 2009
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) with a nominal value of HK\$0.1 each in the share capital of the Company
“Share Buy-back Mandate”	a general and unconditional mandate to the Directors to buy back Shares up to 10% of the total number of issued Shares as at the date of passing of an ordinary resolution approving the same
“Share Option Scheme”	the share option scheme to be conditionally adopted by the Shareholders at the AGM
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“Subsidiary(ies)”	the companies which are for the time being and from time to time the subsidiaries (within the meaning of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)) of the Company
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Termination Date”	close of business of the Company on the date which falls 10 years after the Adoption Date
“%”	per cent

LETTER FROM THE BOARD



361 Degrees International Limited

361 度國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1361)

Executive Directors:

Mr. Ding Huihuang (*Chairman*)

Mr. Ding Wuhao (*President*)

Mr. Ding Huirong

Mr. Wang Jiabi

Independent non-executive Directors:

Mr. Wu Ming Wai Louie

Mr. Hon Ping Cho Terence

Mr. Chen Chuang

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of
business in the PRC:*

361° Building

Huli High-Technology Park

Xiamen, Fujian Province 361009

the PRC

*Principal place of business
in Hong Kong:*

Room 1609

16/F, Office Tower, Convention Plaza

1 Harbour Road

Wanchai, Hong Kong

16 April 2021

To the Shareholders

Dear Sir or Madam,

**GRANT OF THE ISSUE MANDATE,
GRANT OF THE SHARE BUY-BACK MANDATE,
RE-ELECTION OF DIRECTORS,
PROPOSED ADOPTION OF SHARE OPTION SCHEME,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

LETTER FROM THE BOARD

At the AGM, resolutions will be proposed for the Shareholders to approve, among other things, (i) the grant of the Share Buy-back Mandate to the Directors; (ii) the grant of the Issue Mandate to the Directors; (iii) the re-election of retiring Directors; and (iv) the adoption of Share Option Scheme.

THE SHARE BUY-BACK MANDATE

Pursuant to the ordinary resolutions passed at the annual general meeting of the Company held on 28 April 2020, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase up to 206,760,200 Shares, being 10% of the total number of Shares in issue as at 28 April 2020. Such mandate will lapse at the conclusion of the AGM. An ordinary resolution will be proposed at the AGM to grant the Share Buy-back Mandate to the Directors. As at the Latest Practicable Date, the Company has an issued share capital of HK\$206,760,200 divided into 2,067,602,000 Shares. Subject to the passing of an ordinary resolution approving the Share Buy-back Mandate and on the basis that no further Shares will be issued or allotted by the Company prior to the AGM, exercise of the Share Buy-back Mandate in full would result in up to a maximum of 206,760,200 Shares, representing 10% of the total number of Shares in issue. An explanatory statement as required under the Listing Rules to provide the requisite information of the Share Buy-back Mandate is set out in Appendix I to this circular.

ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed that the Directors be granted the Issue Mandate in order to provide flexibility and discretion to the Directors to issue new Shares. As at the Latest Practicable Date, the Company has an issued share capital of HK\$206,760,200 divided into 2,067,602,000 Shares of HK\$0.10 each. Subject to the passing of an ordinary resolution approving the Issue Mandate and on the basis that no further Shares will be issued or allotted by the Company prior to the AGM, the exercise of the Issue Mandate in full would result in up to a maximum of 413,520,400 Shares, representing 20% of the total number of Shares in issue, being issued by the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which the Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company. In addition, an ordinary resolution will also be proposed to extend the Issue Mandate by adding to it the number of such Shares bought back under the Share Buy-back Mandate.

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. Ding Wuhao, Mr. Ding Huihuang, Mr. Ding Huirong and Mr. Wang Jiabi, and the independent non-executive Directors were Mr. Wu Ming Wai Louie, Mr. Hon Ping Cho Terence and Mr. Chen Chuang.

LETTER FROM THE BOARD

Pursuant to Article 83(3) of the Articles, Mr. Wu Ming Wai Louie, who was appointed by the Board as Director to fill a causal vacancy on the Board on 4 August 2020, will hold office until the AGM, being the first general meeting after his appointment, and will be subject to re-election from office at the AGM.

Pursuant to Article 84(1) of the Articles, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Pursuant to Article 84(2) of the Article, any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Accordingly, Mr. Ding Wuhao and Mr. Hon Ping Cho Terence shall retire from office at the AGM pursuant to Article 84(1) of the Articles.

Each of Mr. Ding Wuhao, Mr. Hon Ping Cho Terence and Mr. Wu Ming Wai Louie, being eligible, will offer themselves for re-election at the AGM.

The Nomination Committee has considered the proposed re-election of Mr. Ding Wuhao, Mr. Hon Ping Cho Terence and Mr. Wu Ming Wai Louie taking into consideration factors such as the diversity policy of the Company, the perspectives, skills and experiences of Mr. Ding Wuhao, Mr. Hon Ping Cho Terence and Mr. Wu Ming Wai Louie, and the contributions of each of them, the Nomination Committee recommended to the Board that the re-election of Mr. Ding Wuhao, Mr. Hon Ping Cho Terence and Mr. Wu Ming Wai Louie be proposed to the Shareholders for approval at the AGM. Furthermore, based on the Nomination Committee's assessment and the annual written confirmation of independence provided by each of Mr. Hon Ping Cho Terence and Mr. Wu Ming Wai Louie, each of them satisfies the independence requirements under Rule 3.13 of the Listing Rules. The Nomination Committee is of the view that based on the diversified educational and professional background of each of Mr. Ding Wuhao, Mr. Hon Ping Cho Terence and Mr. Wu Ming Wai Louie, they can contribute to the diversify of the Board.

Details of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

ADOPTION OF SHARE OPTION SCHEME

The Company had adopted the Previous Share Option Scheme on 10 June 2009 for a term of 10 years, which had expired on 9 June 2019. No share option had been granted under the Previous Share Option Scheme. As the Previous Share Option Scheme had expired, the Board proposes to the Shareholders to adopt the Share Option Scheme at the AGM. Summary of the principal terms of the Share Option Scheme is set out in Appendix III to this circular. There is no material difference between the terms of the Previous Share Option Scheme and the Share Option Scheme.

LETTER FROM THE BOARD

Adoption of the Share Option Scheme is subject to the passing of an ordinary resolution by the Shareholders to approve its adoption and to authorise the Directors to grant Options thereunder and to issue and allot Shares pursuant to the exercise of the subscription rights under the Options granted pursuant to the Share Option Scheme at the AGM. The adoption of the Share Option Scheme will also be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any Shares which may fall to be issued pursuant to the exercise of the subscription rights attaching to the Options on the Stock Exchange (which may be subject to conditions and limitations). Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the subscription rights attaching to the Options which may be granted under Share Option Scheme.

The purpose of the Share Option Scheme is to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group. The Directors considered that the Share Option Scheme, which will be valid for 10 years from the date of its adoption, will provide the Company with more flexibility in long term planning of granting of the share options to eligible persons in a longer period in the future. The Share Option Scheme does not provide for any minimum period for holding of options or any performance target before exercise of options. Under the Share Option Scheme, the Board will have discretion in determining the Subscription Price, the minimum period for holding of options and the performance target before exercise of options (subject to the Listing Rules) in respect of any Options. The Directors are of the view that the flexibility given to the Directors to determine the Subscription Price, the minimum period for holding of options and the performance target before exercise of options will place the Group in a better position to reward its employees and retain human resources that are valuable to the growth and development of the Group as a whole. None of the Directors is a trustee of the Share Option Scheme or has a direct or indirect interest in such trustee (if any).

Value of the Options

The Directors consider that it is not appropriate to state the value of the Options that may be granted pursuant to the Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders and to a certain extent would be misleading to the Shareholders, taking into account the number of variables which are crucial for assessing the value of the Options which have not been determined. Such variables include the Subscription Price, the Option Period and all other relevant variables.

LETTER FROM THE BOARD

Scheme mandate limit and maximum number of Shares issuable

Subject to obtaining of the Shareholders' approval of the adoption of the Share Option Scheme, pursuant to Rule 17.03 of the Listing Rules, the total number of Shares which may be issued upon the exercise of all the options to be granted under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the total number of issued shares of the Company as at the date of approval of the adoption of the Share Option Scheme initially. Based on the 2,067,602,000 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the AGM, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the Share Option Scheme under such initial mandate limit is 206,760,200 Shares. The Company may seek approval of the Shareholders in general meetings to refresh the 10% initial mandate limit. Notwithstanding that the mandate limit may be refreshed, the Board shall not grant Options which would result in the maximum aggregate number of Shares which may be issued upon exercise of all the outstanding options granted but yet to be exercised under the Share Option Scheme and any other share option schemes of the Company which entitle the holders to acquire or subscribe for Shares exceeding, in aggregate, 30% of the total number of issued shares of the Company from time to time.

General

As at the Latest Practicable Date, the Board has not yet decided on the exact timing and details of grant. Announcement(s) will be made by the Company upon the granting of Option(s) in compliance with Rule 17.06A of the Listing Rules.

No Director has a material interest and is required to abstain from voting for the resolution to approve the adoption of the Share Option Scheme at the AGM. None of the Shareholders is required to abstain from voting for such resolution at the AGM pursuant to the Listing Rules and/or the Articles.

AGM

A notice convening the AGM to be held at Room 2, 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 18 May 2021 at 10:00 a.m. is set out on pages 32 to 37 of this circular.

LETTER FROM THE BOARD

ACTIONS TO BE TAKEN

A form of proxy for use by the Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM (i.e. by 10:00 a.m. on Sunday, 16 May 2021) or any adjournment thereof. Such form of proxy for use at the AGM is also published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at ir.361sport.com. Completion and return of the proxy form will not preclude you from attending and voting at the AGM in person or any adjourned meeting (as the case may be) should you so desire.

VOTING BY POLL AT THE AGM

Pursuant to the Article 66 of the Articles and the requirement of Rule 13.39(4) of the Listing Rules, every resolution submitted to the AGM shall be determined by voting by poll.

RECOMMENDATION

At the AGM, resolutions will be proposed for the Shareholders to approve, among other things, (i) the grant of the Share Buy-back Mandate to the Directors; (ii) the grant of the Issue Mandate to the Directors; (iii) the re-election of retiring Directors; and (iv) the adoption of the Share Option Scheme.

The Directors consider that (i) the grant of the Share Buy-back Mandate to the Directors; (i) the grant of Issue Mandate to the Directors; (iii) the re-election of retiring Directors; and (iv) the adoption of the Share Option Scheme are in the best interests of the Company, the Group and the Shareholders as a whole and accordingly recommend all Shareholders to vote in favour of the corresponding resolutions to be proposed at the AGM respectively.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Share Option Scheme will be available for inspection at the principal place of business of the Company in Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM.

Yours faithfully,
For and on behalf of
361 Degrees International Limited
Ding Huihuang
Chairman

This appendix serves as an explanatory statement as required under the Listing Rules to provide the requisite information to you for consideration of the Share Buy-back Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the Company had 2,067,602,000 Shares in issue or an issued share capital of HK\$206,760,200.

Subject to the passing of the proposed ordinary resolution approving the Share Buy-back Mandate and on the basis that no further Shares is issued, allotted or repurchased by the Company prior to the AGM, the exercise of the Share Buy-back Mandate in full would result in up to a maximum of 206,760,200 Shares, representing 10% of the total number of Shares in issue and a share capital of HK\$20,676,020 being bought back by the Company during the period ending on the earlier of: (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by law; or (iii) the date upon which the Share Buy-back Mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

REASONS FOR SHARE BUY-BACK

Although the Directors have no present intention of exercising the Share Buy-back Mandate, they believe that the flexibility afforded by the Share Buy-back Mandate would be beneficial to the Company and the Shareholders as a whole. At any time in the future when the Shares are trading at a discount to their underlying value, the ability of the Company to buy back the Shares will be beneficial to the Shareholders who retain their investment in the Company as their percentage interest in the assets of the Company would increase in proportion to the number of Shares bought back by the Company from time to time and thereby resulting in an increase in net assets and/or earnings per share of the Company. Such Share buy-backs will only be made when the Directors believe that such exercises will benefit the Company and the Shareholders as a whole.

FUNDING OF BUY BACKS

The Directors propose that the buy-back of Shares under the Share Buy-back Mandate would be financed from the Company's internal resources.

In buying back the Shares, the Company may only apply funds legally available for such purposes in accordance with the memorandum of association of the Company and the Articles, and the applicable laws of the Cayman Islands. Under the laws of the Cayman Islands, Share buy-backs by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the nominal value of the Shares to be purchased must be provided for out of the Company's profits or share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of the Company's capital.

The exercise of the Share Buy-back Mandate in full will not have a material adverse impact on the working capital or the gearing level of the Company as disclosed in the annual report of the Company for the year ended 31 December 2020.

The Directors do not propose to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or the gearing level of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The number of the Shares to be bought back on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

APPENDIX I**EXPLANATORY STATEMENT
FOR THE SHARE BUY-BACK MANDATE**

Share prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2020		
March 2020	1.45	1.01
April 2020	1.26	1.12
May 2020	1.19	0.98
June 2020	1.09	0.98
July 2020	1.28	0.99
August 2020	1.15	1.03
September 2020	1.09	0.95
October 2020	1.05	0.93
November 2020	0.98	0.91
December 2020	1.15	0.9
2021		
January 2021	1.42	1.08
February 2021	1.97	1.2
March 2021	2.39	1.71
April 2021 (up to the Latest Practicable Date)	2.32	2.03

Disclosure of interests

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the Share Buy-back Mandate is approved by the Shareholders at the AGM, to sell any Shares to the Company or its subsidiaries (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)).

APPENDIX I**EXPLANATORY STATEMENT
FOR THE SHARE BUY-BACK MANDATE**

No core connected person of the Company has notified the Company that he or she or it has a present intention to sell any Shares to the Company nor has undertaken not to sell any of the Shares held by him or her or it to the Company in the event that the Share Buy-back Mandate is approved by the Shareholders at the AGM.

Takeovers Code

If, as a result of share buy-backs by a company, a shareholder's proportionate interest in the voting rights of the company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, as far as the Directors are aware, substantial Shareholders of the Company are as follows:

Name of substantial shareholder	Note	Nature of interest	Long/short position	Number of shares (ordinary shares)	Percentage
Dings International Company Limited	1	Beneficial owner	Long	340,066,332	16.45%
Mr. Ding Wuhao	1	Beneficial owner	Long	11,962,000	0.58%
		Interest in controlled corporation	Long	340,066,332	16.45%
Ming Rong International Company Limited	2	Beneficial owner	Long	327,624,454	15.85%
Mr. Ding Huihuang	2	Beneficial owner	Long	9,189,000	0.44%
		Interest in controlled corporation		327,624,454	15.85%
Hui Rong International Company Limited	3	Beneficial owner	Long	324,066,454	15.67%
Mr. Ding Huirong	3	Interest in controlled corporation	Long	324,066,454	15.67%

Notes:

1. Mr. Ding Wuhao is deemed to be interested in 340,066,332 shares of the Company held by Dings International Company Limited by virtue of it being controlled by Mr. Ding Wuhao. He is the brother-in-law of both Mr. Ding Huihuang and Mr. Ding Huirong.
2. Mr. Ding Huihuang is deemed to be interested in 327,624,454 shares of the Company held by Ming Rong International Company Limited by virtue of it being controlled by Mr. Ding Huihuang. He is the elder brother of Mr. Ding Huirong and the brother-in-law of Mr. Ding Wuhao.
3. Mr. Ding Huirong is deemed to be interested in 324,066,454 shares of the Company held by Hui Rong International Company Limited by virtue of it being controlled by Mr. Ding Huirong. He is the brother of Mr. Ding Huihuang and the brother-in-law of Mr. Ding Wuhao.

On the basis of the interests in the Shares held by the substantial Shareholders as at the Latest Practicable Date set out above, on the basis that no new Shares are issued or repurchased prior to the AGM and assuming that there would not be changes in the issued share capital of the Company prior to the Share buy-back and that each of them would not dispose of their respective Shares nor acquire additional Shares prior to any repurchase of Shares, Dings International Company Limited, Mr. Ding Wuhao, Ming Rong International Company Limited, Mr. Ding Huihuang, Hui Rong International Company Limited and Mr. Ding Huirong together held approximately 48.99% of issued share capital of the Company as at the Latest Practicable Date, will be obliged to make a mandatory offer under Rule 26 of the Takeovers Codes if the Share Buy-back Mandate is exercised in full. The Directors have no intention to exercise the Share Buy-back Mandate to such an extent that as would give rise to such obligation.

Assuming that there is no further issue of the Shares between the Latest Practicable Date and the date of Share buy-back, the exercise of the Share Buy-back Mandate in full will result in less than 25% of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules. However, the Directors have no present intention to exercise the Share Buy-back Mandate to the extent that less than 25% of the issued share capital of the Company will be held by the public.

SHARES BOUGHT BACK BY THE COMPANY

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months preceding the Latest Practicable Date.

1. MR. DING WUHAO (丁伍號)

Mr. Ding Wuhao (丁伍號), aged 55, joined the Group in June 2003 and has been the President of the Company since August 2008. He is also a member of the Nomination Committee. He is primarily responsible for the Group's overall strategies, planning and business development. He has over 20 years of experience in the PRC sportswear industry. Since December 2006, he has been a member of the Chinese People's Political Consultative Conference ("CPPCC") Fujian Province Jinjiang City Committee (中國人民政治協商會議福建省晉江市委員會). In October 2008, he received the award of the "2008 Most Socially Responsible Entrepreneur in China" (2008年度中國最具社會責任企業家) by the Annual Selection Organising Committee of China Human Resources Management (中國人力資源管理年度評選組委會). In May 2009, he received the "Contribution Award for China TV Sports Programmes" (中國體育電視貢獻獎) by CCTV Sports Channel (中央電視台體育頻道). In 2010, he was awarded "Top Ten Chinese Entrepreneur of Integrity of the Year (創業中國年度十大誠信人物獎)" by "Example for China (《榜樣中國》)", "Outstanding Contribution Award for Asian Games (亞運突出貢獻獎)" by 16th Asian Games Organising Committee (第十六屆亞運會組委會), and "Outstanding Contribution Award of Asian Games (亞洲體育杰出貢獻獎)" by Olympic Council of Asia (亞洲奧林匹克理事會). In 2011, he was awarded "The Most Caring Chinese Entrepreneur on Staff's Development (中國最關注員工發展企業家)" at the eighth session of China Human Resource Management Innovation Summit (第八屆中國人力資源管理創新高峰會) and "Top Ten Youth Business Leader in Asia (亞洲十大青年商業領袖)" by Forbes. He completed a CEO in China's Enterprise/Finance program at the Cheung Kong Graduate School of Business in August 2012.

Length of service

Pursuant to the service agreement entered into between Mr. Ding and the Company, the term of Mr. Ding's appointment is three years commencing from 30 June 2018, subject to re-election by Shareholders in accordance with the requirements of the articles of association of the Company and the Listing Rules.

Relationship with other Directors, senior management or substantial or controlling shareholders of the Company

Mr. Ding is the brother-in-law of Mr. Ding Huirong and Mr. Ding Huihuang, both of whom are executive Directors. Mr. Ding is the sole director and sole shareholder of Dings International Company Limited, a substantial shareholder of the Company.

Save as disclosed above, Mr. Ding does not have any relationship with any director, senior management, substantial or controlling shareholders (as defined under the Listing Rules) of the Company.

Interest in shares

As at the Latest Practicable Date, Mr. Ding was interested in 352,028,332 Shares comprising of (i) interest as beneficial owner in 11,962,000 Shares and (ii) interest in controlled corporation by virtue of his interest in the entire issued share capital of Dings International Company Limited, which held 340,066,332 Shares.

Amount of emolument

The emolument payable to Mr. Ding is RMB1,047,000 per year where RMB1,035,000 is covered under the service agreement entered into between Mr. Ding and the Company, and may, subject to the discretion of the Board, be revised. The emolument payable is determined with reference to the Company's operating results, individual performance, experience, responsibility, workload and time devoted to the Company and comparable market statistics.

Positions in other members of the Group

Apart from being an executive Director of the Company and a member of the Nomination Committee, Mr. Ding does not hold any other position in the Company or any other member of the group of companies of which the Company forms part.

Other information

Mr. Ding has no information to be disclosed pursuant to Rules 13.51(2)(h) to (w) the Listing Rules, and save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders.

2. MR. HON PING CHO TERENCE (韓炳祖)

Mr. Hon Ping Cho Terence (韓炳祖), aged 61, joined the Group in May 2019 and is an independent non-executive Director. He has over 30 years of experience in corporate finance, accounting, auditing, corporate administration and business development. He is currently an independent non-executive director of Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (Stock Code: 00520), Jimu Group Limited (Stock Code: 08187), Daphne International Holdings Limited (Stock code: 00210) and SinoMab BioScience Limited (Stock code: 03681).

Mr. Hon is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales. He obtained a master's degree in Business Administration (Financial Services) from The Hong Kong Polytechnic University in November 2004.

Length of service

Pursuant to the service agreement entered into between Mr. Hon and the Company, the term of Mr. Hon's appointment is three years commencing from 20 May 2019, subject to re-election by Shareholders in accordance with the requirements of the articles of association of the Company and the Listing Rules.

Relationship with other Directors, senior management or substantial or controlling shareholders of the Company

Mr. Hon does not have any relationship with any Director, senior management, or substantial or controlling shareholders (as defined under the Listing Rules) of the Company.

Interest in shares

As at the Latest Practicable Date, Mr. Hon did not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Amount of emolument

The emolument payable to Mr. Hon under the service agreement entered into between Mr. Hon and the Company is RMB373,000 per year, which is determined with reference to the Company's operating results, individual performance, experience, responsibility, workload and time devoted to the Company and comparable market statistics, and may, subject to the discretion of the Board, be revised.

Positions in other members of the Group

Apart from being an independent non-executive Director, the chairman of the Nomination Committee, a member of the audit committee and the remuneration committee of the Company, Mr. Hon does not hold any other position in the Company or any other member of the group of companies of which the Company forms part.

Other information

Mr. Hon has no information to be disclosed pursuant to Rules 13.51(2)(h) to (w) of the Listing Rules, and save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders.

3. MR. WU MING WAI LOUIE (胡明偉)

Mr. Wu Ming Wai Louie (胡明偉), aged 60, joined the Group in August 2020 and is an independent non-executive Director. Mr. Wu has over 35 years of extensive experience in corporate finance, accounting, auditing, taxation, and financial management. He was awarded a professional diploma in Accountancy from The Hong Kong Polytechnic in 1986. He is the sole practitioner of Louie Wu & Co., a certified public accountants firm in Hong Kong since 1993. Mr. Wu is a fellow member of the Hong Kong Institute of Certified Public Accountants and fellow member of both the Taxation Institute of Hong Kong and the Society of Chinese Accountants and Auditors. Mr. Wu is also a Certified Tax Adviser in Hong Kong and the member of the Finance Committee of the Hong Kong Arts Centre and the honorary auditors of both Anita Mui “True Heart” Charity Foundation and Hong Kong Federation of Drama Societies.

Length of service

Pursuant to the service agreement entered into between Mr. Wu and the Company, the term of Mr. Wu’s appointment is three years commencing from 4 August 2020, subject to re-election by Shareholders in accordance with the requirements of the articles of association of the Company and the Listing Rules.

Relationship with other Directors, senior management or substantial or controlling shareholders of the Company

Mr. Wu does not have any relationship with any Director, senior management, or substantial or controlling shareholders (as defined under the Listing Rules) of the Company.

Interest in shares

As at the Latest Practicable Date, Mr. Wu did not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Amount of emolument

The emolument payable to Mr. Wu under the service agreement entered into between Mr. Wu and the Company is RMB203,000 per year, which is determined with reference to the Company’s operating results, individual performance, experience, responsibility, workload and time devoted to the Company and comparable market statistics, and may, subject to the discretion of the Board, be revised.

Positions in other members of the Group

Apart from being an independent non-executive Director, the chairman of the audit committee of the Company and a member of the Nomination Committee, Mr. Hon does not hold any other position in the Company or any other member of the group of companies of which the Company forms part.

Other information

Mr. Hon has no information to be disclosed pursuant to Rules 13.51(2)(h) to (w) of the Listing Rules, and save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders.

The following is a summary of the principal terms of the rules of the Share Option Scheme proposed to be adopted at the Annual General Meeting.

1. PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group.

2. WHO MAY JOIN

The Board may, at its discretion, invite any Eligible Participant to take up Options to subscribe for Shares at a price determined in accordance with paragraph 5 below.

The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group.

3. CONDITIONS

The Share Option Scheme adopted by the Company at a general meeting of the Shareholders is conditional upon the listing committee of the Stock Exchange granting the listing of and permission to deal in such number of Shares representing the General Scheme Limit (as defined in paragraph 9.2) to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the Share Option Scheme.

4. DURATION AND ADMINISTRATION

- 4.1 Subject to paragraph 15, the Share Option Scheme shall be valid and effective until the Termination Date, after which period no further Options may be issued but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.
- 4.2 The Share Option Scheme shall be subject to the administration of the Directors whose decision on all matters arising in relation to the Share Option Scheme or their interpretation or effect shall be final and binding on all persons who may be affected thereby.

5. GRANT OF OPTIONS

5.1 Subject to paragraph 5.2, the Directors shall, in accordance with the provisions of the Share Option Scheme and the Listing Rules, be entitled but shall not be bound at any time within a period of 10 years commencing from the Adoption Date to make an Offer to any person belonging to the following classes of participants (the “**Eligible Participants**”):

- (a) any Eligible Employee;
- (b) a director or proposed director (including an independent non-executive director) of any member of the Group;
- (c) a direct or indirect shareholder of any member of the Group;
- (d) a supplier of goods or services to any member of the Group;
- (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; and
- (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of our Group;

and, for the purposes of the Share Option Scheme, the Offer may be made to any company wholly owned by one or more Eligible Participants.

The Group principally engages in brand management, research and development (R&D), design, manufacturing and distribution of sportswear in the PRC. Products are manufactured in-house, as well as out-sourcing to other factories, which would then be sold to distributors. Considering the Group’s business model, the Group’s financial and business performance would largely depend on the contribution by the Group’s employees, as well as other stakeholders such as its suppliers and customers, and the capability of its R&D to revamp its products with the latest technology and trend. To further develop and increase the brand awareness of the Group, the Group also collaborates with external consultants such as industry and marketing consultants to research on customers’ spending patterns, product preference and demographics in order to fine tune the marketing and product development programs of the Group. When determining the eligibility of participants, the Board will consider, among others, their (i) roles and responsibilities; (ii) skill and knowledge; and (iii) contributions to the Group. The Board believes that the issue of Options to the participants would (i) allow the Group to retain and provide incentives to the grantees for the continual operation and development of the Group; and (ii) allow the Company to recognise and motivate the contributions made by the grantees to the Group.

- 5.2 Without prejudice to paragraph 9.4 below, the making of an Offer to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).
- 5.3 An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Directors may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares and the Option Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 21 days from the Offer Date.
- 5.4 An Offer shall have been accepted by an Eligible Participant in respect of all Shares under the Option which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 5.5 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 5.6 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 5.4 or 5.5, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Offer Date. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraph 5.4 or 5.5, it will be deemed to have been irrevocably declined.
- 5.7 For so long as the Shares are listed on the Stock Exchange:
- (a) an Offer may not be made after inside information has come to the knowledge of the Company until it has announced the information in accordance with the requirements of the Listing Rules; and

- (b) the Directors may not make any Offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

6. SUBSCRIPTION PRICE

The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 10, be at the discretion of the Directors, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the Offer Date;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
- (c) the nominal value of a Share.

7. EXERCISE OF OPTIONS

- 7.1 An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option granted to such Grantee to the extent not already exercised.
- 7.2 Unless otherwise determined by the Directors and stated in the Offer to a Grantee, a Grantee is not required to hold an Option for any minimum period nor achieve any performance targets before the exercise of an Option granted to him.
- 7.3 Subject to the fulfillment of all terms and conditions set out in the Offer, including the attainment of any performance targets stated therein (if any), an Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 7.4 and 7.5 by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for Shares in respect of which the notice is given. Within 21 days (seven days in the case of an exercise pursuant to paragraph 7.4(c)) after receipt of the notice and, where appropriate, receipt of the certificate of the

Auditors or the independent financial advisers pursuant to paragraph 10, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a personal representative pursuant to paragraph 7.4(a), to the estate of the Grantee) fully paid and issue to the Grantee (or his estate in the event of an exercise by his personal representative as aforesaid) a share certificate for the Shares so allotted and issued.

- 7.4 Subject to the terms and conditions of the Share Option Scheme, an Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that:
- (a) if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his personal representative(s) or, as appropriate, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 7.3 within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Company or the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 7.4(c) or 7.4(d) occur during such period, exercise the Option pursuant to paragraph 7.4 (c) or 7.4 (d) respectively;
 - (b) if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee for any reason other than his death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds specified in paragraph 8.1(c) before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 7.3 within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in sub-paragraph 7.4(c) or 7.4(d) occur during such period, exercise the Option pursuant to paragraph 7.4(c) or 7.4(d) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee was actually at work with the Company or the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not;

- (c) if a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of the Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, shareholders of the Company. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to shareholders in the Company, the Grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of paragraph 7.3 at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be. Subject to the above, the Option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, the revised offer) closed or the relevant record date for entitlements under the scheme of arrangement, as the case may be;
- (d) in the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two (2) Business Days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 7.3 and the Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his Option not less than one (1) Business Day before the date on which such resolution is to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up; and

(e) if the Grantee is a company wholly owned by one or more Eligible Participants:

- (i) the provisions of paragraphs 7.4(a), 7.4(b), 8.1(c) and 8.1(d) shall apply to the Grantee and to the Options granted to such Grantee, *mutatis mutandis*, as if such Options had been granted to the relevant Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs 7.4(a), 7.4(b), 8.1(c) and 8.1(d) shall occur with respect to the relevant Eligible Participant; and
- (ii) the Options granted to the Grantee shall lapse and determine on the date the Grantee ceases to be wholly owned by the relevant Eligible Participant provided that the Directors may in their absolute discretion decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

7.5 Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (“**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

8. EARLY TERMINATION OF OPTION PERIOD

8.1 The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in paragraph 7.4;

- (c) in respect of a Grantee who is an Eligible Employee, the date on which the Grantee ceases to be an Eligible Employee by reason of termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or any member of the Group or the Invested Entity into disrepute);
- (d) in respect of a Grantee other than an Eligible Employee, the date on which the Directors shall at their absolute discretion determine that (i) (aa) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and any member of the Group or any Invested Entity on the other part; or (bb) the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally or (cc) the Grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and (ii) the Option shall lapse as a result of any event specified in sub-paragraph (aa), (bb) or (cc) above; and
- (e) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph 7.1 by the Grantee in respect of that or any other Option.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.1 The maximum number of Shares which may be allotted and issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Group shall not exceed 30 per cent. of the share capital of the Company in issue from time to time. No options may be granted under the Share Option Scheme or any other share option scheme adopted by the Group if the grant of such option will result in the limit referred to in this paragraph 9.1 being exceeded.

- 9.2 The total number of Shares which may be allotted and issued upon exercise of all Options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10 per cent. of the Shares in issue at the time dealings in the Shares first commence on the Stock Exchange (“**General Scheme Limit**”) provided that:
- (a) subject to paragraph 9.1 and without prejudice to paragraph 9.2(b), the Company may seek approval of its shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option scheme of the Group must not exceed 10 per cent. of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option scheme of the Group will not be counted; and
 - (b) subject to paragraph 9.1 and without prejudice to paragraph 9.2(a), the Company may seek separate shareholders’ approval in general meeting to grant Options under the Share Option Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph 9.2(a) to Eligible Participants specifically identified by the Company before such approval is sought.
- 9.3 Subject to paragraph 9.4, the total number of Shares issued and which may fall to be issued upon exercise of the Options and the options granted under any other share option scheme of the Group (including both exercised or outstanding options) to each Grantee in any 12-month period shall not exceed 1 per cent. of the issued share capital of the Company for the time being. Where any further grant of Options to a Grantee under the Share Option Scheme would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such Grantee and his associates abstaining from voting.

9.4 Without prejudice to paragraph 5.2, where any grant of Options to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1 per cent. of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the Offer Date of each Offer, in excess of HK\$5 million;

such further grant of Options must be approved by the shareholders of the Company in general meeting. The Company must send a circular to the Shareholders. The proposed Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting, except that any such person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular.

10. ADJUSTMENT TO THE SUBSCRIPTION PRICE

10.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation or sub-division of the Shares, or reduction of the share capital of the Company, then, in any such case the Company shall instruct the Auditors or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (a) the number or nominal amount of Shares to which the Share Option Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or
- (b) the Subscription Price of any Option; and/or
- (c) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remains comprised in an Option,

and an adjustment as so certified by the Auditors or such independent financial adviser shall be made, provided that:

- (a) any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;

- (b) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (c) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (d) any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

In respect of any adjustment referred to in this paragraph 10.1, other than any adjustment made on a capitalisation issue, the Auditors or such independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

11. CANCELLATION OF OPTIONS

Subject to paragraph 7.1 and Chapter 17 of the Listing Rules, any Option granted but not exercised may not be cancelled except with the prior written consent of the relevant Grantee and the approval of the Directors. Where the Company cancels any Option granted to a Grantee but not exercised and issues new Option(s) to the same Grantee, the issue of such new Option(s) may only be made with available unissued Options (excluding, for this purpose, the Options so cancelled) within the General Scheme Limit or the limits approved by the shareholders of the Company pursuant to paragraph 9.2(a) or 9.2(b).

12. SHARE CAPITAL

The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Directors shall make available sufficient authorised but unissued share capital of the Company to allot and issue the Shares on the exercise of any Option.

13. DISPUTES

Any dispute arising in connection with the number of Shares, the subject of an Option, or any adjustment under paragraph 10.1 shall be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

14. ALTERATION OF THIS SCHEME

14.1 Subject to paragraph 14.2, the Share Option Scheme may be altered in any respect by a resolution of the Directors except that:

- (a) the provisions of the Share Option Scheme as to the definitions of “Eligible Participants”, “Grantee”, “Option Period” and “Termination Date” in the section headed “Definitions” of the Share Option Scheme;
- (b) the provisions of the Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules;

shall not be altered to the advantage of Grantees or prospective Grantees except with the prior sanction of a resolution of the shareholders of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the Articles for the time being for a variation of the rights attached to the Shares.

14.2 Subject to paragraph 14.3, any alterations to the terms and conditions of the Share Option Scheme which are of a material nature shall be approved by the shareholders of the Company in general meeting except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

14.3 Any change to the authority of the Directors or the administrators of the Share Option Scheme in relation to any alteration to the terms of the Share Option Scheme must be approved by the shareholders of the Company in general meeting.

14.4 The amended terms of the Share Option Scheme or the Options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

15. TERMINATION

The Company by resolution in general meeting may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

NOTICE OF AGM



361 Degrees International Limited

361 度國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1361)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**Meeting**”) of 361 Degrees International Limited (the “**Company**”) will be held at Room 2, 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 18 May 2021 at 10:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements and the reports of the directors (the “**Directors**” and each, a “**Director**”) and the auditors (the “**Auditors**”) of the Company for the year ended 31 December 2020.
2. To re-elect, each as a separate resolution, the retiring Directors, namely, Mr. Ding Wuhao as executive Director, Mr. Hon Ping Cho Terence as independent non-executive Director, and Mr. Wu Ming Wai Louie as independent non-executive Director.
3. To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint Moore Stephens CPA Limited as the Auditors and to authorise the Board to fix their remuneration.

NOTICE OF AGM

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy-back issued shares with nominal value of HK\$0.10 each in the share capital of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on another stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) or of any other stock exchange, as amended from time to time, and the manner of any such share buy-backs be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to buy back its shares at a price determined by the Directors;
- (c) the total number of the shares of the Company which are authorised to be bought back by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws of the Cayman Islands or the Company’s articles of association to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF AGM

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (the “Shares”) and to make or grant offers, agreements, options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) and rights of exchange or conversion which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- (c) the total number of Shares to be allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of the rights of subscription or conversion under the terms of any warrants which may be issued by the Company or any securities which are convertible into shares; (iii) the exercise of options granted under any share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees, officers, Directors and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company from time to time, shall not exceed 20% of the total number of shares of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF AGM

- (d) for the purposes of this resolution:

“**Relevant Period**” shall have the same meaning as that ascribed to it under resolution no. 5 as set out in the notice convening the Meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 5 and 6 as set out in the notice convening the Meeting, the general mandate granted to the Directors pursuant to resolution no. 6 as set out in the notice convening the Meeting be and is hereby extended by the addition thereto of the aggregate number of shares of the Company bought back by the Company under the authority granted pursuant to resolution no. 5 as set out in the notice convening the Meeting, provided that such amount shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing of this resolution.”

AS SPECIAL BUSINESS

ORDINARY RESOLUTION

8. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the share option scheme of the Company (“**Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to the meeting and, for the purposes of identification, signed by the chairman of the meeting and summarised in the circular of the Company dated 16 April 2021, be hereby approved and adopted and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme including without limitation:

- (a) administering the Share Option Scheme and granting options under the Share Option Scheme;

NOTICE OF AGM

- (b) modifying and/or amending the rules of the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”);
- (c) issuing and allotting from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the Share Option Scheme; and
- (d) making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares or any part thereof that may from time to time be issued and allotted pursuant to the exercise of the options granted under the Share Option Scheme.”

By Order of the Board of
Degrees International Limited
Ding Huihuang
Chairman

Hong Kong, 16 April 2021

Notes:

1. The register of members of the Company will be closed from Thursday, 13 May 2021 to Tuesday, 18 May 2021 (both days inclusive) during which no transfer of share(s) will be registered. Members whose names appear on the register of members of the Company at the close of business on Tuesday, 18 May 2021 will be entitled to attend and vote at the Meeting. In order to be eligible to attend and vote at the Meeting, all transfers of shares, 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 Wednesday, 12 May 2021.
2. Any shareholder entitled to attend and vote at the Meeting is entitled to appoint another person as his/her/its proxy to attend and vote on his/her/its behalf. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
3. Where there are joint registered holders of any shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand in the register in respect of the relevant joint holding.

NOTICE OF AGM

4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the annual general meeting (i.e. by 10:00 a.m. on Sunday, 16 May 2021) or any adjournment thereof.
5. Please refer to Appendix II to the circular of the Company dated 16 April 2021 for the details of the retiring Directors subject to re-election at the Meeting.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please refer to pages iii to iv of the circular of the Company dated 16 April 2021 for measures being taken to try to prevent and control the spread of the Novel Coronavirus 2019 (COVID-19) at the Meeting, including:

- compulsory temperature checks and health declarations;
- wearing of surgical face masks throughout the Meeting; and
- no distribution of corporate gifts and refreshments.

Any person who does not comply with the precautionary measures may be denied entry into the Meeting venue. Attendees of the Meeting should wear face masks at all times at the AGM venue and the Company reminds Shareholders that they may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the Meeting in person.

As at the date of this notice, the Directors are:

Executive Directors: Mr. Ding Wuhao, Mr. Ding Huihuang (Chairman), Mr. Ding Huirong and Mr. Wang Jiabi

Independent non-executive Directors: Mr. Wu Ming Wai Louie, Mr. Hon Ping Cho Terence and Mr. Chen Chuang.