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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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°**

**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,  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND TERMINATION OF EXISTING  
SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the AGM of 361 Degrees International Limited (“**Company**”) to be held at Conference Room, 14/F., Phase II Administrative Building, 361 Degrees Wuli Industrial Park, No. 6 Xiangyuan Road, Jinjiang City, Fujian Province, People’s Republic of China on Friday, 28 April 2023 at 2:00 p.m. is set out on pages 47 to 52 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, the re-election of Directors, and the adoption of the New Share Option Scheme and termination of the Existing 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 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, 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 2:00 p.m. on Wednesday, 26 April 2023) 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 and in such event, the proxy form shall be deemed to be revoked.

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

4 April 2023

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## **RESPONSIBILITY STATEMENT**

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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.

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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is to be conditionally approved and adopted by an ordinary resolution of the Shareholders
“AGM”	the annual general meeting of the Company to be convened and held at Conference Room, 14/F., Phase II Administrative Building, 361 Degrees Wuli Industrial Park, No. 6 Xiangyuan Road, Jinjiang City, Fujian Province, People’s Republic of China on Friday, 28 April 2023 at 2:00 p.m. or any adjournment thereof, the notice of which is set out on pages 47 to 52 of this circular
“Articles”	the articles of association of the Company
“associates”	has the same meaning ascribed to it under the Listing Rules
“Award”	Shares granted or to be granted under any share award scheme to be adopted by the Company
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“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
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules

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## DEFINITIONS

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“Director(s)”	the director(s) of the Company
“Eligible Participants”	has the meaning as defined in “Appendix III – Summary of the Principal Terms of the New Share Option Scheme – New Share Option Scheme – (2) Who may join” in this circular
“Employee Participants”	has the meaning as defined in “Appendix III – Summary of the Principal Terms of the New Share Option Scheme – New Share Option Scheme – (2) Who may join” in this circular
“Existing Share Option Scheme”	the share option scheme of the Company approved and adopted pursuant to an ordinary resolution of the Shareholders at the annual general meeting of the Company held on 18 May 2021
“Grant”	including “offer”, “issue” and grant of Options
“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 PRC
“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”	30 March 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Share Option Scheme”	the share option scheme of the Company proposed to be adopted by the Shareholders at the AGM
“Nomination Committee”	the nomination committee of the Company

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## DEFINITIONS

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“Offer”	an offer for the grant of an Option made in accordance with the terms of the New Share Option Scheme
“Option(s)”	option(s) to subscribe for the Shares granted pursuant to the New Share Option Scheme
“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
“Scheme Mandate Limit”	has the meaning as defined in “Appendix III – Summary of the Principal Terms of the New Share Option Scheme – New Share Option Scheme – (3) Maximum number of Shares” in this circular
“Service Provider(s)”	has the meaning as defined in “Appendix III – Summary of the Principal Terms of the New Share Option Scheme – New Share Option Scheme – (2) Who may join” in this circular
“Service Provider Sublimit”	has the meaning as defined in “Appendix III – Summary of the Principal Terms of the New Share Option Scheme – New Share Option Scheme – (3) Maximum number of Shares” in this circular
“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 Schemes”	including the New Share Option Scheme and any share award scheme(s) adopted by the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Subscription Price”	the price per Share at which a grantee may subscribe for the Shares on the exercise of an Option, as determined in accordance with the terms of the New Share Option Scheme
“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
“%”	per cent

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Ding Huihuang (*Chairman*)  
Mr. Ding Wuhao (*President*)  
Mr. Ding Huirong  
Mr. Wang Jiabi

*Registered office:*

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Independent non-executive Directors:*

Mr. Wu Ming Wai Louie  
Mr. Hon Ping Cho Terence  
Mr. Chen Chuang

*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

4 April 2023

*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 NEW SHARE OPTION SCHEME  
AND TERMINATION OF EXISTING  
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.

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## LETTER FROM THE BOARD

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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 New Share Option Scheme and termination of the Existing Share Option Scheme.

### **THE SHARE BUY-BACK MANDATE**

Pursuant to the ordinary resolutions passed at the annual general meeting of the Company held on 18 May 2022, 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 18 May 2022. 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.

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## LETTER FROM THE BOARD

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### 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.

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. Accordingly, Mr. Ding Wuhao, Mr. Hon Ping Cho Terence and Mr. Chen Chuang 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. Chen Chuang, 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. Chen Chuang 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. Chen Chuang, 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. Chen Chuang 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. Chen Chuang, 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. Chen Chuang, they can contribute to the diversity of the Board.

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

### PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

#### Existing Share Option Scheme

The Existing Share Option Scheme was adopted by the Company on 18 May 2021 for the purpose of enabling the Group to grant options to the eligible participants under the Existing Share Option Scheme as incentives or rewards for their contribution to the Group. The Existing Share Option Scheme is valid and effective for a period of 10 years from 18 May 2021. Pursuant to the terms of the Existing Share Option Scheme, the total number of Shares which may be issued upon exercise of all options to be granted under the Existing Share Option Scheme and any other share option scheme(s) adopted by the Company (and to which the provisions of

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## LETTER FROM THE BOARD

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Chapter 17 of the Listing Rules are applicable) must not in aggregate exceed 10% of the aggregate number of Shares initially in issue as at the date of approval of the adoption of the Existing Share Option Scheme, which is equivalent to 206,760,200 Shares.

The eligible participants of the Group under the Existing Share Option Scheme are as follows:

- (a) 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;
- (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 Existing Share Option Scheme, the offer may be made to any company wholly owned by one or more eligible participants of the Existing Share Option Scheme.

As at the Latest Practicable Date, the Company has granted options relating to 100,000,000 underlying Shares to eligible participants of the Group under the Existing Share Option Scheme, representing approximately 4.84% of the total issued Shares as at the Latest Practicable Date. Of these options, options relating to 96,880,000 underlying Shares are valid and outstanding, and remain valid under the Existing Share Option Scheme after the Existing Share Option Scheme is terminated; and options relating to 3,120,000 underlying Shares have lapsed in accordance with the terms of the Existing Share Option Scheme.

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## LETTER FROM THE BOARD

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The following table sets out information of the Company's outstanding options as at the Latest Practicable Date:

Name or category of participant	Date of grant	Vesting period	Exercise period	Exercise price per share	Balance as at the Latest Practicable Date
<b>Employees of the Group</b>	21 June 2021	From date of grant until commencement of exercise period	From 21 December 2022 and expiring on 20 June 2023 (both dates inclusive)	HK\$4.10	51,680,000
<b>Business partners of the Group</b>	21 June 2021	From date of grant until commencement of exercise period	From 21 December 2022 and expiring on 20 June 2023 (both dates inclusive)	HK\$4.10	45,200,000
					<u>96,880,000</u>

The Board confirms that it will not grant any further options under the Existing Share Option Scheme prior to the AGM. Save as aforesaid, there were no outstanding options, warrants or convertible securities which entitle the holders to subscribe for Shares as at the Latest Practicable Date.

Upon termination of the Existing Share Option Scheme, no further options may be granted but in all other respects, the provisions of the Existing Share Option Scheme shall remain in full force and effect. Therefore, the termination of the Existing Share Option Scheme will not in any event affect the terms of the grant of such outstanding options that have already been granted under the Existing Share Option Scheme and the above outstanding options granted under the Existing Share Option Scheme shall continue to be subject to the provisions of the Existing Share Option Scheme. Please refer to the circular of the Company dated 16 April 2021 for further details of the terms of the Existing Share Option Scheme.

The Company does not have any share option or share award scheme other than the Existing Share Option Scheme.

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## LETTER FROM THE BOARD

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### **New Share Option Scheme**

In view of the amendments of the Listing Rules in relation to share option scheme with effect from 1 January 2023, the Board proposes to adopt the New Share Option Scheme and terminate the Existing Share Option Scheme. An ordinary resolution will be proposed at the AGM for approving the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. So far as the Directors are aware, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting on the said resolution.

The purpose of the New Share Option Scheme are (i) to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the grantees with those of the Shareholders to promote the long-term financial and business performance of the Company.

Under the rules of the New Share Option Scheme, the Board may offer to grant Option(s) to subscribe for such number of Shares to any Eligible Participant as the Board may from time to time in its discretion determine on a case by case basis. The Company believes that the authority given to the Board to select the appropriate participants and to specify the terms and conditions in respect of any Options that may be granted, including the minimum holding period, performance targets, clawback mechanism and Subscription Price for such Options, will serve to protect the value of the Company as well as achieve the purposes of retaining and motivating the participants to contribute to the development and growth of the Group for the benefit of the Shareholders. Accordingly, the Directors consider that it is in the interest of the Company to adopt the New Share Option Scheme.

Under the New Share Option Scheme, Eligible Participants include Employee Participants, non-executive Directors and its subsidiaries, and Service Providers. In determining the basis of eligibility of each Eligible Participant, the Board may take into account (i) the experience of the Eligible Participant on the Group's business; (ii) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant); (iii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider); and (iv) the amount of support, assistance, guidance, advice, efforts and contribution the Eligible Participants has given or is likely to give or make towards the success of the Group in the future and such other factors as the Board may at its discretion consider appropriate.

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## LETTER FROM THE BOARD

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In respect of the eligibility of Employee Participants and non-executive Directors and its subsidiaries, the Board may consider, among others, (i) the individual performance; (ii) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iii) the length of engagement with the Group; and (iv) the individual contribution or potential contribution to the development and growth of the Group.

In respect of the eligibility of Service Providers, the Board may, on a case by case basis, take into account the following factors, including but not limited to (i) the individual performance of relevant Service Providers; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) the background, reputation and track record of the relevant Service Providers; (v) the scale of business dealings with the Group, in particular, whether such Service Providers could bring positive impacts to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Provider; and (vi) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly.

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## LETTER FROM THE BOARD

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The main businesses of the Group are manufacturing and trading of sporting goods, including footwear, apparel, accessories and others in the PRC. Set out below are the detailed description of each category of Service Providers and the specific criteria for determining the eligibility of each category of Service Providers under the New Share Option Scheme.

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
Supplier and manufacturer	Service Providers under this category are mainly raw material suppliers and contract manufacturers, which the Group engages for its outsourcing of a portion of manufacturing of its footwear products, majority of apparel products, and all of its accessories products.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such supplier or manufacturer, including but not limited to:</p> <ol style="list-style-type: none"> <li>(1) the nature, reliability and quality of the raw materials, goods or services supplied or manufactured;</li> <li>(2) the value of the raw materials, goods or services provided by the relevant supplier or manufacturer;</li> <li>(3) the frequency of collaboration and length of business relationship with the Group;</li> <li>(4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);</li> <li>(5) the background, reputation and track record of the relevant supplier or manufacturer;</li> <li>(6) the replacement cost of such supplier, manufacturer and/or the raw materials, goods or services (including continuity and stability of supply or provision of such raw materials, goods or services); and</li> <li>(7) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier or manufacturer could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the raw materials, goods or services supplied or manufactured and/or provided by such supplier or manufacturer.</li> </ol>

**LETTER FROM THE BOARD**

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
Distributor	<p>Service Providers under this category are mainly distributors of the Group's products. The Group adopted the distributorship model for its products in the PRC. The Group relies primarily on a number of third-party distributors for sales of the Group's products. Each of the distributors has exclusive distribution right over a certain geographical area in the PRC.</p>	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such distributor, including but not limited to:</p> <ol style="list-style-type: none"> <li>(1) the monthly average number of products distributed by the relevant distributor;</li> <li>(2) the value of the products distributed by the relevant distributor;</li> <li>(3) the distribution network of the relevant distributor;</li> <li>(4) the frequency of collaboration and length of business relationship with the Group;</li> <li>(5) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);</li> <li>(6) the background, reputation and track record of the relevant distributor;</li> <li>(7) the replacement cost of such distributor and/or the products or materials (including continuity and stability of distribution of such products or materials); and</li> <li>(8) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such distributor could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the sales of products attributable to the distribution of products by the relevant distributor.</li> </ol>

## LETTER FROM THE BOARD

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
Contractor, agent, consultant and adviser	Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provide design, research, development or other support or any advisory, consultancy, professional or other services (but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) to the Group on areas relating to the Group's abovementioned main businesses and/or other principal business activity(ies) that may be carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such contractor, agent, consultant and/or adviser, including but not limited to:</p> <ol style="list-style-type: none"> <li>(1) individual performance of the relevant contractor, agent, consultant and/or adviser;</li> <li>(2) their knowledge, experience and network in the relevant industry;</li> <li>(3) the frequency of collaboration and length of business relationship with the Group;</li> <li>(4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);</li> <li>(5) the background, reputation and track record of the relevant contractor, agent, consultant and/or adviser;</li> <li>(6) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such contractor, agent, consultant and/or adviser;</li> <li>(7) the replacement cost of such contractor, agent, consultant and/or adviser (including continuity and stability of provision of the necessary services); and</li> <li>(8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and/or adviser, and/or the synergy between the relevant contractor, agent, consultant and/or adviser and the Group.</li> </ol>

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**LETTER FROM THE BOARD**

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<b>Type(s) of Service Providers</b>	<b>Contributions of the Service Providers</b>	<b>Criteria for determining eligibility under the New Share Option Scheme</b>
Business and joint venture partner	Service Providers under this category are mainly business and joint venture partners who provide services to the Group on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such business and/or joint venture partner, including but not limited to:</p> <ol style="list-style-type: none"> <li>(1) their knowledge, experience and network in the relevant industry;</li> <li>(2) the frequency of collaboration and length of business relationship with the Group;</li> <li>(3) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);</li> <li>(4) the background, reputation and track record of the relevant business and/or joint venture partner;</li> <li>(5) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such business and/or joint venture partner could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such business and/or joint venture partner; and</li> <li>(6) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant business and/or joint venture partner, and/or the synergy between the relevant business and/or joint venture partner and the Group.</li> </ol>

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## LETTER FROM THE BOARD

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The Board considers that the inclusion of the Service Providers to participate in the New Share Option Scheme is consistent with the purpose of the scheme, which enables the Company to grant Options as incentives or rewards to attract personnel outside the Group to promote the sustainable development of the Group and align the mutual interests of each party, as both the Company and the Service Providers, by holding on to equity incentives, will mutually benefit from the long term growth of the Group. Taking into account the contributions of the Service Providers as set out in the table above and their relevance and significance to the main businesses of the Group, the independent non-executive Directors are of the view that the categories of the Service Providers and the criteria in determining the eligibility of such Service Providers were set in line with the Company's business need. As the eligibility of any of the Service Providers to an Offer shall be determined by the Directors as to his contribution to the development and growth of the Group, the independent non-executive Directors are of the view that an Offer would only be made by the Company to those Service Providers that would align with the business needs and/or development of the Group.

Options have been granted on 21 June 2021 under the Existing Share Option Scheme to employees of the Group and business partners of the Group comprising the substantial shareholders, senior executives and employees of certain distributors of the Group. The Group appreciated the participations and contributions made by such business partners and would like to give them share-based sales incentives so as to motivate them to achieve higher sales target, make more purchase orders from the Group and follow the marketing strategy of the Group, which in turn further increase the Group's sales. Moreover, the Group considered that it would be helpful in promoting the corporate and brand image by attracting more of such business partners and exploring potential business opportunities. Although none of the grantees under the Existing Share Option Scheme is a supplier, manufacturer, contractor, agent, consultant, adviser, or other business and joint venture partner, on the basis that (i) the categories of the Service Providers and the criteria in determining such Service Providers are in line with the Company's business need, and (ii) the fact that the Board has the authority to select the appropriate participants of such Service Providers that would align with the business needs and/or development of the Group and to specify the terms and conditions in respect of any Options that may be granted, including the minimum holding period, performance targets, clawback mechanism and Subscription Price for such Options, the Board is of the view that such will serve to protect the value of the Company as well as achieve the purposes of motivating the participants to contribute to the development and growth of the Group for the benefit of the Shareholders. Accordingly, the Board (including the independent non-executive Directors) considers the inclusion of the Service Providers in the New Share Option Scheme fits the purpose of the New Share Option Scheme, is fair and reasonable and in the interests of the Company and Shareholders as a whole.

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## LETTER FROM THE BOARD

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In assessing whether the Service Provider provides services to the Group (i) on a continuing and recurring basis, the Directors shall take into consideration the length and the type of services provided and the recurrences and regularity of such services, while taking into account the purpose of the New Share Option Scheme and the objectives in engaging such Service Provider; and (ii) in the Company's ordinary and usual course of business, the Directors shall take into consideration the nature of the services provided to the Group by such Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group.

The New Share Option Scheme specifies that the Service Provider Sublimit shall not exceed 50%, being 103,380,100 Shares, of the Scheme Mandate Limit, being 206,760,200 Shares (assuming no changes to the issued share capital of the Company from the Latest Practicable Date to the date of approval of the New Share Option Scheme). As stated above, during the ordinary and usual course of business of the Group, the Group will from time to time require services from Service Providers for its main businesses. All of such services contribute to a substantial part of development and growth of the Group which would be taken into consideration when the Board considers a grant of Options. The Board expects that the Group's continued success will benefit from the different expertise that Service Providers could provide to the Group, as such, the Directors (including the independent non-executive Directors) are of the view that such Service Provider Sublimit is appropriate and reasonable given the Company's business needs, and such a limit provides the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group, which is in line with the purpose of the New Share Option Scheme.

The vesting period for Options under the New Share Option Scheme shall not be less than 12 months from the date of acceptance of the Offer.

Unless otherwise determined by the Board and specified in the Offer letter to a grantee, there is no performance target that needs to be achieved by the grantee before an Option can be exercised nor subject to the clawback mechanism specified under the New Share Option Scheme to clawback such number of Options granted or extend the vesting period in relation to the Options from any grantee in the event of, among others, a material misstatement in the Company's financial statements, serious misconduct or other circumstances.

None of the Directors is a trustee of the New Share Option Scheme or has any direct or indirect interest in the trustees of the New Share Option Scheme, if any.

As at the Latest Practicable Date, the Board had not identified any specific grantee or made any immediate plan to make grants of Options in the upcoming 12 months from the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### **Value of the Options**

The Directors consider it inappropriate to disclose the value of Options which may be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date prior to the approval of the New Share Option Scheme. Any such valuation will have to be made on the basis of certain pricing model or other methodology, which depends on various assumptions, including exercise price, exercise period, interest rate, expected volatility and other variables. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

### **Conditions precedent of the New Share Option Scheme**

The adoption of the New Share Option Scheme is conditional upon:

- (A) the passing of an ordinary resolution to approve and adopt the New Share Option Scheme and terminate the Existing Share Option Scheme by the Shareholders in the AGM; and
- (B) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

The New Share Option Scheme will become effective immediately upon the fulfillment of all the conditions for adoption of the New Share Option Scheme as referred to in the above.

### **Application for listing**

Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options that may be granted under the New Share Option Scheme.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,067,602,000 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the Adoption Date, the maximum number of Shares which may be issued upon exercise of all Options and Awards to be granted under the New Share Option Scheme and other Share Schemes (if any), in aggregate will be 206,760,200 Shares, representing 10% of the Shares in issue as at the Adoption Date.

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## LETTER FROM THE BOARD

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### DOCUMENT ON DISPLAY

A copy of the rules of the New Share Option Scheme will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [ir.361sport.com](http://ir.361sport.com) for display for a period of not less than 14 days before the date of the AGM and the New Share Option Scheme will be made available for inspection at the AGM.

### AGM

A notice convening the AGM to be held at Conference Room, 14/F., Phase II Administrative Building, 361 Degrees Wuli Industrial Park, No. 6 Xiangyuan Road, Jinjiang City, Fujian Province, People's Republic of China on Friday, 28 April 2023 at 2:00 p.m. is set out on pages 47 to 52 of this circular.

### 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 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 AGM (i.e. by 2:00 p.m. on Wednesday, 26 April 2023) 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](http://www.hkexnews.hk) and on the website of the Company at [ir.361sport.com](http://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. 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.

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](mailto:361@361sportshk.com)

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## LETTER FROM THE BOARD

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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:

Shops 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](mailto:hkinfo@computershare.com.hk)

### 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 New Share Option Scheme and termination of the Existing Share Option Scheme.

The Directors consider that (i) the grant of the Share Buy-back Mandate to the Directors; (ii) the grant of Issue Mandate to the Directors; (iii) the re-election of retiring Directors; and (iv) the adoption of the New Share Option Scheme and termination of the Existing 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.

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 Act, 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 Act, 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 2022.

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.

**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:

	<b>Price per Share</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2022</b>		
April 2022	4.17	3.88
May 2022	4.14	3.40
June 2022	4.30	3.84
July 2022	4.30	3.86
August 2022	4.26	3.41
September 2022	4.47	3.61
October 2022	3.69	3.12
November 2022	3.61	3.04
December 2022	3.55	3.10
<b>2023</b>		
January 2023	3.90	3.27
February 2023	3.90	3.53
March 2023 (up to the Latest Practicable Date)	3.98	3.66

**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)).

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

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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 57, 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 (亞洲體傑出貢獻獎)" 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. Mr. Ding did not hold any other directorships in Hong Kong or overseas listed companies in the last three years.

**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 2021, subject to re-election by Shareholders in accordance with the requirements of the Articles 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 RMB1,416,000 per year where RMB1,401,000 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 63, joined the Group in May 2019 and is an independent non-executive Director. Mr. Hon is also the chairman of the Nomination Committee, a member of the audit committee and the remuneration committee of the Company. 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), Daphne International Holdings Limited (Stock code: 00210) and SinoMab BioScience Limited (Stock code: 03681). He was an independent non-executive director of Jimu Group Limited (Stock Code: 08187) from December 2017 to May 2021.

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 2022, subject to re-election by Shareholders in accordance with the requirements of the Articles 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, 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 HK\$420,000 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) 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. CHEN CHUANG (陳闖)**

**Chen Chuang (陳闖)**, aged 45, joined the Group in August 2019 and is an independent non-executive Director. Mr. Chen is also the chairman of the remuneration committee and a member of the audit committee of the Company. Mr. Chen has over 15 years of experience in corporate strategy, large enterprises innovation, and internal innovation. He is currently an independent non-executive director of Hengan International Group Company Limited (Stock code: 01044) and a professor of business management at the Master of Business Administration Education Center of the School of Management of Xiamen University (廈門大學管理學院工商管理教育中心). His areas of expertise include corporate strategy, large enterprises innovation, and internal innovation.

Mr. Chen was awarded a bachelor's degree and a master's degree in Management from the Dalian University of Technology (大連理工大學管理學院). He also received his doctorate degree in Business Administration from Tsinghua University (清華大學). Mr. Chen is a committee member of Case Research Division of Chinese Society for Management Modernization (中國管理現代化研究會案例研究專業委員會).

**Length of service**

Pursuant to the service agreement entered into between Mr. Chen and the Company, the term of Mr. Chen's appointment is three years commencing from 27 August 2022, subject to re-election by Shareholders in accordance with the requirements of the Articles and the Listing Rules.

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

Mr. Chen 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. Chen does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**Amount of emolument**

The emolument payable to Mr. Chen under the service agreement entered into between Mr. Chen and the Company is HK\$420,000 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 remuneration committee and a member of the audit committee of the Company, Mr. Chen 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. Chen 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.

*This appendix summarizes the principal terms of the New Share Option Scheme and does not form, nor is intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme.*

## **NEW SHARE OPTION SCHEME**

*The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved and adopted by an ordinary resolution of the Shareholders at the AGM.*

### **1. Purpose of the scheme**

The purpose of the New Share Option Scheme is to (i) enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the grantees with those of the Shareholders to promote the long-term financial and business performance of the Company.

### **2. Who may join**

The Directors (which expression shall, for the purpose of this paragraph, include a duly authorised committee thereof) may, at its absolute discretion, invite any person belonging to any of the following classes of participants (“**Eligible Participants**”), to take up Options to subscribe for Shares:

- (a) any employee (whether full-time or part-time, including any executive director, but excluding any non-executive director) of the Company or any of its subsidiaries (and including persons who are granted options or awards under the New Share Option Scheme as an inducement to enter into employment contracts with these companies) (“**Employee Participant**”);
- (b) any non-executive directors (including independent non-executive directors) of the Company or any of its subsidiaries; and

- (c) any person (whether a natural person, a corporate entity or otherwise) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, and excludes (for the avoidance of doubt) (i) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions, (ii) professional service providers (such as auditors or valuers) who provide assurance, or are required to perform their services with impartiality and objectivity (“**Service Provider**”), who falls under the following category or categories or who may meet with the eligibility criteria below:
- (i) *Supplier and manufacturer*: Service Providers under this category are mainly raw material suppliers and contract manufacturers, which the Group engages for its outsourcing of a portion of manufacturing of its footwear products, majority of apparel products, and all of its accessories products;
  - (ii) *Distributor*: Service Providers under this category are mainly distributors of the Group’s products. The Group adopted the distributorship model for its products in the PRC. The Group relies primarily on a number of third-party distributors for sales of the Group’s products. Each of the distributors has exclusive distribution right over a certain geographical area in the PRC;
  - (iii) *Contractor, agent, consultant and adviser*: Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provide design, research, development or other support or any advisory, consultancy, professional or other services (but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) to the Group on areas relating to the Group’s main businesses of manufacturing and trading of sporting goods, including footwear, apparel, accessories and others in the PRC and/or other principal business activity(ies) that may be carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields; or
  - (iv) *Business and joint venture partner*: Service Providers under this category are mainly business and joint venture partners who provide services to the Group on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group.

For avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of Option under the New Share Option Scheme.

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. Maximum number of Shares

- (a) The maximum number of Shares which may be allotted and issued in respect of all Options and Awards to be granted under the New Share Option Scheme and any other Share Schemes (“**Scheme Mandate Limit**”) shall not exceed 10% of the number of Shares in issue as at the date of approval of the New Share Option Scheme, being 206,760,200 Shares (assuming no changes to the issued share capital of the Company from the Latest Practicable Date to the date of approval of the New Share Option Scheme). Unless expressly approved by the Shareholders in general meeting and expressly allowed by the Stock Exchange, no Option or Award may be granted under the New Share Option Scheme or any other Share Scheme if the grant of such Option or Award will result in the limit referred to in this paragraph being exceeded.
- (b) The sublimit (under the Scheme Mandate Limit) on the total number of Shares that may be issued in respect of all Options and Awards to be granted to Service Providers under the New Share Option Scheme and any other Share Schemes adopted by the Group (“**Service Provider Sublimit**”) shall not exceed 50%, being 103,380,100 Shares (assuming no changes to the issued share capital of the Company from the Latest Practicable Date to the date of approval of the New Share Option Scheme), of the Scheme Mandate Limit.
- (c) Subject to paragraph 3(a) and without prejudice to paragraph 3(d), the Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit (and, where appropriate, the Service Provider Sublimit) under the New Share Option Scheme, provided that:
  - (i) the total number of Shares which may be allotted and issued upon exercise of all Options and Awards to be granted under the New Share Option Scheme and any other Share Scheme must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit, and for the purpose of calculating the refreshed Scheme Mandate Limit (and the Service Provider Sublimit), Options or Awards lapsed in accordance with the terms of the New Share Option Scheme and any other Share Scheme will not be regarded as utilized;

- (ii) where the refreshment of the Scheme Mandate Limit (and the Service Provider Sublimit) is sought:
  - (A) within three years from the date of shareholders approval for the last refreshment (or, as the case may be, the date of adoption of the New Share Option Scheme): (1) at the general meeting for considering and approving the proposed resolution of such refreshment, any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution; and (2) the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing), provided that the requirements under this paragraph 3(c)(ii)(A) do not apply if the refreshment is made immediately after an issue of securities by the issuer to its shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole share; and
  - (B) after three years from the date of shareholders approval for the last refreshment (or, as the case may be, the date of adoption of the New Share Option Scheme), the requirements under paragraph 3(c)(ii)(A) shall not be applicable.
- (d) Subject to paragraph 3(a) and without prejudice to paragraph 3(c), the Company may seek separate shareholders' approval in general meeting to grant Options under the New Share Option Scheme beyond the Scheme Mandate Limit or, if applicable, the refreshed limit referred to in paragraph 3(c) to Eligible Participants specifically identified by the Company before such approval is sought. The number and terms of Options or Awards to be granted to such participant must be fixed before shareholders' approval. In respect of any Options to be granted, the date of the board meeting for proposing such Grant should be taken as the date of Grant for the purpose of calculating the Subscription Price.

**4. Maximum entitlement of each participant**

Subject to paragraph 5(b), where any Grant of Options to a grantee under the New Share Option Scheme would result in the Shares issued and to be issued upon exercise of all Options or Awards Granted and proposed to be Granted to such person (excluding any Options and Awards lapsed in accordance with the terms of the New Share Option Scheme or the other Share Scheme) under the New Share Option Scheme and any other Share Scheme in the 12-month period up to and including the date of such further Grant representing in aggregate over 1% of the total number of Shares in issue (“**1% Individual Limit**”), such Grant must be separately approved by Shareholders in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person of the Company) abstaining from voting. The number and terms of Options or Awards to be granted to such participant must be fixed before shareholders’ approval. In respect of any Options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

For the purpose of seeking the approval of the Shareholders under this paragraph, the Company must send a circular to the Shareholders containing, among others, the identity of such participant, the number and the terms of the Options to be granted (and options previously granted to such participant in the 12-month period) and such other information required under the Listing Rules.

**5. Grant of Options to connected persons**

- (a) Without prejudice to paragraph 4 above, 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 the Options or Awards). The requirements for the Grant to a Director or chief executive of the Company set out in this paragraph do not apply where the Eligible Participant is only a proposed Director or proposed chief executive of the Company.
- (b) Where any Grant of Options or Awards to an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options and Awards granted (excluding any Options and Awards lapsed in accordance with the terms of the New Share Option Scheme or the relevant Share Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such Grant of Options or Awards must be approved by the Shareholders in general meeting (with such grantee, his associates and all core

connected persons of the Company abstaining from voting in favour). In such connection, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing).

- (c) Any change in the terms of Options or Awards granted to any grantee who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting (with such grantee, his associates and all core connected person of the Company) abstaining from voting in favour), if the initial grant of the Options or Awards requires such approval (except where the changes take effect automatically under the existing terms of the New Share Option Scheme). In such connection, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing).
- (d) The requirements for the Grant to a Director or chief executive of the Company set out in paragraphs 5(b) and 5(c) above do not apply where the Eligible Participant is only a proposed Director or a proposed chief executive of the Company.

For the purpose of seeking the approval of the Shareholders under this paragraph, the Company must send a circular to the Shareholders containing the information required under the Listing Rules.

#### **6. Time of acceptance and exercise of Option**

An Option may be accepted by the Eligible Participant within 21 days from the date of the Offer.

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to the grantee, which period may commence from the date of Offer but shall end in any event not later than 10 years from the date of Offer of that Option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the Offer to a grantee, there is no minimum period required under the New Share Option Scheme for the holding of an Option before it can be exercised.

**7. Vesting period**

(a) The vesting period in respect of any Option granted to any Eligible Participant shall not be shorter than 12 months from the date of acceptance of the Offer, provided that where the Eligible Participant is:

- (i) an Employee Participant who is a Director or a Senior Manager specifically identified by the Company, the remuneration committee of the Board shall, or
- (ii) an Employee Participant who is not a Director nor a Senior Manager specifically identified by the Company, the Directors shall

have the authority to determine a shorter vesting period under the following specific circumstances:

- (a) grants of “make-whole” Options to a new Employee Participant to replace awards or options such Employee Participant forfeited when leaving his previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (d) grants that are made in batches during a year for administrative and compliance reasons. Such circumstances may include Options that should have been granted earlier but had to wait for subsequent batch, in which case the vesting period may be adjusted to take account of the time from which the Options would have been granted if not for such administrative or compliance requirements;
- (e) grants of Options with a mixed or accelerated vesting period schedule such that the Options vest evenly over a period of 12 months; or
- (f) grants of Options with a total vesting period of more than 12 months.

It is considered that by having the flexibility of having a shorter vesting period, the Group will be in a better position to attract and retain such Eligible Participants to continue serving the Group whilst at the same time providing them with further incentive in achieving the goals of the Group, and thereby, to achieve the purpose of the New Share Option Scheme.

**8. Performance target and clawback mechanism**

- (a) Unless the Directors otherwise determined and stated in the Offer to a grantee, a grantee is not required to achieve any performance targets before the exercise of an Option granted to him nor be subject to the clawback mechanism referred to in 8(c) below.
- (b) The Directors may provide in the notice of Offer that any Option prior to it being exercised may be subject to clawback or a longer vesting period if any of the clawback events stated in paragraph 8(c) below shall occur.
- (c) In respect of any Option which is performance linked, if any of the following events (“**Clawback Event**”) shall occur during an option period:
  - (i) there being a material misstatement in the audited financial statements of the Company that requires a restatement; or
  - (ii) the grantee being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or
  - (iii) if a Grant or the exercise of any Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner,

the Directors may (but are not obliged to) by notice in writing to the grantee concerned (aa) claw back such number of Options (to the extent not being exercised) granted as the Directors may consider appropriate; or (bb) extend the vesting period (regardless of whether the initial vesting date has occurred) in relation to all or any of the Options (to the extent not being exercised) to such longer period as the Directors may consider appropriate. The Options that are clawed back pursuant to this 8(c) will be regarded as cancelled and the Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

- (d) The term “performance targets” shall mean any one or more performance measures, or derivations of such performance measures that may be related to the individual grantee or the Group as a whole or to a subsidiary, division, department, region, function or business unit of the Company or the relevant Service Provider, which may be based on financial, business and/or operational performances, in each case as specified by the Directors (or, as the case may be, the remuneration committee of the Board) in their sole discretion.

#### 9. Subscription for Shares and consideration for the Option

The Subscription Price in respect of any Option will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the Offer, which must be a Business Day; (ii) 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 date of the Offer; and (iii) (where applicable) the nominal value of a Share.

A nominal consideration of HK\$1 is payable on acceptance of the Offer and shall be received by the Company within such time as may be specified in the Offer, which shall not be later than 21 days from the date of Offer.

#### 10. Ranking of Shares

- (a) Shares allotted upon the exercise of an Option will be subject to all the provisions of the Articles 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 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.
- (b) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, re-classification or re-construction of the share capital of the Company from time to time.

**11. Restrictions on the time of grant of Options**

- (a) No Offer shall be made after inside information has come to the knowledge of the Company until (and including) the trading day after the Company has announced the information. In particular, no Offer may be made during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement; and for the avoidance of doubt, no Offer may be made during any period of delay in publishing a results announcement.
- (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.

**12. Period of the New Share Option Scheme**

The New Share Option Scheme will remain in force for a period of 10 years commencing Adoption Date.

**13. Rights on ceasing employment**

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health, disability or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds referred to in paragraph 15 below before the exercising the Option in full, the Option (to the extent vested and not already exercised) will 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 vested and not already exercised) in whole or in part in accordance with the provisions of the New Share Option Scheme 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 paragraph 17 or 18 occur during such period, exercise the Option pursuant to paragraph 17 or 18 respectively. For this purpose, the date of cessation or termination will be taken to be the last day on which the grantee was actually at work with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not. For the avoidance of doubt, all unvested Options shall be forfeited and cancelled on the date of cessation or termination of employment.

**14. Rights on death, ill-health, disability or retirement**

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health, disability or retirement in accordance with his contract of employment before exercising the Option in full:

- (a) his personal representative(s) or, as appropriate, the grantee may exercise the Option (to the extent vested and not already exercised) in whole or in part in accordance with the provisions of the New Share Option Scheme 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 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 17 or 18 occur during such period, exercise the Option pursuant to paragraph 17 or 18 respectively;
- (b) in respect of those Options that have met the earliest vesting date as stated in the Offer but have not been vested because the performance targets stated in the Offer have not been satisfied, the Directors may, by reference to the level of attainment of the prescribed performance targets and other equitable factors, determine that the grantee or, his personal representative, may exercise such number of Options and within such time as the Directors may consider appropriate, subject to any conditions or limitations as they may impose.

For the avoidance of doubt, save as provided in the foregoing, all unvested Options shall be forfeited and cancelled on the date of cessation of employment.

**15. Right on dismissal**

If the grantee is an Eligible Employee and 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 into disrepute), his Option (to the extent not already exercised) will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

**16. Rights on breach of contract**

In respect of a grantee other than an Eligible Employee, if 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 on the other part; or (bb) that 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-paragraphs (aa), (bb) and (cc) above, his Option (to the extent not already exercised) will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

**17. Rights on a general offer, a compromise or arrangement**

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 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. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent vested and 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 the New Share Option Scheme 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.

**18. Rights on winding up**

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 Business Days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent vested and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme 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 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 (whether vested or unvested) then outstanding shall lapse and determine on the commencement of the winding-up.

#### **19. Grantee being a company wholly-owned by Eligible Participants**

If the grantee is a vehicle (such as a trust or a private company, “**Participant Vehicle**”) for the benefit of the grantee and any family members of such grantee (for purposes of estate planning or tax planning or such other reasons as the Directors and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of the New Share Option Scheme and comply with the requirements of Chapter 17 of the Listing Rules:

- (a) paragraphs (13), (14), (15) and (16) 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 individual Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs (13), (14), (15) and (16) shall occur with respect to the relevant individual Eligible Participant; and
- (b) the Options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly-owned by the relevant individual Eligible Participant(s) (or, where the grantee is originally a trust of which the relevant individual Eligible Participants is a beneficiary or discretionary object, on the date the relevant individual Eligible Participant ceases to be a beneficiary or discretionary object) 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.

#### **20. Adjustments to the subscription price**

In the event of a capitalization issue, rights issue, consolidation or sub-division of Shares, or reduction of the share capital of the Company while an Option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being or an independent financial adviser to the Company as fair and reasonable will be made to (1) the number of Shares subject to the New Share Option Scheme or any Option relates (insofar as it is/they are unexercised); and/or (2) the Subscription Price of any Option; and/or (unless the relevant grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remains comprised in an Option, provided that (aa) any such adjustment shall give a grantee the same proportion of the issued shares in the Company (round to the nearest whole share) as that to which such grantee was entitled immediately prior to such adjustment; (bb) no such adjustment may be made to the extent that a Share would be issued at less than its nominal value; (cc) the

issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring any such adjustment; and (dd) 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 addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

## **21. Cancellation of Options**

Save for any breach of the requirement under paragraphs 8 and 23 which shall entitle the Company to cancel the Option granted to the relevant grantee to the extent not already exercised and subject to Chapter 17 of the Listing Rules, any Options granted but not exercised may not be cancelled except with the prior written consent of the relevant grantee and the approval of the Directors.

When the Company cancels any unvested Option granted to a grantee or any vested (but not yet exercised) Option and issues new Option(s) to the same grantee, the issue of such new Option(s) may only be made with available Scheme Mandate Limit approved by the Shareholders pursuant to paragraphs 3(a), 3(b), 3(c) or 3(d). The Options cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

## **22. Termination of the New Share Option Scheme**

The Company may by resolution in general meeting at any time terminate the New Share Option Scheme and in such event no further Options shall be offered but in all other respects the provisions of the New 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 to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and (subject to vesting in accordance with the terms of the Offer) exercisable in accordance with the New Share Option Scheme.

**23. Rights are personal to the grantee**

- (a) Subject to 23(b) below, an Option shall be personal to the grantee and shall not be transferable or assignable.
- (b) Where (i) the Directors give their express consent in writing (which consent may or may not be given by the Directors at their absolute discretion), and (ii) the Stock Exchange gives any express waiver, the Option held by a grantee may be allowed to be transferred to a Participant Vehicle for the benefit of the grantee and any family members of such grantee (for purposes of estate planning or tax planning or such other reasons as the Directors and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of the New Share Option Scheme and comply with the requirements of Chapter 17 of the Listing Rules. The Participant Vehicle shall comply with paragraph 23(a) and other provisions of the New Share Option Scheme shall apply, *mutatis mutandis*, to the Participant Vehicle.

**24. Lapse of Option**

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the period referred to in paragraph (6);
- (b) the expiry of the periods or dates referred to in paragraphs (13), (15), (16), (17), (18) and (19); and
- (c) the date on which the Directors exercise the Company's right to cancel the Option by reason of a breach of paragraph (23) above by the grantee.

**25. Others**

- (a) The New Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of and permission to deal in, such number of Shares to be allotted and issued pursuant to the exercise of any Options in accordance with the terms and conditions of the New Share Option Scheme, such number representing the Scheme Mandate Limit.
- (b) The terms and conditions of the New Share Option Scheme relating to the matters govern by rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees or prospective grantees except with the sanction of a resolution of the Shareholders in general meeting.
- (c) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature must be approved by the Shareholders in general meeting.

- (d) Any change to the terms of Options granted to a grantee shall be approved by the Directors, the remuneration committee of the Board, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) in accordance with the terms of the New Share Option Scheme and Chapter 17 of the Listing Rules, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (e) The terms of the New Share Option Scheme and/or the Options amended shall comply with the applicable requirements under Chapter 17 of the Listing Rules.
- (f) Any change to the authority of the Directors or the administrators of the New Share Option Scheme to alter the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

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## NOTICE OF AGM

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# 361°

**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 Conference Room, 14/F., Phase II Administrative Building, 361 Degrees Wuli Industrial Park, No. 6 Xiangyuan Road, Jinjiang City, Fujian Province, People’s Republic of China on Friday, 28 April 2023 at 2:00 p.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 2022.
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. Chen Chuang 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.

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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.”

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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

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(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 of the Company:

A. “**THAT:**

- (a) (i) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of options to be granted under the rules of the new share option scheme of the Company (“**New Share Option Scheme**”, a copy of which having been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification and a summary of the principal terms of which are set out in the circular of the Company dated 4 April 2023); and (ii) with effect from

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the close of business of the day on which this resolution is passed, the New Share Option Scheme be and is hereby approved and adopted as the share option scheme of the Company and that the Directors be and are hereby authorised to approve any amendments to the rules of the New Share Option Scheme as may be acceptable or not objected by the Stock Exchange, and at the Director's absolute discretion to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the New Share Option Scheme and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the New Share Option Scheme;

- (b) the Scheme Mandate Limit (as defined in the New Share Option Scheme) of 10% of the number of Shares in issue as at the date of passing of this resolution be and is hereby approved and adopted; and
- (c) conditional upon the New Share Option Scheme becoming effective, the existing share option scheme of the Company as adopted on 18 May 2021 (the “**Existing Share Option Scheme**”) be and is hereby terminated upon the New Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution).”

- B. “**THAT** conditional upon the passing of resolution numbered 8(A), the Service Provider Sublimit (as defined in the New Share Option Scheme, and which includes grants to Service Provider (as defined in the New Share Option Scheme) under any other share schemes of the Company) of 50% of the Scheme Mandate Limit (as defined in the New Share Option Scheme) be and is hereby approved and adopted.”

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

Hong Kong, 4 April 2023

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*Notes:*

1. The register of members of the Company will be closed from Tuesday, 25 April 2023 to Friday, 28 April 2023 (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 Friday, 28 April 2023 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 Monday, 24 April 2023.
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.
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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the annual general meeting (i.e. by 2:00 p.m. on Wednesday, 26 April 2023) or any adjournment thereof.
5. Please refer to Appendix II to the circular of the Company dated 4 April 2023 for the details of the retiring Directors subject to re-election at the Meeting.

*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.*