

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**

A notice convening the annual general meeting of Xtep International Holdings Limited to be held 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong at 10:00 a.m. on Friday, 8 May 2020 is set out on pages 16 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.

MEASURES TAKEN IN LIGHT OF CORONAVIRUS DISEASE 2019

Please see page 1 of this circular for measures being taken to try to prevent and control the spread of the Coronavirus at the Annual General Meeting, including:

- **compulsory temperature check and health declaration**
- **prohibit attendance at the Annual General Meeting if the attendee has a fever. Persons exhibiting flu-like symptoms may also be refused admittance**
- **prohibit attendance at the Annual General Meeting if the attendee has travelled outside Hong Kong in the 14-day period prior to the Annual General Meeting and/or is subject to any Hong Kong Government prescribed quarantine at the date of the Annual General Meeting**
- **no refreshments served at the Annual General Meeting**

Any person who does not comply with these precautionary measures may be denied entry into the Annual General Meeting venue. The Company encourages attendees (even without flu-like symptoms) to wear surgical masks and reminds Shareholders that they may vote by proxy or appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting as an alternative to attending the Annual General Meeting in person.

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the Coronavirus Disease 2019 (“**COVID-19**”) situation, the Company will be taking the following precautionary measures at the Annual General Meeting:

- All attendees will be required to undergo a temperature check and sign a health declaration form before entering the Annual General Meeting venue.
- Any person who has a fever will not be permitted to attend the Annual General Meeting. Persons exhibiting flu-like symptoms may also be refused admittance at the Company’s discretion.
- Any person, irrespective of nationality, who has travelled outside Hong Kong within the 14-day period prior to the Annual General Meeting and/or is subject to any Hong Kong Government prescribed quarantine at the date of the Annual General Meeting, will not be permitted to attend the Annual General Meeting.
- There will not be any refreshments served at the Annual General Meeting.

Shareholders who are feeling unwell or have been placed on leave of absence on the date of the Annual General Meeting are advised not to attend the Annual General Meeting. Attendees (even without flu-like symptoms) are encouraged to wear surgical masks.

Shareholders who prefer not to attend or are restricted from attending the Annual General Meeting, may still vote by proxy or appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions and are advised to take note of the last date and time for the lodgement of the Proxy Form.

As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and reserves the right to take further measures as appropriate in order to minimise any risk to Shareholders and others attending the Annual General Meeting and to comply with any requirements or recommendations of any government agencies from time to time.

The Company seeks the understanding and cooperation of all Shareholders to minimise the risk of community spread of COVID-19.

The Annual General Meeting will commence sharply at 10:00 am, and Shareholders are encouraged to arrive at the Annual General Meeting venue at least half an hour prior to the meeting commencement time to avoid delays from precautionary measures mentioned above in the registration process.

DEFINITIONS

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

“2019 Annual Report”	the annual report of the Company for the financial year ended 31 December 2019 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 10:00 a.m. on Friday, 8 May 2020 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”	26 March 2020, 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 16 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

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent non-executive Directors:

Mr. Tan Wee Seng

Dr. Gao Xian Feng

Dr. Bao Ming Xiao

Principal place of business in Hong Kong:

Unit A, 27/F, Tower A

Billion Centre, 1 Wang Kwong Road

Kowloon Bay, Kowloon

Hong Kong

2 April 2020

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 as at the date of passing of the relevant resolution at the Annual General Meeting. As at the Latest Practicable Date, a

LETTER FROM THE BOARD

total of 2,512,444,722 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 502,488,944 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 16 to 20 of this circular.

The 2019 Annual Report incorporating the audited consolidated financial statements of the Group for the year ended 31 December 2019 and the reports of the Directors and the auditor thereon are dispatched to the Shareholders together with this circular.

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

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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. Ding Shui Po and Ms. Ding Mei Qing will retire from office at the Annual General Meeting, and offer themselves for re-election.

The nomination committee of the Company recommended the re-election of Mr. Ding Shui Po and Ms. Ding Mei Qing as Directors at the Annual General Meeting. Particulars of each of them are set out in Appendix II of this Circular.

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 Annual General Meeting, the transfer books and register of members of the Company will be closed from Monday, 4 May 2020 to Friday, 8 May 2020, 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 Annual General Meeting is Wednesday, 29 April 2020. In order to be eligible to attend and vote at the forthcoming Annual General Meeting of the Company to be held on Friday, 8 May 2020, 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 Wednesday, 29 April 2020.

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 Friday, 15 May 2020 to Tuesday, 19 May 2020, 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 is Thursday, 14

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May 2020. In order to be eligible to receive 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 Thursday, 14 May 2020. The payment date of the proposed final dividend is expected to be Friday, 26 June 2020.

The Board has recommended a final dividend of HK7.5 cents (equivalent to approximately RMB6.4 cents) per Share for the year ended 31 December 2019, subject to approval by the Shareholders in the Annual General Meeting. The proposed final dividend will be offered with a scrip dividend option to shareholders, which will allow them to receive new shares of the Company in lieu of cash. Participation in the scrip dividend scheme will be optional. The scrip dividend scheme is subject to the Stock Exchange granting the listing of and permission to deal in the new shares to be issued pursuant thereto. A circular containing details of this scrip dividend scheme will be dispatched to shareholders for the scrip dividend.

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 2,512,444,722 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 251,244,472 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 2019 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	Lowest
	<i>HK\$</i>	<i>HK\$</i>
March 2019	6.74	5.10
April 2019	5.68	4.38
May 2019	5.23	3.90
June 2019	4.76	3.81
July 2019	5.74	4.47
August 2019	5.99	4.41
September 2019	4.79	4.16
October 2019	5.39	4.21
November 2019	4.75	3.99
December 2019	4.24	3.80
January 2020	4.45	3.55
February 2020	3.75	3.06
1 March 2020 to the Latest Practicable Date	3.23	2.04

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 57.29% 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 63.66% 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 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:

Mr. Ding Shui Po (丁水波), aged 49, is the founder, chairman and chief executive officer of the Group. Mr. Ding has over 30 years of experience in the sportswear industry and is primarily responsible for the overall corporate strategies, planning and business development of the Group. Mr. Ding founded the Group in 1999 and is currently also the chairman of the Board of Directors and the president of various subsidiaries of the Group.

Mr. Ding personally obtained the following awards:

Year	Award
2002	Outstanding Young Entrepreneur in Quanzhou
2003	Top 100 Individuals in PRC's Economic Development
2004	Top 10 Most Influential Entrepreneurs in China
2005	Fujian Young Entrepreneurs Achievement Award
2007	Fujian Province May 4th Youth Medal
2008	CAPITAL Leaders of Excellence in China 2008
2008	Fujian Province May 4th Youth Medal
2008	Outstanding Young Entrepreneur in Fujian
2009	Ernst & Young Entrepreneur of the Year China 2009
2009	May 1st Labor Medal
2009	Top Ten Eminent Young Entrepreneurs of Fujian
2010	Chinese Brands Awards — People of the Year
2010	Chinese Textile and Apparel Industry — Top 10 People of the Year
2011	The “Seeding of Hope, Contribution to Brightness” medal, presented by All-China Federation of Returned Overseas Chinese
2011	Most Innovative Entrepreneur of Quanzhou City
2013	Quanzhou Top Talent
2013	Outstanding Contribution Award on Community Donation by a Businessman in the Private Sector in Fujian Province
2013	Outstanding Contribution Award on Western Taiwan Straits Economic Zone Construction
2013	Top Ten Outstanding Young Persons in Quanzhou
2015	2nd China Footwear Industry Ceremony — Annual Leading Figure of 2015
2016	Top Ten Teaching Entrepreneurs in China 2016 presented by Enterprise Education Top 100 in China Committee
2016	Outstanding Entrepreneur in China 2015–2016 presented by China Enterprise Confederation
2017	Next Generation Education and Charity Motivation Award 2017 by the China Next Generation Education Foundation
2018	China Footwear Grand Ceremony 2018, 40th anniversary of the Chinese Economic Reform — Ingenious Person Award

Mr. Ding held the following public offices:

Year	Public Office
2003	Committee Member of the 9th Fujian Provincial Committee of the Political Consultative Conference
2006	Chairman of the 3rd Executive Committee Quanzhou Footwear Chamber
2008	Committee Member of the 10th Fujian Provincial Committee of the Political Consultative Conference
2009	Honorary Chairman of the Fujian Footwear Industry Association
2009	Honored Executive Director of Red Cross Society of China Fujian Branch
2010	Chairman of the 5th Board of China Young Entrepreneurs Association — Young Chamber of Commerce in Quanzhou
2010	Committee Member of the National Youth Committee
2011	Founding Chairman of the Hong Kong China Chamber of Commerce
2013	Committee Member of the 11th Fujian Provincial Committee of the Political Consultative Conference
2013	Executive Vice President of the 4th Congress of the China Federation of Overseas Chinese Entrepreneurs
2014	Chairman of the 2nd World Quanzhou Youth Friendship Association
2015	Committee Member of Marathon Committee of Chinese Athletic Association
2016	Chief Expert in the Sportswear Industry, for the Sports Economy Research Center of the Research Institute of Sports Science of the General Administration of Sport of China
2017	Deputy Director of Marathon Committee of Chinese Athletic Association
2017	Permanent Honorary Chairman of the Fourth Session of the Board of Education Fund Council of Quanzhou City
2018	Deputy President of the Seventh Session of the Board of the China National Garment Association
2019	Honorary President of Quanzhou Business Development Association
2019	Specially Invited Vice President of Chinese Athletic Association

Mr. Ding participated in entrepreneurship programs offered by Peking University (北京大學) and Tsinghua University (清華大學) in 2004 and 2006, respectively, and studied for the China CEO/Finance CEO Program offered by Cheung Kong Graduate School of Business (長江商學院) in 2011. He also completed the CEO Program of the China Europe International Business School (中歐國際工商學院) and the EMBA program offered by Xiamen University (廈門大學) in 2014 respectively. He started attending China Europe International Business School's Sport and Leisure Management Program in 2015, Shanghai Advanced Institute of Finance's "CEO Program: Leading the Future" in 2016 and Harvard University's "Global CEO Program" in 2018. He is a brother of Ms. Ding Mei Qing and Mr. Ding Ming Zhong.

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 2019 was approximately RMB1,696,000, including salaries and contribution to pension scheme, with reference to his 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. Mr. Ding Shui Po was also beneficially interested in 55,915,000 Shares, together representing approximately 54.37% of the issued share capital of the Company as at the Latest Practicable Date. Save as aforementioned, 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.

Ms. Ding Mei Qing (丁美清), aged 47, is an executive Director of the Company and the group vice president of the Group. Ms. Ding has over 20 years of experience in the sportswear industry, and is primarily responsible for the management of the product design and development as well as supply chains business of the Group. She is mainly responsible for consolidating the position and reputation of the footwear category in the industry, and is directly responsible for product innovation, research and development of technical standards, flexible supply chain platforms, intelligent manufacturing, vertical auxiliary systems and information technology and intelligent management. She is also a deputy general manager, a director and a vice president of various subsidiaries. Ms. Ding 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 2019 was approximately RMB1,453,000, 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.

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 branch 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 14 April 2020 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 16 April 2020.

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 13.5 1(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 10:00 a.m. on Friday, 8 May 2020 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 2019;
2. to approve a final dividend of HK7.5 cents (equivalent to approximately RMB6.4 cents) per Share, with a scrip dividend option, for the year ended 31 December 2019;
3. to re-elect Mr. Ding Shui Po as director of the Company;
4. to re-elect Ms. Ding Mei Qing as director of the Company;
5. to authorise the board of directors of the Company to fix the remuneration of the Company’s directors;
6. 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);

7. “**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;

NOTICE OF THE ANNUAL GENERAL MEETING

- (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
- (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.”

NOTICE OF THE ANNUAL GENERAL MEETING

“**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).”

8. “**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;
- (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.”

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9. “**THAT** conditional on the passing of resolutions numbered 7 and 8 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 7 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 8 above.”

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

Hong Kong, 2 April 2020

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; and the independent non-executive Directors are Mr. Tan Wee Seng, Dr. Gao Xian Feng and Dr. Bao Ming Xiao.

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 Annual General Meeting, the transfer books and register of members of the Company will be closed from Monday, 4 May 2020 to Friday, 8 May 2020, 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 Annual General Meeting is Wednesday, 29 April 2020. In order to be eligible to attend and vote at the forthcoming Annual General Meeting of the Company to be held on Friday, 8 May 2020, 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 Wednesday, 29 April 2020.

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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 Friday, 15 May 2020 to Tuesday, 19 May 2020, 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 is Thursday, 14 May 2020. In order to be eligible to receive 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 Thursday, 14 May 2020. The payment date of the proposed final dividend is expected to be Friday, 26 June 2020.
5. In relation to proposed resolutions numbered 7 and 9 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 8 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.
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.