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Xtep International Holdings Limited

特步國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1368)

**(1) PROPOSED ADOPTION OF
THE 2025 SHARE OPTION SCHEME; AND
(2) PROPOSED ADOPTION OF
THE 2025 SHARE AWARD SCHEME**

PROPOSED ADOPTION OF THE 2025 SHARE OPTION SCHEME

The Board proposes to recommend to the Shareholders at the AGM to adopt the 2025 Share Option Scheme, which will constitute a share scheme under Chapter 17 of the Listing Rules. Pursuant to the Listing Rules, share schemes involving the grant of new shares must be approved by shareholders of the listed issuer in general meeting. Accordingly, the adoption of the 2025 Share Option Scheme will be subject to, among others, the Shareholders' approval at the AGM.

PROPOSED ADOPTION OF THE 2025 SHARE AWARD SCHEME

The Board also proposes to recommend to the Shareholders at the AGM to adopt the 2025 Share Award Scheme, will constitute a share scheme under Chapter 17 of the Listing Rules. Pursuant to the Listing Rules, share schemes involving the grant of new shares must be approved by shareholders of the listed issuer in general meeting. Accordingly, the adoption of the 2025 Share Award Scheme will be subject to, among others, the Shareholders' approval at the AGM.

GENERAL

A circular containing, among other matters, (i) details of the proposed adoption of the 2025 Share Option Scheme; (ii) details of the proposed adoption of the 2025 Share Award Scheme; and (iii) the notice convening the AGM will also be despatched to the Shareholders in due course.

As at the date of this announcement, the proposed adoptions of the 2025 Share Option Scheme and the 2025 Share Award Scheme are both subject to the approval of the Shareholders. Potential investors of the Company are advised to exercise caution when dealing in the Company's securities.

INTRODUCTION

This announcement is made by the Company in relation to: (1) the proposed adoption of the 2025 Share Option Scheme; and (2) the proposed adoption of the 2025 Share Award Scheme.

The 2014 Share Award Scheme was adopted by the Company on 1 August 2014 and is valid for a period of 10 years commencing on 1 August 2014, and expired on 1 August 2024. As at 28 March 2025, being the latest practicable date for ascertaining the number of outstanding awarded shares, (i) there were a total of 43,695,000 outstanding awarded shares granted to employees under the 2014 Share Award Scheme; and (ii) there were no outstanding options to subscribe for Shares.

The Company has no subsisting and effective share schemes as at the date of this announcement.

PROPOSED ADOPTION OF THE 2025 SHARE OPTION SCHEME

The Board proposes to recommend to the Shareholders at the AGM to adopt the 2025 Share Option Scheme, which will involve issue of new Shares (include treasury shares (if any)) upon exercise of the granted Options. The proposal allows the Company to provide incentives to Eligible Participants to contribute to the Group and to enable the Group to recruit, retain and motivate high-calibre employees, attract human resources that are valuable to the Group and to give the Eligible Participants an opportunity to have a personal stake in the Company and help motivate eligible participants to optimise their future contributions to the Group.

The key terms of the 2025 Share Option Scheme are set out below.

- Purpose** : The purpose of the 2025 Share Option Scheme is to provide the Selected Participants with an opportunity to obtain a proprietary interest in the Company and align their interest with those of the Shareholders to promote the long-term performance of the Group, to recognise the contributions by the Group's personnel and to provide incentives to Selected Participants to contribute to the Company and to enable the Company to recruit, retain and motivate high-calibre employees and attract human resources that are valuable to the Group.
- Duration** : The 2025 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period, no further options shall be granted but the provisions of the 2025 Share Option Scheme shall remain in full force and effect for the purpose of giving effect to the acceptance of granted Options, the exercise of such outstanding Vested or Unvested Options or otherwise as may be required in accordance with the 2025 Share Option Scheme.
- Administration of the 2025 Share Option Scheme** : The 2025 Share Option Scheme shall be subject to the administration of the Board in accordance with the rules of the 2025 Share Option Scheme and the Listing Rules. The Remuneration Committee is involved where the Grantee is a director of the Company or a member of the Company's senior management, the Listing Rules require its involvement or it is authorised by the Board.
- The Board may appoint a third-party professional service provider as the administrator in relation to the 2025 Share Option Scheme (or certain aspects of it) on such terms as the Board may determine.
- Participants** : Eligible Participants include the Employee Participants, the Related Entity Participants and the Service Provider Participants who in the absolute discretion of the Board have contributed to the Group on the basis of their contribution to the development and growth of the Group may participate in the 2025 Share Option Scheme.

- Subscription Price** : The Board will determine the Subscription Price and will notify the Grantee such Subscription Price in the letter of grant. The Board will comply with such basis of determination of the price for exercising any Option as set out in the Listing Rules unless otherwise approved or permitted by the Stock Exchange, such exercise price, pursuant to the Listing Rules as at the Adoption Date, shall not be less than the highest of:
- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date; and
 - (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Grant Date; and
 - (c) the nominal value of a Share.
- Maximum number of Shares available for subscription** : The total number of Shares issued and to be issued upon exercise of all Options and Other Scheme Options and Awards must not exceed 10 per cent. of the Shares in issue (excluding any treasury shares) as at the Adoption Date.
- The total number of Shares which may be allotted and issued in respect of all Options to be granted under the 2025 Share Option Scheme and Other Scheme Options and Awards to Service Providers Participants must not exceed 1 per cent. of the Shares in issue (excluding any treasury shares) as at the Adoption Date.
- Maximum entitlement of each Eligible Participant** : No Option can be granted to any Eligible Participant which, if exercised, would result in that Eligible Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him/her in respect of all Options and Other Scheme Options and Awards granted to him/her in the 12-month period immediately preceding the Grant Date of the relevant Option to exceed 1 per cent. of the number of Shares in issue (excluding any treasury shares) as at that Grant Date.

- Time of exercise of options** : An Option may be exercised at any time during a period to be determined and notified by the Board to the Grantee as set out in the letter of grant, which period shall not be longer than 10 years from the Grant Date.
- Vesting period** : The minimum vesting period is 12 months. A vesting period shorter than 12 months may be granted to Employee Participants at the discretion of the Board (or the Remuneration Committee where the arrangements relate to grants of Options to the directors and/or senior management of the Company) in any of the following specific circumstances:
- (a) grants of “make-whole” Options to Employee Participants who newly joined the Group to replace the share awards or options they forfeited when leaving the previous employer;
 - (b) grants with specific and objective performance-based vesting conditions;
 - (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
 - (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and
 - (e) grants of Options with a total vesting and holding period of more than 12 months.

Further details of the 2025 Share Option Scheme will be set out in the circular to be despatched to the Shareholders.

Conditions Precedent

The 2025 Share Option Scheme will constitute a share scheme under Chapter 17 of the Listing Rules. Pursuant to the Listing Rules, share scheme involving the grant of new shares must be approved by shareholders of the listed issuer in general meeting. Accordingly, the adoption of the 2025 Share Option Scheme will be subject to, among others, the Shareholders' approval at the AGM.

Adoption of the 2025 Share Option Scheme is conditional upon (i) the approval of the 2025 Share Option Scheme by the Shareholders at the AGM; and (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the Options granted under the 2025 Share Option Scheme.

PROPOSED ADOPTION OF THE 2025 SHARE AWARD SCHEME

The Board also proposes to recommend to the Shareholders at the AGM to adopt the 2025 Share Award Scheme. The proposed adoption of the 2025 Share Award Scheme will involve grant of new Shares (include treasury shares (if any)) or existing Shares, and can provide an alternative channel for the Company to provide competitive and attractive remuneration package to incentivize Selected Participants in contributing to the Group. This is in line with the practice of other public companies adopting parallel share-based incentive schemes in order to allow the companies to better align the value of the companies with the interests of the participants under the schemes.

The key terms of the 2025 Share Award Scheme are set out below.

Purpose : The purpose of the 2025 Share Award Scheme is to provide the Selected Participants with an opportunity to obtain a proprietary interest in the Company and align their interest with those of the Shareholders to promote the long-term performance of the Group, to recognise the contributions by the Group's personnel and to provide incentives to Selected Participants to contribute to the Company and to enable the Company to recruit, retain and motivate high-calibre employees and attract human resources that are valuable to the Group.

- Duration** : The 2025 Share Award Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period, no further Awards shall be granted but the provisions of the 2025 Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to the acceptance of granted Awards, the Vesting of Awarded Shares or otherwise as may be required in accordance with the 2025 Share Award Scheme and the administration of the trust property held by the Trustee pursuant to the Trust Deed.
- Administration of the 2025 Share Award Scheme** : The 2025 Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rule of the 2025 Share Award Scheme, the Trust Deed and the Listing Rules. The Remuneration Committee is involved where the Grantee is a director of the Company or a member of the Company's senior management, the Listing Rules require its involvement or it is authorised by the Board.
- The Board may appoint a third-party professional service provider as the administrator in relation to the 2025 Share Award Scheme (or certain aspects of it) on such terms as the Board may determine.
- Participants** : Eligible Participants include the Employee Participants, the Related Entity Participants and the Service Provider Participants who in the absolute discretion of the Board have contributed to the Group on the basis of their contribution to the development and growth of the Group and may participate in the 2025 Share Award Scheme.
- Award Price** : The Awarded Shares will be granted to Selected Participants at the Award Price, which shall be determined by the Board from time to time based on consideration such as the purpose of the Award and the characteristics and the profile of the Selected Participant.

- Maximum number of Shares available for subscription** : The total number of Shares which may be allotted and issued in respect of all Awards to be granted under the 2025 Share Award Scheme and Other Scheme Options and Awards must not exceed 10 per cent. of the Shares in issue (excluding any treasury shares) as at the Adoption Date.
- The total number of Shares which may be allotted and issued in respect of all Awards to be granted under the 2025 Share Award Scheme and Other Scheme Options and Awards to Service Providers must not exceed 1 per cent. of the Shares in issue (excluding any treasury shares) as at the Adoption Date
- Maximum entitlement of each Eligible Participant** : No Award can be granted to any Eligible Participant which, if vested, would result in that Eligible Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him/her in respect of all Awards and Other Scheme Options and Awards granted to him/her in the 12-month period immediately preceding the Grant Date of the relevant Award to exceed 1 per cent. of the number of Shares in issue (excluding any treasury shares) as at that Grant Date.
- Vesting of Awards** : The Awarded Shares shall Vest on the relevant Selected Participant on the date or dates when all the vesting conditions set out in the letter of grant have been satisfied, waived or, by the terms of the grant, treated as having been waived in accordance with the terms of the 2025 Share Award Scheme, and the Board shall either (A) direct and procure the Trustee to release from the Trust the Awarded Shares to the Selected Participants by transferring the number of Awarded Shares to the Selected Participants in such manner as determined by them from time to time; or (B) cause the Company to allot and issue to such Selected Participant such number of Awarded Shares as set out in the letter of grant. The Selected Participants shall pay the Company the Award Price for the Awarded Shares.

To the extent that, at the determination of the Board, it is not practicable for the Selected Participant to receive the Award in Shares due to legal or regulatory restrictions with respect to the Selected Participant's ability to receive the Award in Shares or the Trustee's ability to give effect to any such transfer to the Selected Participant, the Board will direct and procure the Trustee to sell, by on-market transactions at the prevailing market price, the number of Awarded Shares so vested in respect of the Selected Participant and pay the Selected Participant the net amount of the Actual Selling Price of such Awarded Shares in cash arising from such sale less the Award Price based on the number of Awarded Shares as set out in the Vesting Notice within a reasonable period of time.

- Vesting period** : The minimum vesting period is 12 months. A vesting period shorter than 12 months may be granted to Employee Participants at the discretion of the Board (or the Remuneration Committee where the arrangements relate to grants of Awards to the directors and/or senior management of the Company) in any of the following specific circumstances:
- (a) grants of "make-whole" Awards to Employee Participants who newly joined the Group to replace the share awards or options they forfeited when leaving the previous employer;
 - (b) grants with specific and objective performance-based vesting conditions;
 - (c) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Awards would have been granted;

- (d) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; and
- (e) grants of Awards with a total vesting and holding period of more than 12 months.

Further details of the 2025 Share Award Scheme will be set out in the circular to be despatched to the Shareholders.

Conditions Precedent

The 2025 Share Award Scheme will constitute a share scheme under Chapter 17 of the Listing Rules. Pursuant to the Listing Rules, share scheme involving the grant of new shares must be approved by shareholders of the listed issuer in general meeting. Accordingly, the adoption of the 2025 Share Award Scheme will be subject to, among others, the Shareholders' approval at the AGM.

Adoption of the 2025 Share Award Scheme is conditional upon (i) the approval of the 2025 Share Award Scheme by the Shareholders at the AGM; (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may be issued in respect of the Awards granted under the 2025 Share Award Scheme; and (iii) the appointment of the Trustee and the settling of the 2025 Share Award Scheme with the Trustee.

GENERAL

A circular containing, among other matters, (i) details of the proposed adoption of the 2025 Share Option Scheme; (ii) details of the proposed adoption of the 2025 Share Award Scheme; and (iii) the notice convening the AGM will also be despatched to the Shareholders in due course.

As at the date of this announcement, the proposed adoptions of the 2025 Share Option Scheme and the 2025 Share Award Scheme are both subject to the approval of the Shareholders. Potential investors of the Company are advised to exercise caution when dealing in the Company's securities.

DEFINITIONS

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

“2014 Share Award Scheme”	the share award scheme adopted by the Company on 1 August 2014 and expired on 1 August 2024
“2025 Share Award Scheme”	the Company’s share award scheme proposed to be approved and adopted by the Shareholders at the AGM
“2025 Share Option Scheme”	the Company’s share option scheme proposed to be approved and adopted by the Shareholders at the AGM
“2025 Share Schemes”	the 2025 Share Option Scheme and the 2025 Share Award Scheme
“Actual Selling Price”	the actual price at which the Awarded Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy, and any other applicable costs, expenses and taxes) on vesting of an Award pursuant to the 2025 Share Award Scheme
“Adoption Date”	the date on which the 2025 Share Option Scheme and the 2025 Share Award Scheme will be approved and adopted by resolutions of the Shareholders
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“AGM”	the annual general meeting of the Company to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong at 10:00 a.m. on Monday, 28 April 2025 or any adjournment thereof
“associated company(ies)”	in relation to member(s) of the Group, its subsidiary(ies), holding company(ies), subsidiary(ies) of such holding company(ies), or associate(s) or joint venture(s) as classified under applicable financial reporting standards of the Company
“Award Price”	the price of the Awarded Shares granted by the Board to a Selected Participant as notified by the Board to such Selected Participant

“Award(s)”	award(s) of the Awarded Shares by the Board to a Selected Participant, which may vest in the form of Awarded Shares or the Actual Selling Price of the Awarded Shares in cash, as the Board may determine in accordance with the 2025 Share Award Scheme
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares awarded by the Board
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Xtep International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	the individuals or entities who or which may participate in the 2025 Share Option Scheme or the 2025 Share Award Scheme (as the case may be), who could be (i) an Employee Participant; (ii) a Related Entity Participant; or (iii) a Service Provider Participant
“Employee Participant(s)”	director(s) and employee(s) of the Employer, including persons who are granted Options and/or Awards as an inducement to enter into employment contracts with the Employer but excluding an employee or director who has submitted his/her resignation or whose contract of employment has been terminated (summarily dismissed or otherwise) by his/her Employer
“Employer”	(i) in relation to an Employee Participant, the member of the Group including wholly and non-wholly owned subsidiaries of the Company which employs or has appointed him/her and (ii) in relation to a Related Entity Participant, the Related Entity

“Excluded Participant(s)”	any Eligible Participant who is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the 2025 Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Grant Date”	when an Option and/or Award has been accepted by the Grantee and/or Selected Participant (as the case may be) according to the 2025 Share Option Scheme or 2025 Share Award Scheme and a letter of grant, the date of such letter of grant in respect of the accepted Option or Award
“Grantee”	any Eligible Participant who is notified by the Board that he/she is eligible to participate in a grant of Options by the Board making a grant pursuant to the terms of the 2025 Share Option Scheme
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	the share option(s) granted or to be granted under the 2025 Share Option Scheme
“Other Scheme Options and Awards”	options to subscribe for Shares granted and Shares awarded under any Other Scheme

“Other Scheme”	other than the 2025 Share Option Scheme or the 2025 Share Award Scheme (as the case may be), any share option scheme involving the grant by the Company of options over Shares or any share award scheme involving the award of Shares (i) in accordance with Chapter 17 of the Listing Rules or (ii) which is determined by the Stock Exchange to be analogous to a share option scheme as described in Chapter 17 of the Listing Rules
“Related Entity Participant(s)”	any director or employee of any Related Entity
“Related Entity”	any holding company, fellow subsidiary or associated company of the Company
“Remuneration Committee”	the remuneration committee of the Company
“Selected Participant(s)”	any Eligible Participant who is notified by the Board that he/she is eligible to participate in a grant of Options or Awards under the 2025 Share Schemes
“Service Provider Participants”	<p>any person(s) 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, including any of the following persons:</p> <p>(a) person(s) or entity(ies) (as independent contractor(s), consultant(s), advisor(s) or otherwise) that provide(s) support or any advisory, consultancy, professional or other services to any members of the Group, including support or services in relation to design, research, development, marketing, innovation upgrading, strategic or commercial planning on corporate image, investor relations, product quality control, regulations and policies;</p> <p>(b) supplier(s) of goods or services, such as raw materials, production services, logistic services, marketing services, administrative services, to any members of the Group; and</p>

(c) business partner(s), including franchisee(s), contractor(s) or agent(s) of any members of the Group, including partners of brand businesses development, franchisees of retail stores, contractors for marketing campaigns, quality control procedures, manufacturing operations or systems establishment, and agents relating to sale channels or platforms;

provided that (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall not be Service Provider Participants for the purpose of the 2025 Share Schemes or any Other Schemes

“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which an Option Holder may subscribe for Shares on the exercise of any Vested Option
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in relation to the 2025 Share Award Scheme
“Trustee”	Bank of Communications Trustee Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed, which is or are independent of the Company and its connected persons

“Vesting” (i) in respect of an Option, when it becomes exercisable and (ii) in respect of an Award, when the relevant Awarded Shares are vested in such Selected Participant and “Vest”, “Vested” and “Unvested” will be construed accordingly

“%” per cent

By Order of the Board
Xtep International Holdings Limited
DING Shui Po
Chairman

Hong Kong, 6 April 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Ding Shui Po, Ms. Ding Mei Qing, Mr. Ding Ming Zhong and Mr. Yeung Lo Bun; the non-executive Director is Mr. Tan Wee Seng and the independent non-executive Directors are Dr. Bao Ming Xiao, Dr. Wu Ka Chee, Davy and Dr. Chan Yee Wah.