

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

If you have sold or transferred all your shares in Xtep International Holdings Limited, 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 transferee.

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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)**

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Xtep International Holdings Limited to be held at Tianshan and Lushan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong at 10:00 a.m. on Friday, 15 May 2015 is set out on pages 14 to 19 of this circular.

Whether or not you are able to attend the meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and deposit the same with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

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## DEFINITIONS

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

“2014 Annual Report”	the annual report of the Company for the financial year ended 31 December 2014 dispatched to the Shareholders together with this circular
“Annual General Meeting”	the annual general meeting of the Company to be held at Tianshan and Lushan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong at 10:00 a.m. on Friday, 15 May 2015 or any adjournment thereof
“Articles”	the articles of association of the Company adopted on 7 May 2008 and as amended from time to time
“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“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
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the aggregate nominal value of the Shares which may be allotted and issued under the Issue Mandate may be extended by an addition of an amount representing the aggregate nominal value of Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with unissued Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	12 March 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice convening the Annual General Meeting as set out on pages 14 to 19 of this circular
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase the Shares on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws 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
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	percent.



**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)**

*Executive Directors:*

Mr. Ding Shui Po  
*(Chairman and Chief Executive Officer)*  
Ms. Ding Mei Qing  
Mr. Lin Zhang Li  
Mr. Ding Ming Zhong  
Mr. Ye Qi  
Mr. Ho Yui Pok, Eleutherius

*Non-executive Director:*

Mr. Tan Wee Seng

*Independent non-executive Directors:*

Mr. Sin Ka Man  
Mr. Xu Peng Xiang  
Dr. Gao Xian Feng  
Dr. Bao Ming Xiao

*Registered office:*

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

*Principal place of business  
in Hong Kong:*

Suite 2401-2  
24/F, Shui On Centre  
6-8 Harbour Road  
Wanchai  
Hong Kong

20 March 2015

Dear Shareholders,

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The primary purpose of this circular is to provide you with information regarding the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate (collectively the “Mandates”), the re-election of the relevant Directors and to seek your approval of the resolutions to these matters at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise the powers of the Company to allot, issue and deal with unissued Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting. As at the Latest Practicable Date, a total of 2,178,085,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 435,617,000 Shares.

### REPURCHASE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

### EXTENSION MANDATE

In addition, an ordinary resolution will also be proposed at the Annual General Meeting to extend the Issue Mandate by an addition of an amount representing the aggregate nominal value of Shares repurchased under the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable laws of the Cayman Islands to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders of the Company in a general meeting.

### THE ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 14 to 19 of this circular.

The 2014 Annual Report incorporating the audited consolidated financial statements of the Group for the year ended 31 December 2014 and the reports of the Directors and the auditors thereon are dispatched to the Shareholders together with this circular.

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## LETTER FROM THE BOARD

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A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and deposit the same with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M/F Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

### RE-ELECTION OF DIRECTORS

According to Article 87 of the Articles, at each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then 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 least once every three years.

As such, each of Mr. Lin Zhang Li, Mr. Ding Ming Zhong, Mr. Xu Peng Xiang and Dr. Gao Xian Feng will retire from office at the Annual General Meeting, and Mr. Lin Zhang Li, Mr. Ding Ming Zhong and Dr. Gao Xian Feng are eligible and offer themselves for re-election. Mr. Xu Peng Xiang will not offer himself for re-election due to his personal retirement plan.

The nomination committee of the Company recommended the re-election of Mr. Lin Zhang Li, Mr. Ding Ming Zhong and Dr. Gao Xian Feng as Directors at the Annual General Meeting. Particulars of each of them are set out in Appendix II of this Circular.

Dr. Gao Xian Feng, an independent non-executive Director of the Company, has confirmed independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The nomination committee of the Company is also responsible for, inter alia, assessing the independence of independent non-executive Directors. On 12 March 2015, the nomination committee of the Company assessed and reviewed the individual independent non-executive Director's annual confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules, and affirmed that all independent non-executive Directors including, Dr. Gao Xian Feng, remained independent.

### VOTING BY POLL AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66 of the Articles, all votes of the Shareholders at the general meetings must be taken by poll.

### RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate and the re-election of Directors named above are beneficial to the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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Accordingly, the Directors recommend our Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

### CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the annual general meeting (“AGM”), the transfer books and register of members of the Company will be closed from Wednesday, 13 May 2015 to Friday, 15 May 2015, both days inclusive, during which period no transfer of Shares in the Company will be effected. The record date for entitlement to attend and vote at the AGM is Friday, 15 May 2015. In order to be eligible to attend and vote at the forthcoming AGM of the Company to be held on 15 May 2015, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 12 May 2015.

The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders at the AGM. The record date for entitlement to the proposed final dividend is on Wednesday, 27 May 2015. The transfer books and register of members of the Company will be closed from Tuesday, 26 May 2015 to Wednesday, 27 May 2015, both days inclusive, during which period no transfer of Shares in the Company will be effected. In order to determine the entitlement to the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 22 May 2015. The payment date of the dividends is expected to be on Friday, 26 June 2015.

Yours faithfully,  
For and on behalf of the Board of  
**Xtep International Holdings Limited**  
**DING Shui Po**  
*Chairman*

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.

## **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 2,178,085,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 217,808,500 Shares, which represents 10% of the entire issued share capital of the Company as at the date of passing the resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable laws of the Cayman Islands to be held; or
- (iii) revocation or variation by an ordinary resolution of the Shareholders of the Company in a general meeting.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

## **4. FUNDING OF REPURCHASES**

In repurchasing the Shares, the Company may only apply funds legally available for the purpose in accordance with the Articles and the Companies Law.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company (as compared with the position disclosed in the 2014 Annual Report). However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company.

## 5. SHARE PRICES

The Shares are trading on the Stock Exchange and the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the following months immediately preceding the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
March 2014	3.85	3.03
April 2014	3.53	3.10
May 2014	3.43	3.02
June 2014	3.50	3.25
July 2014	3.50	3.13
August 2014	3.67	3.23
September 2014	4.03	3.44
October 2014	3.55	3.30
November 2014	3.55	3.35
December 2014	3.41	2.98
January 2015	3.20	2.59
February 2015	2.75	2.49
1 March 2015 to the Latest Practicable Date	2.65	2.46

## 6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercises its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, 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 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge of the Directors, the controlling Shareholders (as defined in the Listing Rules) of the Company, namely Group Success Investments Limited ("**Group Success**"), Wan Xing International Holdings Limited, Mr. Ding Shui Po, Ms. Ding Mei Qing, Henley Hope Limited and Mr. Ding Jin Chao (the "**Controlling Shareholders**"), together exercise and/or control the exercise of approximately 64.04% voting rights in the general meeting of the Company.

In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the direct and indirect shareholding of the Controlling Shareholders in the Company would increase to approximately 71.15% of the issued share capital of the Company. Such increase will not give rise to an obligation to make a mandatory offer under Rule 26 or Rule 32 of the Takeovers Code.

The Directors will not exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

#### **7. SHARE REPURCHASE MADE 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.

#### **8. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Associates has any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the regulations set out in the Articles.

No Connected Person of the Company has notified the Company that he/she has a present intention to sell any Shares to the Company nor has any such Connected Person undertaken not to sell any Shares held by him/her to the Company in the event that the Repurchase Mandate is granted.

## PARTICULARS OF DIRECTORS FOR RE-ELECTION

*The biographical details of the Directors eligible for re-election at the Annual General Meeting are set out below:*

**Mr. Lin Zhang Li** (林章利), aged 43, is our executive Director and a vice president of the Company. Mr. Lin has over 16 years of experience in the sportswear industry and is primarily responsible for the management of the apparel business of the Group. Mr. Lin joined the Group in 1999 and is currently also a vice president of Xtep (China). He participated in an entrepreneurship program offered by Tsinghua University (清華大學) in 2006. He is the husband of Ms. Ding Mei Qing, the son-in-law of Mr. Ding Jin Chao, a brother-in-law of Mr. Ding Shui Po and Mr. Ding Ming Zhong.

Mr. Lin has entered into a service contract with the Company for an initial term of three years commencing from 3 June 2008 and thereafter may be terminated by either party upon a three-month prior written notice. The service contract is automatically renewable upon expiration. Under the service contract, Mr. Lin's emoluments recorded in 2014 was approximately RMB470,000, including salaries and contribution to pension scheme, with reference to his experience and qualification.

Mr. Lin did not hold any office of directorships in other listed public companies in the last three years other than that of the Company.

As at the Latest Practicable Date, Mr. Lin was deemed to be interested, within the meaning of Part XV of the SFO, in 1,310,059,500 Shares held by Group Success by virtue of Group Success being controlled by Wan Xing International Holdings Limited which in turn is controlled by Ms. Ding Mei Qing, the wife of Mr. Lin, representing approximately 60.15% of the issued share capital of the Company. Save as aforementioned, Mr. Lin was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO.

**Mr. Ding Ming Zhong** (丁明忠), aged 38, is our executive Director and a vice president of the Company. He has over 16 years of experience in the sportswear industry and is primarily responsible for the management of the accessories business of the Group. Mr. Ding joined the Group in 1999 and is currently also a deputy general manager and a vice president of various subsidiaries of the Group. He participated in entrepreneurship programs offered by Peking University (北京大學) and Tsinghua University (清華大學) in 2004 and 2006, respectively. He is the son of Mr. Ding Jin Chao, a brother of Mr. Ding Shui Po and Ms. Ding Mei Qing and a brother-in-law of Mr. Lin Zhang Li.

Mr. Ding has entered into a service contract with the Company for an initial term of three years commencing from 3 June 2008 and thereafter may be terminated by either party upon a three-month prior written notice. The service contract is automatically renewable upon expiration. Under the service contract, Mr. Ding's emoluments recorded in 2014 was approximately RMB470,000, including salaries and contribution to pension scheme, with reference to her experience and qualification.

Mr. Ding did not hold any office of directorships in other listed public companies in the last three years other than that of the Company.

As at the Latest Practicable Date, Mr. Ding was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Party XV of the SFO.

**Dr. Gao Xian Feng** (高賢峰), aged 52, was appointed as our independent non-executive Director on 24 January 2008. Dr. Gao is currently the executive officer of the Human Resources Management Research Centre at Peking University (北京大學人本管理研究中心), and a guest professor of entrepreneurship programs at Peking University (北京大學), Tsinghua University (清華大學), Party School of the Central Committee of Communist Party of China (中央黨校) and Fudan University (復旦大學). Dr. Gao previously served as an associate professor at Shandong Economic University (山東經濟學院). He holds a bachelor's degree in enterprise management from Shandong Economic University (山東經濟學院) and a doctor of law degree from the Peking University (北京大學).

Dr. Gao has entered into a service contract with the Company for an initial term of two years commencing from 3 June 2008 and thereafter may be terminated by either party upon a three-month prior written notice. The service contract is automatically renewable upon expiration. Under the service contract, Dr. Gao's emoluments recorded in 2014 was approximately RMB180,000, including salaries, contribution to person scheme and equity-settled share options expenses, with reference to his experience and qualification.

Save as disclosed above, Dr. Gao has not held any other directorships in other listed public companies in the last three years and does not hold any other position with the Company and other members of the group.

As at the Latest Practicable Date, Dr. Gao was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Party XV of the SFO.

Save as disclosed herein, none of the above Directors have any information which is required to be disclosed under Rules 13.51(2)(h)-(v) of the Listing Rules and there are no other matters relating to the re-election of the above Directors that need to be brought to the attention of Shareholders.

## NOMINATIONS BY SHAREHOLDERS

Article 88 of the Company's Articles provides that no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served on the Company's head office at Economic and Technical Development Zone, Quanzhou City, Fujian Province PRC 362000, or the Company's Hong Kong share registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong of Computershare Hong Kong Investor Services Limited, namely (i) his/her notice of intention to propose a resolution at the Annual General Meeting; and (ii) a notice executed by the nominated candidate of his/her willingness to be appointed together with (A) that candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information, as set out in the below heading "Required information of the candidate(s) nominated by Shareholders", and (B) the candidate's written consent to the publication of his/her personal data.

In order to ensure Shareholders have sufficient time to receive and consider the information of the nominated candidate(s), Shareholders are urged to submit their proposals as early as practicable, so that an announcement can be issued on or about 27 April 2015 and a supplemental circular containing information of the candidate(s) proposed by the Shareholders can be dispatched to Shareholders as soon as practicable on or about 28 April 2015.

#### **Required information of the candidate(s) nominated by Shareholders**

In order to enable Shareholders to make an informed decision on their election of Directors, in addition to the above described notice of intention to propose a candidate for election by a Shareholder, the Shareholder or the nominated candidate should provide the following information:

- (a) full name and age;
- (b) positions held with the Company and/or other members of the Group (if any);
- (c) experience including (i) other directorships held in the past 3 years in public companies of which the securities are listed on any securities market in Hong Kong and overseas, and (ii) other major appointments and professional qualifications;
- (d) current employment and such other information (which may include business experience and academic qualifications) of which Shareholders should be aware of, pertaining to the ability or integrity of the candidate;
- (e) length or proposed length of service with the Company;
- (f) relationships with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company, or an appropriate negative statement;
- (g) interests in Shares within the meaning of Part XV of the SFO, or an appropriate negative statement;

- (h) a declaration made by the nominated candidate in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements nor any other matters relating to that nominated candidate's standing for election as a Director that should be brought to Shareholders' attention; and
- (i) contact details.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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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)**

## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Xtep International Holdings Limited (the “**Company**”) will be held at Tianshan and Lushan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong at 10:00 a.m. on Friday, 15 May 2015 to consider and, if thought fit, transact the following business:

### ORDINARY BUSINESS

1. to receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditors of the Company for the year ended 31 December 2014;
2. to declare a final dividend of HK5.0 cents (equivalent to RMB4.0 cents) per Share for the year ended 31 December 2014;
3. to declare a special dividend of HK\$3.0 cents (equivalent to RMB2.4 cents) per Share for the year ended 31 December 2014;
4. to re-elect Mr. Lin Zhang Li as director of the Company;
5. to re-elect Mr. Ding Ming Zhong as director of the Company;
6. to re-elect Dr. Gao Xian Feng as director of the Company;
7. to authorise the board of directors of the Company to fix the remuneration of the Company’s directors;
8. to re-appoint Ernst & Young as the Company’s auditors and to authorise the board of directors of the Company to fix their remuneration;

and, as additional ordinary business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modification);

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## NOTICE OF THE ANNUAL GENERAL MEETING

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9. "THAT:

- (a) subject to paragraph (c) below, pursuant to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (each, a "Share") of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements or options which might require the exercise of the aforesaid powers after the expiry of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options and otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
  - (i) 20 per cent, of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this resolution; and
  - (ii) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal value of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent, of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of 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 articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of; or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

10. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase (or agree to repurchase) shares (each, a “**Share**”) of HK\$0.01 each in the capital of the Company on the Stock Exchange, or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 percent, of the aggregate nominal value of the share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
  - (c) for the purposes of this resolution, "Relevant Period" means the period from the date of 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 articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution."
11. "THAT conditional on the passing of resolutions numbered 9 and 10 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 9 above be and is hereby extended by the addition to the aggregate nominal value of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased or agreed to be repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 10 above."

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

Hong Kong, 20 March 2015

*As at the date of this notice, the executive directors of the Company are Mr. Ding Shui Po, Ms. Ding Mei Qing, Mr. Lin Zhang Li, Mr. Ding Ming Zhong, Mr. Ye Qi and Mr. Ho Yui Pok, Eleutherius; the non-executive director is Mr. Tan Wee Seng and the independent non-executive directors are Mr. Sin Ka Man, Mr. Xu Peng Xiang, Dr. Gao Xian Feng and Dr. Bao Ming Xiao.*

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## NOTICE OF THE ANNUAL GENERAL MEETING

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*Registered office:*

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

*Principal place of business in Hong Kong:*

Suite 2401-2  
24/F, Shui On Centre  
6-8 Harbour Road  
Wanchai  
Hong Kong

*Notes:*

1. Any member entitled to attend and vote at the above meeting is entitled to appoint one or, if he is the holder of two or more shares, one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the offices of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the above meeting or any adjournment thereof.
3. In order to determine the entitlement to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Wednesday, 13 May 2015 to Friday, 15 May 2015, both days inclusive, during which period no transfer of shares in the Company will be effected. In order to be eligible to attend and vote at the meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 12 May 2015.
4. In order to determine the entitlement to the proposed final dividend, the transfer books and register of members of the Company will be closed from Tuesday, 26 May 2015 to Wednesday, 27 May 2015, both days inclusive, during which period no transfer of shares in the Company will be effected. In order to determine the entitlement to the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 22 May 2015.
5. In relation to proposed resolutions numbered 9 and 11 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules.
6. In relation to proposed resolution numbered 10 above, the directors of the Company wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the Appendix I to the circular of which this notice of the annual general meeting forms part.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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7. In the case of joint holders of a share, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
8. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.