

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



波司登國際控股有限公司

Bosideng International Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3998)

(1) AMENDMENTS TO SHARE AWARD SCHEME

**(2) GRANT OF AWARDED SHARES UNDER THE SHARE AWARD SCHEME
AND**

(3) GRANT OF SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

(1) AMENDMENTS TO SHARE AWARD SCHEME

Reference is made to the announcement made by the Company on September 23, 2011 regarding the adoption of the Share Award Scheme.

On August 5, 2016, the Board has resolved to amend the Share Award Scheme so that (i) directors of the Group shall also be eligible to participate in the Share Award Scheme, subject to the terms of their service agreements or other agreements with the Company or any member of the Group; and (ii) the relevant scheme limits under the Share Award Scheme can be increased, with effect from the date of this announcement.

Save for the amendments specified in this announcement and other cosmetic changes, no other changes have been made to the Share Award Scheme and all other terms of the Share Award Scheme remain effective.

(2) GRANT OF AWARDED SHARES UNDER THE SHARE AWARD SCHEME

On August 5, 2016, the Board has also resolved to award an aggregate of 180,900,000 Awarded Shares to 66 Selected Persons who are directors, senior management and employees of the Group under the Share Award Scheme, of which the relevant awardees shall contribute HKD0.33 per Awarded Share, being 50% of the average closing price of HKD0.66 per Share as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant.

The Awarded Shares represent approximately 2.33% of the issued share capital of the Company as at the Adoption Date (being 7,772,350,000 Shares) and 2.04% of the total number of Shares in issue as at the date of this announcement (being 8,847,698,000 Shares).

(3) GRANT OF SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

On August 5, 2016, the Board further resolved to grant an aggregate of 180,900,000 Share Options to the same 66 persons who are directors, senior management and employees of the Group under the Share Option Scheme. The Share Options will entitle the grantees to subscribe for up to a total of 180,900,000 new Shares, representing approximately 2.04% of all the Shares in issue as at the date of this announcement (being 8,847,698,000 Shares) and approximately 2.00% as enlarged by the issue of the new Shares upon exercise of all the Share Options (being 9,028,598,000 Shares). The exact number of Share Options granted to each grantee shall be same as the number of the Awarded Shares accepted and paid by such grantee.

BACKGROUND

To incentivize and retain talents and to effectively aligning the interests of the employees with that of the Company and its shareholders as a whole, the Board has resolved to amend the Share Award Scheme and make awards of Awarded Shares and grants of Share Options as set out below.

(1) AMENDMENTS TO THE SHARE AWARD SCHEME

Reference is made to the announcement made by the Company on September 23, 2011 regarding the adoption of the Share Award Scheme.

On August 5, 2016, the Board has resolved to amend the Share Award Scheme as follows:

- **Eligible Persons**

The scope of the Eligible Persons of the Share Award Scheme shall be broadened so that directors of the Group shall also be eligible to participate in the Share Award Scheme and shall be eligible to receive the Awarded Shares pursuant to their service agreements or other agreements with the Company or any member of the Group.

- **Scheme Limit**

The relevant scheme limit will be amended as follows:

No Shares will be acquired by the Share Award Scheme Trustee if such acquisition would result in the total number of Shares acquired by the Share Award Scheme Trustee during the 12 month period immediately preceding the acquisition representing in aggregate over 10% of voting rights of the Company, instead of 1.5% prior to the amendments.

The total number of Shares held by the Share Award Scheme Trustee under the Share Award Scheme will not exceed 10% of the then total issued Shares at any time, instead of 1.5% prior to the amendments.

- **Time restriction on making awards, subscription, purchase and/or vesting**

No award shall be made or vested by the Administration Committee and no instructions to acquire Shares shall be made in the following circumstances:

- (a) if any member of the Board is in possession of unpublished inside information in relation to the Shares; or
- (b) where dealings in the Shares by the Directors are prohibited under any code or requirements under the Listing Rules, the Securities and Futures Ordinance or any other applicable law or regulation or where the requisite approval from any applicable regulatory authorities has not been granted.

Save for the amendments specified in this announcement and other cosmetic changes, no other changes have been made to the Share Award Scheme and all other terms of the Share Award Scheme remain effective.

Awards to Directors

In the event of any grant of Awarded Shares to the directors of the Group, such grant will form part of the directors' remuneration under their respective service contracts, and is therefore fully exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.95 of the Listing Rules.

REASONS FOR THE AMENDMENTS TO THE SHARE AWARD SCHEME

The purpose of the Share Award Scheme is to recognize and reward the contribution of certain Eligible Persons to the growth and development of the Group through an award of Shares.

Since the operation of the Share Award Scheme, the Board has recognized that directors of the Group play an important role in the success of the Group and would like to use the Share Award Scheme to enhance the flexibility of the Group to recognize and motivate their contribution. Further, the increase in the scheme limit will help give flexibility to the Company to grant Awarded Shares as and when appropriate in accordance with the purpose and terms of the Share Award Scheme and based on the capital structure of the Company from time to time.

The Company believes that such amendments are beneficial to the Company and its shareholders as a whole.

The Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No shareholders' approval is required for the above amendment to the Share Award Scheme and this announcement is made to provide information about the Share Award Scheme to enhance the transparency of the management of the Company.

(2) GRANT OF AWARDED SHARES UNDER THE SHARE AWARD SCHEME

On August 5, 2016, the Board has also resolved to award an aggregate of 180,900,000 Awarded Shares to 66 Selected Persons who are directors, senior management and employees of the Group under the Share Award Scheme. The Awarded Shares represent approximately 2.33% of the issued share capital of the Company as at the Adoption Date (being 7,772,350,000 Shares) and 2.04% of the total number of Shares in issue as at the date of this announcement (being 8,847,698,000 Shares). Except the Awarded Shares, the Company has not granted any other Awarded Shares pursuant to the Share Award Scheme since the Adoption Date.

Details of the grant of the Awarded Shares are set out as follows:

Date of Grant:	August 5, 2016
Amount of contribution by Selected Persons:	HKD0.33 per Awarded Share, being 50% of the average closing price of HKD0.66 per Share as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant, which shall be refunded if the Awarded Shares are not vested.
Number of Awarded Shares granted:	180,900,000 Awarded Shares
Lock-up period:	12 months from the date of vesting of the Awarded Shares

Subject to the satisfaction of the vesting criteria and conditions, the Awarded Shares shall be vested to the Selected Persons as follows:

Vesting Period	% of the Awarded Shares to be vested
Commencing from the first anniversary date from the Date of Grant and ending on the last trading date of the 24-month period from the Date of Grant	40%
Commencing from the first trading day after expiry of the 24-month period from the Date of Grant and ending on the last trading day of the 36-month period from the Date of Grant	30%
Commencing from the first trading day after expiry of the 36-month period from the Date of Grant and ending on the last trading day of the 48-month period from the Date of Grant	30%

During the abovementioned vesting period, the Company will determine whether the Awarded Shares can be vested and the actual number of Awarded Shares to be vested, according to the financial results of the Company and the working performance of the Selected Persons, which will then be notified in writing to the Selected Persons and the Share Award Scheme Trustee. Such date of notification will be treated as the date of vesting, and the commencement date of the relevant lock-up period for such batch of vested Awarded Shares.

Upon vesting, the Company is still entitled to adjust the actual amount of Awarded Shares that can be vested to the respective Selected Persons according to their working performance as well as allow the unvested Awarded Shares to be accrued to the next or next subsequent vesting period at its sole discretion.

The Awarded Shares not vested as a result of non-fulfillment of the performance-based conditions during the relevant vesting periods shall lapse with immediate effect and be held by the Share Award Scheme Trustee for future award (if any), provided that the Company shall refund the amounts contributed by the Selected Persons to the relevant Selected Person. If a Selected Person has satisfied his working performance-based condition, but the Awarded Shares are not vested purely because of the unsatisfactory financial performance of the Group, the contribution made by such Selected Person shall be refunded in full together with accumulated interests calculated at 4.35% per annum (with reference to the inter-bank loan prime rate of banks in the PRC).

Mr. Gao Dekang, the ultimate controlling shareholder of the Company, has provided a personal undertaking in favour of the Selected Persons that during the period commencing from the date of payment of the contribution by the relevant Selected Persons to the date of the expiry of the relevant lock-up period of the vested Awarded Shares (the “**Undertaking Period**”), if the annualized rate of return based on the amount of contribution made by the relevant Selected Person for each vested Awarded Share is less than 10% when compared to the sum of the closing price per Share as stated in the daily quotations sheet issued by the Stock Exchange on the expiry date of the relevant Undertaking Period and any dividends received per vested Awarded Share, etc, the shortfall will be compensated by Mr. Gao Dekang.

The number of Awarded Shares granted to Directors are as follows:

Name of Director	Position held within the Company	Number of Awarded Shares granted
Mr. Mak Yun Kuen	Executive Director	11,200,000
Mr. Rui Jinsong	Executive Director	11,200,000
Ms. Gao Miaoqin	Executive Director	5,600,000
Ms. Huang Qiaolian	Executive Director	5,600,000

The grant of Awarded Shares to the above Directors will form part of their remuneration under their respective service contracts, and is therefore fully exempt from the reporting, announcement and independent shareholders’ approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules. Each of the above Directors has abstained from voting on the Board resolution approving the grant of Awarded Shares to himself/herself.

(3) GRANT OF SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

This announcement is also made pursuant to Rule 17.06A of the Listing Rules.

On August 5, 2016, the Board further resolved to grant an aggregate of 180,900,000 Share Options to the same 66 persons who are directors, senior management and employees of the Group under the Share Option Scheme. The Share Options will entitle the grantees to subscribe for up to a total of 180,900,000 new Shares, representing approximately 2.04% of all the Shares in issue as at the date of this announcement (being 8,847,698,000 Shares) and approximately 2.00% as enlarged by the issue of the new Shares upon exercise of all the Share Options (being 9,028,598,000 Shares). The exact number of Share Options granted to each grantee shall be same as the number of the Awarded Shares accepted and paid by such grantee.

Details of the Share Options are set out as follows:

Date of Grant:	August 5, 2016
Exercise price:	HKD0.71 to subscribe for one Share, representing the highest of (i) the closing price of HKD0.71 per Share as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of HKD0.66 per Share as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and (iii) the nominal value of a Share
Number of Share Options granted:	180,900,000 Share Options (each Share Option shall entitle the holder of the Share Option to subscribe for one Share). Subject to the maximum number of Share Options granted to each grantee, the exact number of Share Options granted to each grantee shall be same as the number of the Awarded Shares accepted and paid by such grantee
Validity period of the Share Options:	Four years commencing from the Date of Grant

Subject to the satisfaction of the vesting criteria and conditions (in particular, the grantees should have accepted the grant of Awarded Shares (in full or in part) and paid HKD0.33 per such Awarded Share), the Share Options shall be vested to the grantees as follows:

Vesting Period	% of the Share Options to be vested
Commencing from the first anniversary date from the Date of Grant and ending on the last trading date of the 24-month period from the Date of Grant	40%
Commencing from the first trading day after expiry of the 24-month period from the Date of Grant and ending on the last trading day of the 36-month period from the Date of Grant	30%
Commencing from the first trading day after expiry of the 36-month period from the Date of Grant and ending on the last trading day of the 48-month period from the Date of Grant	30%

Upon vesting, the Company is still entitled to adjust the actual amount of Share Options that can be vested to the respective grantees according to their performance at its sole discretion.

Share options not vested or exercisable as a result of non-fulfillment of the performance-based conditions or not exercised during the relevant exercise periods shall lapse with immediate effect and cancelled by the Company without compensation.

The number of Share Options granted to the Directors are as follows:

Name of Director	Position held within the Company	Number of Share Options granted
Mr. Mak Yun Kuen	Executive Director	11,200,000
Mr. Rui Jinsong	Executive Director	11,200,000
Ms. Gao Miaoqin	Executive Director	5,600,000
Ms. Huang Qiaolian	Executive Director	5,600,000

The grant of the Share Options to the above Directors has been approved by the independent non-executive Directors. Each of the grantees of the remaining 147,300,000 Share Options is a senior management or employee of the Group and is not a Director, chief executive or substantial shareholder of the Company, nor an associate (as defined in the Listing Rules) of any of them.

DEFINITIONS

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

“Administration Committee”	the administration committee of the Company which shall include members of the senior management of the Company who are in charge of the human resources department and the security and investment department of the Company, delegated with the power and authority by the Board to administer the Share Award Scheme
“Adoption Date”	the date of adoption of the Share Award Scheme, being September 23, 2011
“Awarded Share(s)”	in respect of a Selected Person, such number of Awarded Shares determined by the Board and granted to such Selected Person
“Board”	the board of Directors or a duly authorized committee or person(s) delegated with the power and authority by the board of Directors to administer the Share Award Scheme
“Company”	Bosideng International Holdings Limited, an exempted company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Date of Grant”	being August 5, 2016, the date of grant of the Share Options and the Awarded Shares
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	any employee (whether full time or part time) of the Group, excluding expressly any connected person (as defined in the Listing Rules) of the Company (other than directors of the Group)
“Group”	the Company and its Subsidiaries from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Selected Person(s)”	Eligible Person(s) selected by the Board pursuant to the Share Award Scheme

“Share Award Scheme”	the share award scheme in its present form or as amended from time to time, adopted by the Company on September 23, 2011
“Share Award Scheme Trustee”	BOCI – Prudential Trustee Limited, a company incorporated in Hong Kong, the trustee appointed by the Company for the administration of the Share Award Scheme pursuant to a trust deed and a third party not connected with any of the Director, chief executives or substantial shareholders of the Company or any of its Subsidiaries or their respective associates (as defined under the Listing Rules)
“Share Option Scheme”	the share option scheme in its present form or as amended from time to time, adopted by the Company on September 15, 2007
“Share Option(s)”	the share option(s) granted or to be granted under the Share Option Scheme
“Share(s)”	share(s) of USD0.00001 each in the capital of the Company (or of such other nominal amount as shall result from a subdivision, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere

By order of the Board
Bosideng International Holdings Limited
Gao Dekang
Chairman

Hong Kong, August 5, 2016

As at the date of this announcement, the executive Directors are Mr. Gao Dekang, Ms. Mei Dong, Ms. Gao Miaoqin, Ms. Huang Qiaolian, Mr. Mak Yun Kuen and Mr. Rui Jinsong; and the independent non-executive Directors are Mr. Dong Binggen, Mr. Wang Yao, Dr. Ngai Wai Fung and Mr. Lian Jie.