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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**

A notice convening the annual general meeting of Xtep International Holdings Limited to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong at 9:30 a.m. on Monday, 7 May 2018 is set out on pages 15 to 20 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, Wanchai, 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

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

“2017 Annual Report”	the annual report of the Company for the financial year ended 31 December 2017 dispatched to the Shareholders together with this circular
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong at 9:30 a.m. on Monday, 7 May 2018 or any adjournment thereof
“Articles”	the articles of association of the Company adopted on 7 May 2008 and as amended from time to time
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“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
“core 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

DEFINITIONS

“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”	27 March 2018, 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 15 to 20 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. Ding Ming Zhong

Non-executive Director:

Mr. Ho Yui Pok, Eleutherius

Independent non-executive Directors:

Mr. Tan Wee Seng
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:*

Unit A, 27/F, Tower A
Billion Centre, 1 Wang Kwong Road
Kowloon Bay, Kowloon, Hong Kong

4 April 2018

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.

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

LETTER FROM THE BOARD

as at the date of passing of the relevant resolution at the Annual General Meeting. As at the Latest Practicable Date, a total of 2,224,915,000 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 444,983,000 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 15 to 20 of this circular.

The 2017 Annual Report incorporating the audited consolidated financial statements of the Group for the year ended 31 December 2017 and the reports of the Directors and the auditor thereon are dispatched to the Shareholders together with this circular.

LETTER FROM THE BOARD

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, Wanchai, 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 Ms. Ding Mei Qing, Mr. Ding Ming Zhong and Dr. Gao Xian Feng will retire from office at the Annual General Meeting, and offer themselves for re-election.

Pursuant to the code provision set out in paragraph A.4.3 of Appendix 14 of the Listing Rules, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by shareholders. Notwithstanding that Dr. Gao has served as independent non-executive Director for more than nine years, (i) the Board has assessed and reviewed the annual confirmation of independence given by Dr. Gao based on the criteria set out in Rule 3.13 of the Listing Rules and affirmed that Dr. Gao remains independent; (ii) the nomination committee of the Company has assessed and is satisfied of the independence of Dr. Gao; and (iii) the Board is satisfied that through exercising scrutinising and monitoring function of independent non-executive director, Dr. Gao has continued to provide independent and objective judgement and advice to the Board to safeguard the interests of the Group and the Shareholders. In view of the foregoing factors, and that the tenure of Dr. Gao brings considerable stability and significant contribution to the Board and the Board has benefited greatly from the presence and professional knowledge of Dr. Gao who has over time offered valuable insight into the Group and its markets, the Board believes that Dr. Gao has the character, integrity, independence and expertise to continue to fulfill his role as an independent non-executive Director effectively and will continue to bring valuable experience, knowledge and professionalism to the Board and would recommend Dr. Gao for re-election as an independent non-executive Directors at the Annual General Meeting.

The nomination committee of the Company recommended the re-election of Ms. Ding Mei Qing, 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.

LETTER FROM THE BOARD

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 the Directors named above are beneficial to the Company and the Shareholders as a whole.

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 AGM, the transfer books and register of members of the Company will be closed from Monday, 30 April 2018 to Monday, 7 May 2018, 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, 27 April 2018. In order to be eligible to attend and vote at the forthcoming AGM of the Company to be held on Monday, 7 May 2018, 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, 27 April 2018.

The proposed final dividend and special dividend are subject to the passing of ordinary resolutions by the shareholders at the AGM. In order to determine the entitlement to the proposed final dividend and special dividend, the transfer books and register of members of the Company will be closed from Monday, 14 May 2018 to Wednesday, 16 May 2018, both days inclusive, during which period no transfer of Shares in the Company will be effected. The record date for entitlement to the proposed final dividend and special dividend is Friday, 11 May 2018. In order to be eligible to receive the proposed final dividend and special 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, 11 May 2018. The payment date of the proposed final dividend and special dividend is expected to be Wednesday, 6 June 2018.

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 2,224,915,000 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 222,491,500 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 2017 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:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
March 2017	3.73	3.01
April 2017	3.23	3.02
May 2017	3.13	2.66
June 2017	3.02	2.79
July 2017	3.06	2.86
August 2017	3.22	2.69
September 2017	2.81	2.54
October 2017	2.75	2.56
November 2017	3.03	2.57
December 2017	3.10	2.61
January 2018	3.69	3.10
February 2018	3.67	3.31
1 March 2018 to the Latest Practicable Date	3.45	4.52

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, Ding Wang Fortune Limited, Guan Hong Development Limited, Ming Zhong Family Limited, Mr. Ding Shui Po, Ms. Ding Mei Qing, Mr. Ding Ming Zhong, Henley Hope Limited and Ms. Ding Lizhi (the “**Controlling Shareholders**”), together exercise and/or control the exercise of approximately 63.27% 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 70.30% 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 made the following repurchases of its Shares on the Stock Exchange during the six months preceding the Latest Practicable Date:

Date of repurchase	Total number of shares repurchased	Highest price paid per Share (HK\$)	Lowest price paid per Share (HK\$)	Aggregate amount paid (excluding expenses) (HK\$)
9 February 2018	1,000,000	3.52	3.37	3,421,685
12 February 2018	800,000	3.65	3.52	2,856,925

Save as disclosed above, the Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the 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 close 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 core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by him/her/it 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:

Ms. Ding Mei Qing (丁美清), aged 45, is an executive Director and a vice president of the Company. Ms. Ding has over 19 years of experience in the sportswear industry and is primarily responsible for managing the Group's product design and development as well as supply chains. She is also responsible for the design and technology development of the Group and has led our design team in creating a number of special collections of footwear under our XTEP that successfully appeal to the trendy and youthful mass market segment. Ms. Ding joined the Group in 1999 and is currently the chief operating officer of the Group and also a deputy general manager, a director and a vice president of various subsidiaries of the Group. Ms. Ding participated in an entrepreneurship program offered by Tsinghua University (清華大學) in 2006. She is the sister of Mr. Ding Shui Po and Mr. Ding Ming Zhong.

Ms. 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, Ms. Ding's emoluments recorded in 2017 was approximately RMB481,000, including salaries and contribution to pension scheme, with reference to her experience and qualification.

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

Each of Mr. Ding Shui Po, Ms. Ding Mei Qing and Mr. Ding Ming Zhong established a family trust (each, a "Family Trust" and collectively, the "Family Trusts") for the benefit of himself/herself and their respective family members. UBS Trustees (BVI) Limited is the trustee of the Family Trusts.

The Family Trusts (through their controlled companies) indirectly hold 1,310,059,500 Shares in aggregate and therefore each of Mr. Ding Shui Po, Ms. Ding Mei Qing and Mr. Ding Ming Zhong is deemed to be interested in 1,310,059,500 Shares of the Company.

Save as aforementioned, as at the Latest Practicable Date, Ms. Ding 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 41, is an executive Director and a vice president of the Company. He has over 19 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 a brother of Mr. Ding Shui Po and Ms. Ding Mei Qing.

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 2017 was approximately RMB481,000, 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.

Each of Mr. Ding Shui Po, Ms. Ding Mei Qing and Mr. Ding Ming Zhong established a family trust (each, a "Family Trust" and collectively, the "Family Trusts") for the benefit of himself/herself and their respective family members. UBS Trustees (BVI) Limited is the trustee of the Family Trusts.

The Family Trusts (through their controlled companies) indirectly hold 1,310,059,500 Shares in aggregate and therefore each of Mr. Ding Shui Po, Ms. Ding Mei Qing and Mr. Ding Ming Zhong is deemed to be interested in 1,310,059,500 Shares of the Company.

Save as aforementioned, 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 Part XV of the SFO.

Dr. Gao Xian Feng (高賢峰), aged 55, 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 2017 was approximately RMB180,000, including salaries, with reference to his experience and qualification.

Dr. Gao 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, Dr. Gao was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, the above Directors do not 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 Xiamen Xtep Tower, No. 89 Jiayi Road, Guanyinshan, Siming District, Xiamen, Fujian Province, PRC, Postal code 361008, 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 13 April 2018 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 18 April 2018.

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.

NOTICE OF THE ANNUAL GENERAL MEETING



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 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong at 9:30 a.m. on Monday, 7 May 2018 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 2017;
2. to declare a final dividend of HK4.5 cents (equivalent to approximately RMB3.65 cents) per Share for the year ended 31 December 2017;
3. to declare a special dividend of HK10 cents (equivalent to approximately RMB8.1 cents) per Share for the year ended 31 December 2017;
4. to re-elect Ms. Ding Mei Qing 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);

NOTICE OF THE ANNUAL GENERAL MEETING

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 percent, 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 percent, 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

NOTICE OF THE ANNUAL GENERAL MEETING

(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;

NOTICE OF THE ANNUAL GENERAL MEETING

- (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, 4 April 2018

As at the date of this notice, the executive directors of the Company are Mr. Ding Shui Po, Ms. Ding Mei Qing and Mr. Ding Ming Zhong; the non-executive director is Mr. Ho Yui Pok, Eleutherius; and the independent non-executive directors are Mr. Tan Wee Seng, Dr. Gao Xian Feng and Dr. Bao Ming Xiao.

NOTICE OF THE ANNUAL GENERAL MEETING

Registered office:

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

Principal place of business in Hong Kong:

Unit A, 27/F, Tower A
Billion Centre, 1 Wang Kwong Road
Kowloon Bay, Kowloon, 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, Wanchai, 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 Monday, 30 April 2018 to Monday, 7 May 2018, 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, 27 April 2018. In order to be eligible to attend and vote at the forthcoming AGM of the Company to be held on Monday, 7 May 2018, 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, 27 April 2018.
4. In order to determine the entitlement to the proposed final dividend and special dividend, the transfer books and register of members of the Company will be closed from Monday, 14 May 2018 to Wednesday, 16 May 2018, both days inclusive, during which period no transfer of Shares in the Company will be effected. The record date for entitlement to the proposed final dividend and special dividend is Friday, 11 May 2018. In order to be eligible to receive the proposed final dividend and special 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, 11 May 2018. The payment date of the proposed final dividend and special dividend is expected to be Wednesday, 6 June 2018.
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.

NOTICE OF THE ANNUAL GENERAL MEETING

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.