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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,  
PROPOSED ADOPTION OF THE 2025 SHARE OPTION SCHEME,  
PROPOSED ADOPTION OF THE 2025 SHARE AWARD SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Xtep International Holdings Limited to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong at 10:00 a.m. on Monday, 28 April 2025 is set out on pages 71 to 78 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. Such form of proxy can also be downloaded from the Company's website ([www.xtep.com.hk](http://www.xtep.com.hk)) and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)). 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:*

“2024 Annual Report”	the annual report of the Company for the financial year ended 31 December 2024 which are available on the Company’s website ( <a href="http://www.xtep.com.hk">www.xtep.com.hk</a> ) and the HKEXnews website ( <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> )
“2025 Share Award Scheme”	the Company’s share award scheme proposed to be approved and adopted by the Shareholders at the AGM, the principal terms of which are set out in Appendix IV to this circular
“2025 Share Option Scheme”	the Company’s share option scheme proposed to be approved and adopted by the Shareholders at the AGM, the principal terms of which are set out in Appendix III to this circular
“2025 Share Schemes”	the 2025 Share Option Scheme and the 2025 Share Award Scheme
“Acceptance Period”	the period to be set out in the letter of grant during which the grant of Options or Awards will be open for acceptance by the Grantee or Selected Participant (as the case may be) and this period cannot be longer than thirty Business Days from the date of the letter of grant
“Actual Selling Price”	the actual price at which the Awarded Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy, and any other applicable costs, expenses and taxes) on vesting of an Award pursuant to the 2025 Share Award Scheme
“Adoption Date”	the date on which the 2025 Share Option Scheme and the 2025 Share Award Scheme will be approved and adopted by resolutions of the Shareholders
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“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 Monday, 28 April 2025 or any adjournment thereof
“Articles”	the articles of association of the Company as effective from time to time

## DEFINITIONS

“associated company(ies)”	in relation to member(s) of the Group, its subsidiary(ies), holding company(ies), subsidiary(ies) of such holding company(ies), or associate(s) or joint venture(s) as classified under applicable financial reporting standards of the Company
“Award(s)”	award(s) of the Awarded Shares by the Board to a Selected Participant, which may vest in the form of Awarded Shares or the Actual Selling Price of the Awarded Shares in cash, as the Board may determine in accordance with the 2025 Share Award Scheme
“Award Price”	the price of the Awarded Shares granted by the Board to a Selected Participant as notified by the Board to such Selected Participant
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares awarded by the Board
“Board”	the board of Directors
“Business Days”	any day on which the Stock Exchange is open for the business of dealing in securities
“Clawback”	<p>for the 2025 Share Option Scheme, in respect of any Options granted to a Selected Participant, the return or repayment of all or a specified part of such Options or Option Shares by such Selected Participant and/or the ceasing or variation of the Selected Participant’s entitlement to receive or to be vested with all or a specified part of any such Options or Option Shares which have not been vested in the Selected Participant, pursuant to the 2025 Share Option Scheme</p> <p>for the 2025 Share Award Scheme, in respect of any Awarded Shares allocated or awarded to a Selected Participant, the return or repayment of all or a specified part of such Awarded Shares by such Selected Participant and/or the ceasing or variation of the Selected Participant’s entitlement to receive or to be vested with all or a specified part of any such Awarded Shares which have not been vested in the Selected Participant pursuant to the 2025 Share Award Scheme</p>
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act, Cap. 22 of the Cayman Islands

## DEFINITIONS

“Company”	Xtep International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and/or its Subsidiaries as permitted under the 2025 Share Award Scheme to the Trust as determined by the Board from time to time
“Control”	the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	the individuals or entities who or which may participate in the 2025 Share Option Scheme or the 2025 Share Award Scheme (as the case may be), who could be (i) an Employee Participant; (ii) a Related Entity Participant; or (iii) a Service Provider Participant
“Employee Participant(s)”	director(s) and employee(s) of the Employer, including persons who are granted Options and/or Awards as an inducement to enter into employment contracts with the Employer but excluding an employee or director who has submitted his/her resignation or whose contract of employment has been terminated (summarily dismissed or otherwise) by his/her Employer
“Employer”	(i) in relation to an Employee Participant, the member of the Group including wholly and non-wholly owned subsidiaries of the Company which employs or has appointed him/her and (ii) in relation to a Related Entity Participant, the Related Entity

## DEFINITIONS

“Excluded Participant(s)”	any Eligible Participant who is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the 2025 Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“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
“Grant Date”	when an Option and/or Award has been accepted by the Grantee and/or Selected Participant (as the case may be) according to the 2025 Share Option Scheme or 2025 Share Award Scheme and a letter of grant, the date of such letter of grant in respect of the accepted Option or Award
“Grantee(s)”	any Eligible Participant who is notified by the Board that he/she is eligible to participate in a grant of Options by the Board making a grant pursuant to the terms of the 2025 Share Option Scheme
“Group”	the Company and its subsidiaries
“HK\$” 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
“Individual Limit”	(i) in respect of the 2025 Share Option Scheme, has the same meaning as defined in paragraph 12.1 of Appendix III to this circular and (ii) in respect of the 2025 Share Award Scheme, has the same meaning as defined in paragraph 11.1 of Appendix IV to this circular

## 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 additional Shares (including any sale and transfer of treasury shares) with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue (excluding treasure shares, if any) as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	28 March 2025, 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
“Mandate Limit”	(i) in respect of the 2025 Share Option Scheme, has the same meaning as defined in paragraph 11.1 of Appendix III to this circular and (ii) in respect of the 2025 Share Award Scheme, has the same meaning as defined in paragraph 10.1 of Appendix IV to this circular
“Notice”	the notice convening the Annual General Meeting as set out on pages 71 to 78 of this circular; such notice can also be downloaded from the Company’s website ( <a href="http://www.xtep.com.hk">www.xtep.com.hk</a> ) and the HKEXnews website ( <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> )
“Option(s)”	the share option(s) granted or to be granted under the 2025 Share Option Scheme
“Option Holder(s)”	any Grantee who accepts the grant of any Option in accordance with the 2025 Share Option Scheme or (where the context so permits) the Personal Representative(s) of such Grantee
“Option Period”	the period during which an Option may be exercised, being the period to be determined by the Board and specified in the letter of grant to the Grantee
“Option Price”	the amount payable, if any, on acceptance of an Option
“Option Share(s)”	Share(s) allotted and issued upon a valid exercise of any Vested Option

## DEFINITIONS

“Other Scheme”	other than the 2025 Share Option Scheme or the 2025 Share Award Scheme (as the case may be), any share option scheme involving the grant by the Company of options over Shares or any share award scheme involving the award of Shares (i) in accordance with Chapter 17 of the Listing Rules or (ii) which is determined by the Stock Exchange to be analogous to a share option scheme as described in Chapter 17 of the Listing Rules
“Other Scheme Options and Awards”	options to subscribe for Shares granted and Shares awarded under any Other Scheme
“Personal Representative(s)”	the person or persons who, according to the laws of succession applicable in respect of the death of an individual, is or are entitled to deal with the property of that individual
“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
“Related Entity”	any holding company, fellow subsidiary or associated company of the Company
“Related Entity Participant(s)”	any director or employee of any Related Entity
“Remuneration Committee”	the remuneration committee of the Company
“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 (excluding treasury shares, if any) as at the date of passing the relevant resolution at the Annual General Meeting
“Returned Shares”	such Awarded Shares which are not vested and/or are forfeited in accordance with the terms of the 2025 Share Award Scheme (whether as a result of a lapse, clawback or cancellation of Awarded Shares pursuant to the 2025 Share Award Scheme or otherwise), or such Shares being deemed to be Returned Shares
“RMB”	Renminbi, the lawful currency of the PRC



## DEFINITIONS

“Scheme Period”	(i) in respect of the 2025 Share Option Scheme, has the same meaning as defined in paragraph 3.1 of Appendix III to this circular and (ii) in respect of the 2025 Share Award Scheme, has the same meaning as defined in paragraph 3.1 of Appendix IV to this circular
“Selected Participant(s)”	any Eligible Participant who is notified by the Board that he/she is eligible to participate in a grant of Options or Awards under the 2025 Share Schemes
“Service Provider Participant(s)”	<p>any person(s) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including any of the following persons:</p> <ul style="list-style-type: none"><li>(a) person(s) or entity(ies) (as independent contractor(s), consultant(s), advisor(s) or otherwise) that provide(s) support or any advisory, consultancy, professional or other services to any members of the Group, including support or services in relation to design, research, development, marketing, innovation upgrading, strategic or commercial planning on corporate image, investor relations, product quality control, regulations and policies;</li><li>(b) supplier(s) of goods or services, such as raw materials, production services, logistic services, marketing services, administrative services, to any members of the Group; and</li><li>(c) business partner(s), including franchisee(s), contractor(s) or agent(s) of any members of the Group, including partners of brand businesses development, franchisees of retail stores, contractors for marketing campaigns, quality control procedures, manufacturing operations or systems establishment, and agents relating to sale channels or platforms;</li></ul> <p>provided that (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall not be Service Provider Participants for the purpose of the 2025 Share Schemes or any Other Schemes</p>

## DEFINITIONS

“Service Provider Sublimit”	(i) in respect of the 2025 Share Option Scheme, has the same meaning as defined in paragraph 11.1 of Appendix III to this circular and (ii) in respect of the 2025 Share Award Scheme, has the same meaning as defined in paragraph 10.1 of Appendix IV to this circular
“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
“Subscription Price”	the price per Share at which an Option Holder may subscribe for Shares on the exercise of any Vested Option as described in paragraph 9 of Appendix III to this circular
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in relation to the 2025 Share Award Scheme
“Trust Fund”	the funds and properties directly or indirectly held under the Trust and managed by the Trustee for the benefit of the Eligible Participants (other than the Excluded Participants)
“Trustee”	Bank of Communications Trustee Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed, which is or are independent of the Company and its connected persons
“Vesting”	(i) in respect of an Option, when it becomes exercisable and (ii) in respect of an Award, when the relevant Awarded Shares are vested in such Selected Participant and “Vest”, “Vested” and “Unvested” will be construed accordingly
“%”	per cent

In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.



**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

Mr. Yeung Lo Bun

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Non-executive Director:*

Mr. Tan Wee Seng

*Principal place of business in Hong Kong:*

Unit A, 27/F, Tower A

Billion Centre, 1 Wang Kwong Road

Kowloon Bay, Kowloon

Hong Kong

*Independent non-executive Directors:*

Dr. Bao Ming Xiao

Dr. Wu Ka Chee, Davy

Dr. Chan Yee Wah

7 April 2025

Dear Shareholders,

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
PROPOSED ADOPTION OF THE 2025 SHARE OPTION SCHEME,  
PROPOSED ADOPTION OF THE 2025 SHARE AWARD SCHEME  
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, the adoption of the 2025 Share Option Scheme, the adoption of the 2025 Share Award Scheme and to seek your approval of the resolutions to these matters at the Annual General Meeting.

## **LETTER FROM THE BOARD**

### **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 additional Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue (excluding treasury shares, if any) as at the date of passing of the relevant resolution at the Annual General Meeting. As at the Latest Practicable Date, a total of 2,774,559,072 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 554,911,814 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 (excluding treasury shares, if any) 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.

## **LETTER FROM THE BOARD**

### **THE ANNUAL GENERAL MEETING**

The notice of the Annual General Meeting is set out on pages 71 to 78 of this circular.

The 2024 Annual Report incorporating the audited consolidated financial statements of the Group for the year ended 31 December 2024 and the reports of the Directors and the auditor thereon are available on the Company's website ([www.xtep.com.hk](http://www.xtep.com.hk)) and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)).

A form of proxy for use at the Annual General Meeting is enclosed with this circular; such form of proxy can also be downloaded from the Company's website ([www.xtep.com.hk](http://www.xtep.com.hk)) and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)). 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**

The Board currently consists of eight Directors, comprising four executive Directors, namely, Mr. Ding Shui Po, Ms. Ding Mei Qing, Mr. Ding Ming Zhong and Mr. Yeung Lo Bun; one non-executive Director, namely, Mr. Tan Wee Seng; and three independent non-executive Directors, namely, Dr. Bao Ming Xiao, Dr. Wu Ka Chee, Davy and Dr. Chan Yee Wah.

Pursuant to Article 86(3) of the Articles, Mr. Yeung Lo Bun, who were appointed by the Board as an executive Director with effect from 18 March 2025, shall hold office until the Annual General Meeting and, being eligible, offer himself for re-election.

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. Mr. Ding Shui Po, Ms. Ding Mei Qing and Mr. Ding Ming Zhong 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, Ms. Ding Mei Qing, Mr. Ding Ming Zhong and Mr. Yeung Lo Bun 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

### PROPOSED ADOPTION OF 2025 SHARE SCHEMES

#### Reasons for the adoption of the 2025 Share Schemes

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

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

As of the Latest Practicable Date, (i) there were a total of 43,695,000 outstanding awarded shares granted to employees under the share award scheme adopted by the Company on 1 August 2014 and expired on 1 August 2024; and (ii) there were no outstanding options to subscribe for Shares.

#### *(a) Scope of Eligible Participants*

The Board considers that the 2025 Share Schemes, which will be in the form of Awards or Options, will enable the Group to recruit, retain and motivate high-calibre employees and to give the Eligible Participants an opportunity to have a personal stake in the Company and help motivate Eligible Participants to optimise their future contributions to the Group, and as such, it is in the interests of the Group as a whole that more categories of people be eligible for the 2025 Share Schemes so as to give incentives to them to contribute to the Group's growth and development. Furthermore, the Board considers that the granting of Options and/or Awards will enable the Eligible Participants to share the same interests and objectives with the Group. This is beneficial to the long-term development of the Group. In addition, the adoption of the 2025 Share Schemes is in line with modern commercial practice that employees, directors, members of the management of the Group and the Shareholders as well as service providers who provides services to the Group on a continuing or recurring basis be given incentives to work towards the goal of enhancing the enterprise value and attaining the long-term objectives of the Company for the benefit of the Group as a whole.

## LETTER FROM THE BOARD

In the ordinary and usual course of the Group's daily business, the Group has collaborated and relied on the services offered by various service providers on a continuing or recurring basis, which include:

- (a) person(s) or entity(ies) (as independent contractor(s), consultant(s), advisor(s) or otherwise) that provide(s) support or any advisory, consultancy, professional or other services to any members of the Group, including support or services in relation to design, research, development, marketing, innovation upgrading, strategic or commercial planning on corporate image, investor relations, product quality control, regulations and policies;
- (b) supplier(s) of goods or services, such as raw materials, production services, logistic services, marketing services, administrative services, to any members of the Group; and
- (c) business partner(s), including franchisee(s), contractor(s) or agent(s) of any members of the Group, including partners of brand businesses development, franchisees of retail stores, contractors for marketing campaigns, quality control procedures, manufacturing operations or systems establishment, and agents relating to sale channels or platforms.

In assessing the eligibility of Employee Participants, the Board will consider, among others:

- (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
- (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
- (iii) his/her contribution made or expected to be made to the growth of the Group and the positive impacts which he/she may bring to the Group's business and development;
- (iv) his/her educational and professional qualifications, and knowledge in the industry; and
- (v) whether granting Options and/or Awards to him/her is an appropriate incentive to motivate him/her to continue to contribute towards the betterment of the Group.

## LETTER FROM THE BOARD

In assessing the eligibility of Related Entity Participants, the Board will consider, among others:

- (i) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;
- (ii) the period of engagement or employment of the Related Entity Participant by the Group;
- (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved;
- (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialized into further business relationships;
- (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and
- (vi) the materiality and nature of the business relation of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participants' contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

In assessing the eligibility of Service Provider Participants, the Board will consider, among others:

- (i) the nature of the goods and services provided by the Service Provider Participant, and whether such goods and services form an integral and important part of the Group's operations;
- (ii) whether the Service Provider Participant provides goods and services to the Group on a recurring and regular basis;
- (iii) the track record of the quality of the goods and services provided by the Service Provider Participant;
- (iv) the tenure of engagement of the Service Provider Participant by the Group;
- (v) whether similar goods and services are readily available from other providers in the market; and
- (vi) the Service Provider Participant's contribution to the Group's business (e.g. revenue growth).



## LETTER FROM THE BOARD

Considering the Company's business nature, hiring practices and organisational structures and that Related Entity Participants and Service Providers Participants have contributed to the long-term growth of the Company's businesses, the Board is of the view that it would be in the Company's interest to also have the flexibility to grant Options and/or Awards to the Related Entity Participants and the Service Providers Participants in recognition of their contribution to the Company. In particular, it is believed that Related Entities will remain an important part of the Company's strategic partnerships in striving for future success. Although Related Entity Participants are not employees of the Group, they are expected to closely collaborate with members of the Group in the pursuit of common business objectives. As for Service Providers Participants, the goods and services provided by them, such as supply of raw materials and provision of production, logistic and administrative services, are considered to be in integral part of the Group's operations. They have and are expected to continue to contribute to the Group's future and long-term success. It is important for the Company to align the interests of these Service Providers Participants with those of the Group so as to encourage them to work towards increasing the Company's value, as their rewards will be directly tied to the Company's success. The Directors (including the independent non-executive Directors) therefore consider that it is beneficial to include the Related Entity Participants and the Service Providers Participants since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Options and/or Awards to these non-employee participants will align their interests with the Group's, incentivizing them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run.

Based on the above, the Board (including independent non-executive Directors) consider that the proposed categories of the Related Entity Participants and the Service Providers Participants are in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group; and the criteria for the selection of Eligible Participants set out above and the terms of the grants (such as the minimum term of the vesting period) are and will be in alignment with the purpose of the 2025 Share Schemes.

Through the grant of the Options and/or Awards, such Eligible Participants and the Group will have a common goal in the growth and development of the Group's business, and they could participate in the future prospect of the Group and share the additional reward through their sustainable contribution.

### ***(b) Mandate Limit and Service Provider Sublimit***

As at the Latest Practicable Date, there were 2,774,559,072 Shares in issue. Assuming that no further Shares will be allotted, issued, repurchased or cancelled prior to the AGM and after the resolutions regarding the proposed adoption of the 2025 Share Schemes are passed at the AGM, the total number of Shares which may be issued in respect of all options and awards under the 2025 Share Schemes and Other Schemes of the Company would be no more than 277,455,907 Shares, representing no more than approximately 10% of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date.

## LETTER FROM THE BOARD

The total number of Shares which may be allotted and issued in respect of all options and awards under the 2025 Share Schemes and Other Schemes of the Company to Service Provider Participants would be no more than 27,745,590 Shares, representing no more than approximately 1% of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date. The Service Provider Sublimit was determined after considering the service provider sublimit set by other listed companies, the potential dilution effect that may arise from grants to Service Provider Participants, and the fact that the Company expects that Options and Awards will mostly be granted to Employee Participants but would like to retain the flexibility to grant options and awards to Service Provider Participants for the reasons mentioned and hence limit such grants to a relatively small portion of the Mandate Limit, which is 1% of the issued Shares as at the Adoption Date.

### *(c) Vesting Period*

The vesting period for an Option or an Award under the 2025 Share Schemes shall not be less than 12 months. However, to ensure the practicability in fully attaining the purpose of the 2025 Share Schemes, the Board (or the Remuneration Committee where the arrangements relate to the grant of Options/Awards to the Directors and/or senior management of the Company) may in its sole discretion determine the vesting period to be less than 12 months for the Options/Awards to be granted to the Employee Participants under the following specific circumstances, as set out in paragraph 14.1 in Appendix III and paragraph 13.1 in Appendix IV:

- (i) grants of “make-whole” Options/Awards to Employee Participants who newly joined the Group to replace the share awards or options they forfeited when leaving the previous employer;
- (ii) grants with specific and objective performance-based vesting conditions in lieu of most time-based vesting criteria;
- (iii) grants that are made in batches during a year for administrative and compliance reasons, which include Options/Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option/Award would have been granted;
- (iv) grants of Options/Awards with a mixed or accelerated vesting schedule such as where the Options/Awards may vest evenly over a period of 12 months; and
- (v) grants with a total vesting and holding period of more than 12 months.

In the circumstances set out in (iv) and (v) above, the fact that the grants come with mixed or accelerated vesting schedule, or a total vesting and holding period of more than 12 months, shall require an Employee Participant to remain an Employee Participant for a significant period (e.g. 12 months) in order to receive the full benefits of the grant of Options or Awards to him, thus such grants with shorter vesting period will still be able to incentivize the Employee Participants to contribute to the Company on a longer term basis. It will also allow certain flexibility for the Company to structure the incentive offered to such Employee Participants.

## LETTER FROM THE BOARD

Hence, the Board and the Remuneration Committee are of the view that the specific circumstance(s) that warrant shorter vesting period as prescribed in paragraph 14.1 in Appendix III and in paragraph 13.1 in Appendix IV to this circular are in line with the Listing Rules and the market practice and are appropriate and align with the purpose of the 2025 Share Schemes.

***(d) Basis of determining the exercise price of Options and the Award Price for Awarded Shares***

Grantees to whom Options shall be granted, are entitled to subscribe for the number of Shares at the exercise price as determined on the Grant Date. The basis for determining the exercise price is also specified precisely in the rules of the 2025 Share Option Scheme, which is summarized under paragraph 9 in Appendix III to this circular. The Directors consider that such basis will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

Under the 2025 Share Award Scheme, Awarded Shares are granted to Selected Participants at the Award Price. Although each Selected Participant is required to pay for the Awarded Shares at the Award Price which shall be determined by the Board from time to time based on consideration such as the purpose of the Award and the characteristics and the profile of the Selected Participant, he/she is given the opportunity to acquire proprietary interests in the Company and is incentivized to work towards enhancing the value of the Shares for the benefits of both the Company and himself/herself. The grants of Awarded Shares provide the Group with a flexible means of attracting and retaining valuable talent and of incentivizing and compensating Selected Participants. Also, they align the interest of the Group with the interest of the Selected Participants and promote the culture of making joint and collaborative efforts in enhancing the value of the Group. Having said that, the Board will consider different factors in making such decisions as which Eligible Participants should be granted with Awarded Shares, the amounts of Awarded Shares and the vesting conditions applicable to each Eligible Participant (more details are set out in Appendix IV to this circular).

***(e) Performance target and clawback mechanism***

The Board or the Remuneration Committee (if authorised by the Board) may at its discretion specify any conditions (including performance targets (if any)) which must be satisfied before the Options and Awards may be vested in the letter of grant.

The Board may establish performance targets and other eligibility criteria to be achieved before the vesting of the Awarded Shares to the Selected Participant.

Such performance targets may include but not limited to, and where appropriate,

- (i) sales targets: revenue targets of the Group or any of its business units;
- (ii) operational targets: operation efficiency indicators (e.g. gross profit margin improvements);

## LETTER FROM THE BOARD

- (iii) financial targets: net profits, cash flow, share price, market capitalisation, return on equity etc of the Group; and
- (iv) individual's performance targets: contribution to strategic development and business expansion, demonstration of integrity, compliance and upholding of corporate value of the Group.

The human resources department will propose the performance targets (if any) of each Selected Participant to the Board or the Remuneration Committee (as the case may be) for consideration, who will then assess the reasonableness and suitability and confirm such performance targets.

In relation to the Awards granted to the Directors and senior management of the Company, the performance targets, or the absence of such, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

The Company may exercise the Clawback right in circumstances where it, in the absolute opinion of the Board or the Remuneration Committee, may be regarded as inequitable for any Awards or Options to be vested or retained (as the case may be) by any Selected Participant, including but not limited to where the relevant Participant has contributed to a material misstatement or omission in the financial reports of the Group, or if the relevant Selected Person has committed any serious negligence, fraud or misconduct. For the avoidance of doubt, notwithstanding anything else in the 2025 Share Schemes, any Awards or Options may be subject to Clawback pursuant to the Company's policy on Clawback, as amended from time to time.

The Board or the Remuneration Committee (as the case may be) will appraise and evaluate the achievement of the applicable performance targets in relation to the Options or Awards on a case-by-case basis in accordance the Company's internal human resources evaluation system. The Company will gather the data relevant to the defined performance targets of the relevant Selected Participant in the relevant period, and form a fair view as to whether the relevant performance targets have been fulfilled. The assessment will take into consideration an individual's role, position, responsibilities, performance and achievement, as well as the performance of the Company and the sub-unit to which the Selected Participant belongs. The Board or the Remuneration Committee (if authorised by the Board) shall have the sole discretion in determining whether the relevant performance targets for the Selected Participant have been met. Their decisions shall be final and binding.

In addition, Options and Awards granted which are unvested and Options granted and vested but not exercised shall automatically lapse under certain circumstances specified in the 2025 Share Schemes, such as the Grantee and/or Selected Participant having been found guilty of misconduct, convicted of any criminal offence involving his/her integrity or honesty, or having caused material misstatement in the financial statements of the Company. For details of the circumstances in which Options and Awards shall lapse, please refer to paragraphs 10 and 14 in Appendix III to this circular and paragraphs 9 and 13 in Appendix IV to this circular.

## LETTER FROM THE BOARD

The Board believes that the aforesaid will provide the Board with more flexibility in setting the terms and conditions of the Options and Awards under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole.

### Conditions precedent of the 2025 Share Schemes

The adoption of the 2025 Share Schemes is conditional upon:

- (i) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to (1) approve and adopt the 2025 Share Schemes; (2) authorize the Board to grant Options and/or Awards under the 2025 Share Schemes; and (3) authorize the Board to allot and issue Shares in respect of any Options or Awards to be granted pursuant to the 2025 Share Schemes;
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Share on the Stock Exchange which may be issued in respect of all Options and/or Awards to be granted in accordance with the terms and conditions of the 2025 Share Schemes; and
- (iii) (applicable to the 2025 Share Award Scheme) the appointment of the Trustee and the settling of the 2025 Share Award Scheme with the Trustee.

### General

None of the Directors is a trustee of the 2025 Share Schemes nor has a direct or indirect interest in the trustees of the 2025 Share Schemes (if any).

The Company may use treasury shares of the Company (if any) for the 2025 Share Schemes.

The Company understands that whilst the 2025 Share Schemes are not restricted to executives and employees of the Group, the adoption of the 2025 Share Schemes would not constitute an offer to public, and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) do not apply.

A summary of the principal rules of the 2025 Share Schemes is set out in Appendix III and Appendix IV to this circular. A copy of each of the 2025 Share Schemes will be made available for inspection at the AGM and will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.xtep.com.hk](http://www.xtep.com.hk)) for not less than 14 days before the date of the AGM.

## **LETTER FROM THE BOARD**

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued in respect of all Options and/or Awards to be granted under the 2025 Share Schemes.

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the 2025 Share Schemes. As such, no Shareholder is required to abstain from voting on the resolution(s) in relation thereto.

### **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.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **RECOMMENDATION**

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of the Directors named above, the adoption of the 2025 Share Option Scheme and the adoption of the 2025 Share Award Scheme 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 Wednesday, 23 April 2025 to Monday, 28 April 2025, 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 Monday, 28 April 2025. In order to be eligible to attend and vote at the forthcoming AGM of the Company to be held on Monday, 28 April 2025, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 22 April 2025.

## LETTER FROM THE BOARD

The proposed final dividend is subject to the passing of ordinary resolutions by the shareholders at the AGM. 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, 9 May 2025 to Tuesday, 13 May 2025, 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 Tuesday, 13 May 2025. 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, 8 May 2025. The payment date of the proposed final dividend is expected to be Monday, 30 June 2025.

The Board has recommended a final dividend of HK9.5 cents (equivalent to approximately RMB8.8 cents) per Share for the year ended 31 December 2024. The proposed final dividend will be offered with a scrip dividend option to shareholders, which will allow them to receive new shares 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 despatched to shareholders for the scrip dividend on or about Wednesday, 21 May 2025.

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 2,774,559,072 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 277,455,907 Shares, which represents 10% of the entire issued share capital of the Company (excluding treasury shares, if any) 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.

If the Company purchases any Shares pursuant to the Repurchase Mandate, the Company will either (i) cancel the Shares repurchased and/or (ii) hold such Shares in treasury, subject to market conditions and the Company's capital management needs at the relevant time any repurchases of Shares are made.



To the extent that any treasury shares are deposited with CCASS pending resale on the Stock Exchange, the Company will adopt appropriate measures to ensure that it does not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those shares were registered in the Company's own name as treasury shares. These measures may include approval by the Board that (i) the Company would not (or would procure its broker not to) give any instructions to HKSCC to vote at general meetings for the treasury shares deposited with CCASS, (ii) in the case of dividends or distributions (if any and where applicable), withdrawing the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the relevant record date for the dividends or distributions; and (iii) take any other appropriate measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

#### 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 Act.

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 2024 Annual Report). However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company.

#### 5. SHARE PRICES

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

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
April 2024	5.19	4.26
May 2024	6.10	4.89
June 2024	5.55	4.65
July 2024	5.41	4.47
August 2024	5.28	4.51
September 2024	6.16	4.15
October 2024	7.13	5.42
November 2024	6.05	5.01
December 2024	6.02	5.22
January 2025	6.08	5.37
February 2025	6.19	5.09
1 March 2025 to the Latest Practicable Date	5.82	5.03

## 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 50.53% 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 56.14% 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 will, so far as the same may be applicable, 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.

Neither the explanatory statement nor the proposed Share repurchase has any unusual features.

## 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 54, is the founder, chairman of the Board 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 is currently also the chairman of the Board of Directors and the president of various subsidiaries of the Group.

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, Harvard University's "Global CEO Program" in 2018, Executive Education — SEM-Tsinghua University's "Seventh Class of Entrepreneur Scholar Program" in 2019 and "Entrepreneurship Scholars Program" of Cheung Kong Graduate School of Business in 2023. He is a brother of Ms. Ding Mei Qing and Mr. Ding Ming Zhong, and the father of Ms. Ding Lizhi.

Mr. Ding personally obtained the following awards in the recent years:

Year	Award
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	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
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

2019	2019 Outstanding Builder of Non-public Sector of Economy in Fujian Province
2019	Awarded the “Person of Year in Sportswear Industry” Award
2020	Enlisted in the 2020 China’s Top 500 Brand figures
2020	Enlisted in the 2020 Forbes China Philanthropy List
2022	Awarded the 2021 Top Ten Person of the Economic Year in China
2022	Included in the 11th group of Honorary Citizen of Xiamen
2023	“Most Influential Enterprise Leader in 2023”

Mr. Ding held the following public offices in the recent years:

<b>Year</b>	<b>Public Office</b>
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
2018	Vice-Chairman of the China Next Generation Education Foundation
2019	Specially Invited Vice President of the 9th executive committee of Chinese Athletic Association

2022	The Fourteenth Vice-chairman of Xiamen Industrial and Commercial Association (General Chamber of Commerce)
2023	Specially Invited Vice President of the 10th executive committee of Chinese Athletic Association

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 2024 was approximately RMB5,325,000, 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 1,251,586,231 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 1,251,586,231 Shares of the Company. Mr. Ding Shui Po was also beneficially interested in 71,977,500 Shares, together representing approximately 47.70% 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 52, is the vice chairman of the Board and the 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, and the aunt of Ms. Ding Lizhi.

Ms. Ding participated in an entrepreneurship program offered by Tsinghua University (清華大學) and an business administration program offered by Cheung Kong Graduate School of Business (長江商學院) in 2006 and 2022, respectively. She has received Fortune (Chinese version)'s list featuring 40 young business elites in China “40 Under 40”, Top Ten Eminent Young Entrepreneurs of Quanzhou in 2018, the March 8th Red-Banner Pacesetter of Fujian in 2021 and other recognitions.

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 2024 was approximately RMB3,644,000, 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 1,251,586,231 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 1,251,586,231 Shares of the Company. Ms. Ding Mei Qing was also beneficially interested in 2,070,002 Shares, together representing approximately 45.18% of the issued share capital of the Company as at the Latest Practicable Date. Save as aforementioned, 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 48, is an executive Director of the Company and the vice president of the Group. He has over 20 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. 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. He is currently serving as a member of the 14th Fujian Political Consultative Committee and the deputy chairman of China Sporting Goods Federation. He is a brother of Mr. Ding Shui Po and Ms. Ding Mei Qing, and the uncle of Ms. Ding Lizhi.

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 2024 was approximately RMB2,690,000, 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 1,251,586,231 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 1,251,586,231 Shares of the Company. Mr. Ding is also beneficially interested in 2,800,000 Shares, together representing approximately 45.21% 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.

**Mr. Yeung Lo Bun** (楊鷺彬), aged 47, is an executive Director of the Company. He is responsible for formulating and implementing the Group’s global business strategy, fostering international cooperation, and accelerating overseas expansion. Mr. Yeung joined the Group in September 2010 as group financial controller and was promoted to chief financial officer in September 2017. He has over 20 years of experience in the field of audit, corporate finance and financial management. Prior to joining the Group, Mr. Yeung worked for DaChan Food (Asia) Limited (stock code: 3999), a company listed on the Main Board of the Hong Kong Stock Exchange, from 2003 to 2010, where he last served as senior finance manager. He also worked for an international audit firm from 2001 to 2003. Mr. Yeung graduated from The University of Melbourne with a bachelor’s degree in commerce in 2000. He is a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr. Yeung has entered into a service contract with no fixed term with the Company in relation to his appointment as an executive Director. According to the service contract, Mr. Yeung’s appointment is effective from 18 March 2025 which may be terminated by either party furnishing written notice of not less than three months and is subject to rotation, retirement and re-election at annual general meeting pursuant to the articles of association of the Company. Mr. Yeung is entitled to a directors’ remuneration of HK\$100,000 per month. Mr. Yeung’s remuneration is determined with reference to his experience and qualification upon the recommendation of the remuneration committee of the Company.

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

As at the Latest Practicable Date, Mr. Yeung 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 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 such notices must be lodged with the Company at least 14 days prior to the date of the general meeting of election but no earlier than the day after despatch of the notice of the general meeting appointed for such election.

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 and a supplemental circular containing information of the candidate(s) proposed by the Shareholders can be dispatched to Shareholders in a timely manner.

**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.

*The following is a summary of the principal terms of the 2025 Share Option Scheme to be approved and adopted by ordinary resolution at the AGM, but such summary does not form part of, nor was it intended to be, part of the 2025 Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the 2025 Share Option Scheme:*

## **1. PURPOSE**

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

## **2. ELIGIBLE PARTICIPANTS OF THE 2025 SHARE OPTION SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS**

- 2.1 Subject to the terms and conditions of the 2025 Share Option Scheme, Eligible Participants include the Employee Participants, the Related Entity Participants and the Service Provider Participants who in the absolute discretion of the Board have contributed to the Group on the basis of their contribution to the development and growth of the Group and may participate in the 2025 Share Option Scheme.
- 2.2 In assessing the eligibility of Employee Participant(s), the Board will consider all relevant factors as appropriate, including, among others:
- (a) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
  - (b) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
  - (c) his/her contribution made or expected to be made to the growth of the Group and the positive impacts which he/she may bring to the Group's business and development;
  - (d) his/her educational and professional qualifications, and knowledge in the industry; and
  - (e) whether granting Options to him/her is an appropriate incentive to motivate him/her to continue to contribute towards the betterment of the Group.

- 2.3 In assessing the eligibility of Related Entity Participant(s), the Board will consider all relevant factors as appropriate, including, among others:
- (a) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;
  - (b) the period of engagement or employment of the Related Entity Participant by the Group;
  - (c) the number, scale and nature of the projects in which the Related Entity Participant is involved;
  - (d) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialized into further business relationships;
  - (e) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and
  - (f) the materiality and nature of the business relation of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participants' contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.
- 2.4 In assessing the eligibility of Service Provider Participant(s) to be Eligible Participant(s), the Board will consider all relevant factors as appropriate, including, among others:
- (a) the nature of the goods and services provided by the Service Provider Participant, and whether such goods and services form an integral and important part of the Group's operations;
  - (b) whether the Service Provider Participant provides goods and services to the Group on a recurring and regular basis;
  - (c) the track record of the quality of the goods and services provided by the Service Provider Participant;
  - (d) the tenure of engagement of the Service Provider Participant by the Group;
  - (e) whether similar goods and services are readily available from other providers in the market; and
  - (f) the Service Provider Participant's contribution to the Group's business (e.g. revenue growth).

### 3. DURATION

- 3.1 Subject to paragraph 3.2, the 2025 Share Option Scheme will take effect when all the conditions set out in paragraph 5 have been satisfied and will terminate or expire (as the case may be) on the earlier of:
- (a) the termination of the 2025 Share Option Scheme pursuant to paragraph 21; and
  - (b) ten years commencing on the Adoption Date (the “**Scheme Period**”).
- 3.2 After the Scheme Period, the Company cannot grant new Options but for so long as there are Options granted but not yet accepted, outstanding Vested or Unvested Options, the 2025 Share Option Scheme will remain in full force and effect for the purpose of giving effect to the acceptance of granted Options, the exercise of such outstanding Vested or Unvested Options or otherwise as may be required in accordance with the 2025 Share Option Scheme.
- 3.3 The Option Period of the Options granted cannot be longer than the period prescribed in the Listing Rules from time to time (which is, as at the Adoption Date, not longer than 10 years from the Grant Date).

### 4. ADMINISTRATION OF THE 2025 SHARE OPTION SCHEME

- 4.1 The 2025 Share Option Scheme shall be subject to the administration of the Board in accordance with the rules of the Scheme and the Listing Rules. The Remuneration Committee is involved where the Grantee is a director of the Company or a member of the Company’s senior management, the Listing Rules require its involvement or it is authorised by the Board
- 4.2 In order to avoid any conflict of interest, if the Remuneration Committee has any member who is not an independent non-executive Director, such Director member will abstain from voting on the resolution of the Board or of the Remuneration Committee in relation to any decision on any grant or potential grant being considered to be made under the 2025 Share Option Scheme to such Director, including the decision on whether to make a grant to the Director and the vesting conditions.
- 4.3 In addition, the Board may appoint a third-party professional service provider as the administrator in relation to the 2025 Share Option Scheme (or certain aspects of it) on such terms as the Board may determine.
- 4.4 The decision of the Board on the interpretation of the 2025 Share Option Scheme or whether a circumstance exists which may affect the treatment of any Option or Option Holder thereunder will be final and binding (in the absence of manifest error) on all parties.

**5. CONDITIONS OF THE 2025 SHARE OPTION SCHEME**

5.1 The 2025 Share Option Scheme will take effect upon satisfaction of the following conditions:

- (a) the approval by ordinary resolution of Shareholders in general meeting of the Company is obtained to adopt the 2025 Share Option Scheme and to authorise the Board to grant Options thereunder and to allot and issue Shares pursuant to the exercise of any Option; and
- (b) the Listing Committee of the Stock Exchange grants approval for the listing of and permission to deal in any Shares which may be issued pursuant to the exercise of Options under the 2025 Share Option Scheme on the Stock Exchange.

**6. GRANT AND ACCEPTANCE OF OPTIONS**

6.1 Subject to the requirements in the 2025 Share Option Scheme and all applicable laws, rules and regulations, the Board can during the Scheme Period grant Options to the Grantees.

6.2 The Board will grant Options to the Grantee by letters. The letter of grant will specify:

- (a) the name of the Grantee;
- (b) the date of the letter;
- (c) the Subscription Price;
- (d) the Acceptance Period;
- (e) the Option Period;
- (f) the Option Price;
- (g) the conditions to Vesting (if any);
- (h) the performance targets and other eligibility criteria, if any, to be satisfied before an Option Vests;
- (i) the number of Shares to be subject to each Option; and
- (j) such other terms and conditions to which the Option will be subject.

The letter of grant will contain provisions requiring the Grantee (i) to undertake to hold the Option on the terms and conditions on which it is granted and (ii) to agree to be bound by the 2025 Share Option Scheme.

6.3 An Option will be open for acceptance by the Grantee during the Acceptance Period.

6.4 During the Acceptance Period, the Grantee shall accept an Option by:

- (a) signing a duplicate of the letter of grant and returning it to the Company (if the Grantee accepts part only of the Shares subject to an Option, he/she will also comply with paragraph 6.5); and
- (b) remit in favour of the Company the Option Price as specified in the letter of grant, such remittance shall not be refundable.

6.5 A Grantee may accept an Option for less than the number of Shares being offered provided that the grant is accepted in respect of such number of Shares equal to a board lot or its integral multiple. A Grantee will clearly state in the acceptance the number of Shares he/she is accepting, failure of which will cause the Grantee to be deemed to have accepted the total number of Shares being offered in the letter of grant.

6.6 If a Grantee accepts an Option for less than the number of Shares offered in the manner prescribed in paragraph 6.5, or if an Option is not accepted in the manner set out in paragraph 6.4, that portion of the Option or the entire Option (as the case may be) which is not accepted will be deemed to have been irrevocably declined and will automatically lapse. In addition, an Option subject to acceptance will immediately and automatically lapse if, during the Acceptance Period, the Grantee ceases to be an Eligible Participant.

## **7. GRANT OPTIONS TO DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY**

7.1 Any grant of Options to a Director, chief executive or substantial Shareholder (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Selected Participant of such grant).

7.2 Where the grant of Options to an independent non-executive Director or a substantial Shareholder or any of their respective associates which, if exercised, would result in that person becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him/her upon exercise of all Options and Other Scheme Options and Awards granted to him/her in the 12-month period immediately preceding the Grant Date to exceed 0.1 per cent. of the number of Shares in issue (excluding any treasury shares) as at that Grant Date, (1) a circular containing the details of the grant shall be despatched to the Shareholders in a manner complying with, and containing the information as required under the Listing Rules (including in particular a recommendation from the independent non-executive Directors to the independent Shareholders as to voting); and (2) an approval by ordinary resolution of Shareholders must be obtained in general meeting of the Company with such Eligible Participant, his/her associates

and all core connected person of the Company abstaining from voting (except that a connected person may vote against the resolution if his/her intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules). The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

## **8. RESTRICTION ON GRANT OF OPTION**

8.1 The Board will not grant any Option to any Eligible Participant:

- (a) after any inside information (as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)) has come to the knowledge of the Company until such inside information has been published in accordance with the Listing Rules;
- (b) on any day on which the Company's financial results are published and:
  - (i) during the period of 60 days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
  - (ii) during the period of 30 days immediately preceding the publication date of the Company's quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-yearly period up to the publication date of the results,

unless there are circumstances of the Company that fall within the exceptions under the Listing Rules;

- (c) who is a Director, during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company; and
- (d) in any circumstances which are prohibited under the Listing Rules or where the requisite approval from any applicable regulatory authorities has not been granted.

**9. SUBSCRIPTION PRICE**

9.1 The Board will determine the Subscription Price and will notify the Grantee such Subscription Price in the letter of grant. The Board will comply with such basis of determination of the price for exercising any Option as set out in the Listing Rules unless otherwise approved or permitted by the Stock Exchange, such exercise price, pursuant to the Listing Rules as at the Adoption Date, shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date; and
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Grant Date; and
- (c) the nominal value of a Share.

**10. EXERCISE OF OPTIONS**

10.1 During the Option Period, any Option:

- (a) which has Vested;
- (b) in respect of which all conditions attaching to it have been satisfied; and
- (c) which has not lapsed

may be exercised at any time, subject to the restriction in paragraph 10.5.

10.2 An Option Holder (or as the case may be, his/her Personal Representative(s)) may exercise an Option at any time during the Option Period. An Option may be exercised in whole or in part (except in the case of an exercise of the Vested Options in paragraph 10.7 where the Option Holder or his/her Personal Representative must exercise all but not some of the Vested Options) but must be exercised in respect of a board lot or its integral multiple. The Option Holder (or, as the case may be, his/her Personal Representative(s)) must do the following to exercise an Option:

- (a) serve a written exercise notice to the Company and/or third party professional service provider, in a form required, and to such person designated, by the Board from time to time;
- (b) complete the exercise notice in the form specified by the Company and/or third party professional service provider, which will state the Option being exercised, the number of Shares in respect of which it is exercised and the total Subscription Price for those Shares;



- (c) pay in full the total Subscription Price to the Company for the Shares in respect of which the notice is given within fourteen Business Day of the notice; and
- (d) provide such documents or confirmations as the Board may require from time to time pursuant to the terms of the 2025 Share Option Scheme or the terms and conditions of the Option.

Notwithstanding the above, the Company or the Board may determine such other method for the Option Holder to exercise an Option in the manner that the Company receives full amount of the aggregate Subscription Price for the Shares with respect to the exercise of the Option, and notify the same to the Grantee.

10.3 Unless otherwise expressly set out in the 2025 Share Option Scheme, for the purpose of determining the date on or by which an Option is or has been exercised, an Option will be deemed to have been exercised when a duly completed exercise notice complying with the requirements of the 2025 Share Option Scheme and all requisite payments and documents have been received by the Company.

10.4 If an Option Holder fails to comply fully with paragraph 10.2(c), the Board can cancel all the Options which are the subject of the relevant notice by refunding the amount actually received by the Company (less the Company's reasonable administrative expenses) to the Option Holder and declare those Options lapsed.

10.5 No Option may be exercised if such exercise would, in the opinion of the Board, be in breach of the 2025 Share Option Scheme, any applicable law, rule or regulation or the terms and conditions of the relevant Option.

10.6 After receipt of an exercise notice and full payment of the total Subscription Price and, where appropriate, receipt of:

- (a) the independent financial adviser's or the auditors' certification pursuant to paragraph 18.4; and
- (b) evidence which the Board may require from an Option Holder pursuant to the terms of the 2025 Share Option Scheme or the terms and conditions of the Option,

the Company will within 28 days after receipt of the exercise notice and the remittance of the Subscription Price, and in accordance with the requirements in the Articles of Association regarding issue of shares, allot the Option Shares to the Option Holder credited as fully paid and issue in the name of the Option Holder (or if an Option is exercised by the Personal Representative(s) of the Option Holder, to the estate of the Option Holder) a share certificate for the Option Shares.

10.7 If an individual Option Holder who on the Grant Date was an Eligible Participant, that individual ceases to be an Eligible Participant because of:

- (a) death; or
- (b) (in the case of an Employee Participant or a Related Entity Participant) ill health, serious injury or disability which in the opinion of the board of the relevant Employer renders the individual unfit to perform his/her duties of his/her employment or his/her office for a continuous period of twelve months and provided such illness or injury or disability is not self-inflicted; or
- (c) (in the case of an Employee Participant or a Related Entity Participant) redundancy, retirement or expiration of the term of the employment according to his/her contract of employment with his/her Employer; or
- (d) (in the case of an Employee Participant or a Related Entity Participant) early retirement or termination by mutual agreement with his/her Employer; or
- (e) (in the case of an Employee Participant) his/her employment or office being in a company which ceases to be a member of the Group or under the Control of the Group or relating to a business, or a part of the business which is transferred to a person who is not a member of the Group or is not under the Control of a member of the Group or if the Company or the relevant Employer or member of the Group is reorganised or merged or consolidated with another entity (and paragraphs 10.9, 10.10 and 10.11 do not apply) such that such Employer or the new entity ceases to be a member of the Group or under the Control of a member of the Group,

and situations in paragraph 14.4 do not apply, his/her Unvested Option will lapse, in the case of (a), (c), (d) and (e) on the day of the occurrence of the relevant event, and in the case of (b) on the day when the board of the relevant Employer arrived at its decision. The individual or his/her Personal Representative(s) (as the case may be) may exercise all his/her Vested Options (in whole and not part only) until the earlier of (x) the date of expiry of the Option Period or (y) the last day of the period of 6 months (or such other period as the Board may determine) after the individual ceases to be an Employee Participant or Related Entity Participant pursuant to any paragraph in 10.7(a) to 10.7(e). Any Vested Option not exercised prior to the expiry of this period will automatically lapse. For the purpose of this paragraph 10.7, an Employee Participant will be regarded as remaining as an Employee Participant notwithstanding that he/she ceases to be an employee of a member of the Group if he/she immediately becomes or stays as an Employee Participant of another member of the Group.

10.8 When a person who is an Option Holder ceases to be an Eligible Participant because he/she has submitted his/her resignation from his/her employment or office with the Employer (and paragraph 10.7(a) does not apply), whether or not he/she is still in the employment of the Employer during the relevant employment resignation notice period or the relevant Employer has terminated the employment or office (and paragraph 14.4 does not apply), then:

- (a) any Unvested Option will automatically lapse; and
- (b) the Option Holder may exercise any Vested Option (to the extent not exercised) until the earlier of (x) the date of expiry of the Option Period or (y) the last day of the period of 3 months (or such other period as the Board may determine) after the date of cessation of the person being an Eligible Participant.

10.9 If a general offer to acquire Shares (whether by way of a takeover offer, share repurchase offer, privatisation proposal by a scheme of arrangement between the Company and its members or otherwise in a like manner) is made to the Shareholders pursuant to the Takeovers Code, the Company will use reasonable endeavours to procure that such offer is extended to all the Option Holders in respect of the outstanding Options on the terms required by the Takeovers Code or the relevant practice note(s) on the Takeovers Code. The vesting conditions, the Option Period and other terms referred to in paragraph 14.1 and the letters of grant in respect of all the Options which are not yet Vested will not change when the general offer is made and where the Option Holders do not accept the offer for such Unvested Options whether or not the offer becomes or is declared unconditional in all respects.

10.10 If a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, all Unvested Options (only to the extent that a minimum vesting period of 12 months has been reached in respect of such Unvested Options) will immediately and automatically Vest and the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph 10.10) and thereupon, each Grantee (or his/her Personal Representative(s)) shall be entitled to exercise all his/her outstanding Vested Options in whole or in part at any time not later than 2 Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. Any Vested Option not exercised on or before the second Business Day prior to the general meeting will automatically lapse.

10.11 If a compromise or arrangement between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction of the Company or amalgamation of the Company with another company or companies (other than a relocation scheme as contemplated in Rule 7.14(3) of the Listing Rules):

- (a) the Company will give notice to all Option Holders on the same date as it gives notice to its members or creditors to hold a meeting to consider, and if thought fit approve, such a compromise or arrangement;
- (b) thereupon all Unvested Options (only to the extent that a minimum vesting period of 12 months has been reached in respect of such Unvested Options) will Vest and an Option Holder (or his/her Personal Representative(s)) may exercise all outstanding Vested Options (in whole or in part) forthwith and until the expiry of the period commencing with the date referred to in paragraph 10.11(a) and ending with the earlier of (x) the date two months thereafter and (y) the date on which such compromise or arrangement becoming effective, by sending an exercise notice to the Company and by remitting the total Subscription Price payable in respect of the exercise of the relevant Vested Options. The exercise notice and the total Subscription Price must be received by the Company not later than 10 Business Days (excluding any period(s) of closure of the Company's register of members) prior to the proposed meeting; and
- (c) the Company will upon receipt of the exercise notice and full payment of the total Subscription Price and prior to the date of the proposed meeting, allot and issue such number of Option Shares to the Option Holder (or his/her estate) as may fall to be issued on the exercise of the relevant Vested Options credited as fully paid and register the Option Holder (or his/her estate) as the holder of the Option Shares,

provided that the arrangements and mechanisms in this paragraph 10.11 (including the exercise of any Options) shall be subject to the laws relevant to the compromise or arrangement and to the sanction of the relevant court.

The Company may require any Option Holder to transfer or otherwise deal with the Option Shares issued as a result of the exercise of the Options so as to place the Option Holder in the same position as nearly as would have been the case had such Option Shares been subject to such compromise or arrangement.

10.12 The Company may exercise the Clawback right in circumstances where it, in the absolute opinion of the Board or the Remuneration Committee, may be regarded as inequitable for any Options or Option Shares to be vested or retained (as the case may be) by any Selected Participant, including but not limited to where the relevant Participant has contributed to a material misstatement or omission in the financial reports of the Group, or if the relevant Selected Person has committed any serious negligence, fraud or misconduct. For the avoidance of doubt, notwithstanding anything else in the 2025 Share Option Scheme, any Options or Option Shares may be subject to Clawback pursuant to the Company's policy on Clawback, as amended from time to time.

## 11. MAXIMUM NUMBER OF SHARES

- 11.1 Subject to paragraphs 11.2 to 11.5, the total number of Shares issued and to be issued upon exercise of all Options and Other Scheme Options and Awards must not exceed 10 per cent. of the Shares in issue (excluding any treasury shares) as at the Adoption Date (subject to adjustment in the event of a capitalisation issue or rights issue or open offer of Shares, or a consolidation, sub-division or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction)) (the “**Mandate Limit**”). The total number of Shares which may be allotted and issued in respect of all Options to be granted under the 2025 Share Option Scheme and Other Scheme Options and Awards to Service Provider Participants must not exceed 1 per cent. of the Shares in issue (excluding any treasury shares) as at the Adoption Date (the “**Service Provider Sublimit**”). Unless approved pursuant to paragraphs 11.2 to 11.5, no Options or Other Scheme Options and Awards may be granted if such grant will result in the Mandate Limit or the Service Provider Sublimit being exceeded. Options and Other Scheme Options and Awards lapsed according to the terms of the 2025 Share Option Scheme or Other Scheme(s) will not be regarded as utilised for the purpose of calculating the Mandate Limit or the Service Provider Sublimit.
- 11.2 Subject to an approval by ordinary resolution of Shareholders in general meeting of the Company, the Company may after three years from the Adoption Date (or from the date of approval by ordinary resolution of Shareholders in general meeting of the Company for the last refreshment) “refresh” a Mandate Limit or the Service Provider Sublimit provided that the total number of Shares which may be issued upon exercise of all Options or Other Scheme Options and Awards to be granted under the Mandate Limit or the Service Provider Sublimit as “refreshed” must not, respectively, exceed 10 per cent. and 1 per cent. of the Shares in issue (excluding any treasury shares) at the date of the resolution to approve the “refreshed” limit (“**Refresher Date**”). For any additional refreshment within three years of the Adoption Date (or within three years from the date of approval by ordinary resolution of Shareholders in general meeting of the Company for the last refreshment), approval of Shareholders must be obtained in general meeting with controlling shareholders and their associates (or if there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) abstaining from voting in favour of the relevant resolution at the general meeting.
- 11.3 The requirements above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Mandate Limit or the Service Provider Sublimit (as a percentage of the total number of Shares in issue (excluding any treasury shares)) upon refreshment is the same as the unused part of the Mandate Limit or the Service Provider Sublimit (as the case maybe) immediately before the issue of securities, rounded to the nearest whole Share.

11.4 The Company will comply with all applicable laws, rules and regulations in seeking a refreshment of a Mandate Limit. Unless approved pursuant to paragraph 11.5, the Board cannot grant any Option on or after the Refresher Date if such grant will result in the Mandate Limit as refreshed being exceeded.

11.5 Subject to a specific approval by ordinary resolution of Shareholders in general meeting of the Company, the Board may grant Options to Selected Participants specifically identified by the Board beyond the Mandate Limit, provided the Options in excess of the Mandate Limit are granted only to Selected Participants specifically identified by the Company before such approval is sought. If the approval by ordinary resolution of Shareholders in general meeting of the Company is obtained, the Board may grant Options to any Eligible Participant in respect of such number of Shares and on such terms as specified in that approval by ordinary resolution of Shareholders in general meeting of the Company.

## 12. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

12.1 Unless approval by ordinary resolution of Shareholders in general meeting of the Company is obtained pursuant to paragraph 11.5 with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting and subject to the Listing Rules including but not limited to rules relating to grant of Options to connected persons, the Board cannot grant any Option (“**Triggering Option**”) to any Eligible Participant which, if exercised, would result in that Eligible Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him/her in respect of all Options and Other Scheme Options and Awards granted to him/her in the 12-month period immediately preceding the Grant Date of the Triggering Option to exceed 1 per cent. of the number of Shares in issue (excluding any treasury shares) as at that Grant Date (the “**Individual Limit**”).

## 13. TRANSFERABILITY OF OPTIONS

13.1 An Option Holder cannot sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or otherwise dispose of any of his/her Options or purport to do any of the foregoing. If an Option Holder does any of the foregoing, whether voluntarily or involuntarily, the Option will immediately and automatically lapse.



**14. VESTING OR LAPSE OF OPTION**

14.1 Subject to the rest of the provisions in this paragraph and other provisions in the 2025 Share Option Scheme, all applicable laws, rules and regulations and with its terms and conditions, an Option will Vest on the date or dates when all the vesting conditions set out in the letter of grant have been satisfied, waived or, by the terms of the grant, treated as having been waived in accordance with paragraph 20 (provided that a minimum vesting period of 12 months has been reached). The minimum vesting period is 12 months. A vesting period shorter than 12 months may be granted to Employee Participants at the discretion of the Board (or the Remuneration Committee where the arrangements relate to grants of Options to the directors and/or senior management of the Company) in any of the following specific circumstances:

- (a) grants of “make-whole” Options to Employee Participants who newly joined the Group to replace the share awards or options they forfeited when leaving the previous employer;
- (b) grants with specific and objective performance-based vesting conditions;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and
- (e) grants of Options with a total vesting and holding period of more than 12 months.

14.2 The Board or the Remuneration Committee (if authorised by the Board) may in its absolute discretion set performance targets to be achieved before the vesting or exercise of an Option granted to a Grantee, and various factors will be considered in setting performance targets. Such performance targets may include but not limited to, and where appropriate, (i) sales targets: revenue targets of the Group or any of its business units; (ii) operational targets: operation efficiency indicators (e.g. gross profit margin improvements); (iii) financial targets: net profits, cash flow, market capitalisation, return on equity etc of the Group; and (iv) individual’s performance targets: contribution to strategic development and business expansion, demonstration of integrity, compliance and upholding of corporate value of the Group.



The human resources departments will propose the performance targets (if any) of each Selected Participant to the Board or the Remuneration Committee (as the case may be) for consideration, who will then assess the reasonableness and suitability and confirm such performance targets. In relation to the Options granted to the Directors and senior management of the Company, the performance targets, or the absence of such, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules. The Board or the Remuneration Committee (as the case may be) will appraise and evaluate the achievement of the applicable performance targets in relation to the Options on a case-by-case basis in accordance with the Company's internal human resources evaluation system. The Company will gather the data relevant to the defined performance targets of the relevant Selected Participant in the relevant period, and form a fair view as to whether the relevant performance targets have been fulfilled. The assessment will take into consideration an individual's role, position, responsibilities, performance and achievement, as well as the performance of the Company and the sub-unit to which the Selected Participant belongs. The Board or the Remuneration Committee (if authorised by the Board) shall have the sole discretion in determining whether the relevant performance targets for the Selected Participant have been met. Their decisions shall be final and binding.

14.3 In addition to paragraphs 3.2, 6.6, 10.4 and 13 and subject to paragraphs 10.7 to 10.11, unless the Board exercises its discretion pursuant to the powers granted by under the 2025 Share Option Scheme to extend the Option Period or allowing all or some Options which should have lapsed pursuant to its terms and conditions to continue to subsist until the end of the period, an Option will automatically lapse and will not Vest or cannot be exercised (as the case may be) on the earlier of:

- (a) the failure to satisfy the vesting conditions, or such conditions are not waived;
- (b) the expiry of the Option Period; and
- (c) the Option Holder failing to obtain all necessary consents or file all necessary registrations referred to in the 2025 Share Option Scheme within 30 Business Days from the date of the written notice to exercise the relevant Vested Option.

14.4 If the Board or the board of directors (or a committee thereof) of the relevant subsidiary determines that a person who is an Option Holder (this includes a person who has ceased to be an Eligible Participant but his/her Options continue to subsist in accordance with power of Directors as set out in the 2025 Share Option Scheme), that person:

- (a) is guilty of misconduct, whether or not in connection with his/her relationship with the Group, or wilful disobedience or non-compliance with the terms of his/her employment, service agency, consultancy, engagement contract or lawful orders or instructions given by any member of the Group; or

- (b) has been convicted of any criminal offence involving his/her integrity or honesty, whether or not in connection with his/her relationship with the Group; or
- (c) has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations from time to time; or
- (d) has caused a material misstatement in the Group's financial statements; or
- (e) has committed any act or offence which would justify (as determined by the Board) the termination of his/her employment contract or office, his/her engagement or contract with the relevant member of the Group at common law or pursuant to any applicable law, rule or regulation (or, in the case of a person who was an Employee Participant but has subsequently ceased to be an Employee Participant, his/her behaviour while he/she was an Employee Participant would have justified the termination of his/her employment contract but which does not become known to the Group until after he/she has ceased to be an Employee Participant); or
- (f) has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally; or
- (g) has disclosed confidential information of the Group; or
- (h) has done anything (as determined by the Board) adversely affecting his/her ability to perform his/her duties properly or bring the Group into disrepute; or
- (i) has entered into competition with the Group or breached any non-solicitation provisions or any other undertakings in his/her employment, service agency, consultancy or engagement contract with any member of the Group (irrespective of whether such provisions are upheld or declared void and unenforceable by a court with competent jurisdiction),

then whether or not he/she is summarily dismissed by the Employer or is still employed by the Employer, (i) any Unvested Option will automatically lapse and (ii) any Vested Option (to the extent not exercised) cannot be exercised.

A resolution of the Board or the board of directors (or a committee thereof) of the relevant subsidiary to the effect that the employment or engagement of the person has or has not been terminated on one or more of the grounds specified in this paragraph or that one or more of the grounds specified in this paragraph and paragraphs 10.7 to 10.11 has arisen in respect of the person will be conclusive and binding on the person, and where appropriate, the persons' Personal Representative(s).

**15. RIGHTS OF OPTION HOLDERS**

15.1 An Option Holder cannot vote or receive dividends and does not have any transfer or other rights of a shareholder in respect of Shares subject to an Option, including those arising on a liquidation of the Company, until the Option Shares are allotted and issued to the Option Holder and the Option Holder has been registered in the register of members of the Company in respect of the Option Shares.

**16. RANKING OF SHARES**

16.1 The Share issued upon the exercise of an Option will be subject to all the provisions of the Articles of Association and will rank equally in all respects with the fully paid Shares in issue on the date when the name of the Option Holder is registered on the register of members of the Company.

16.2 The Share will not carry any voting right until the registration of the Option Holder (or if an Option is exercised by the Personal Representative(s) of the Option Holder, of the estate of the Option Holder) in the register of members of the Company as the holder of the Option Share.

**17. SHARE CAPITAL**

17.1 Subject to the approval of the Shareholders of any necessary increase in the authorised share capital of the Company by way of ordinary resolutions, the Board will make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

As of the Latest Practicable Date, the Company has adequate authorised share capital to issue Shares upon the exercise of Options to be granted within the Mandate Limit, and there is no current plan or arrangement to increase the authorised share capital of the Company.

**18. REORGANISATION OF CAPITAL STRUCTURE**

18.1 In the event of a capitalisation issue or rights issue or open offer of Shares, or a consolidation, sub-division or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction) and an Option remains exercisable, the Company will make corresponding adjustments (as necessary and in accordance with the Listing Rules and any guidance materials published by the Stock Exchange from time to time) to:

- (a) the number of Shares subject to the Mandate Limit and the Service Provider Sublimit (as refreshed from time to time);
- (b) the number of Shares subject to outstanding Options; and/or
- (c) the Subscription Price.

- 18.2 No adjustments required in paragraph 18.1 may be made to the advantage of any Option Holder unless with the prior approval by ordinary resolution of Shareholders in general meeting of the Company.
- 18.3 An adjustment will be made, to the extent practicable, in accordance with the following principles:
- (a) on the basis that each Option Holder on exercise of his/her Options will have the same proportion of the issued share capital of the Company to which he/she would have been entitled if he/she were to exercise the Options immediately prior to the event leading to the requirement to perform the adjustment; and
  - (b) Shares will not be issued at less than its nominal value.
- 18.4 In respect of any adjustment required in paragraph 18.1, other than adjustments made on a capitalisation issue, the Company will seek a written certification from an independent financial adviser or the auditors that the adjustments satisfy the conditions set out in paragraph 18.3 (“**Adjustment Certificate**”). In giving the Adjustment Certificate, the independent financial adviser or the Auditors will act as experts and not as arbitrators and their confirmation will (in the absence of manifest error) be final and binding on the Company and the Option Holders. The costs of the Adjustment Certificate will be borne by the Company.
- 18.5 An adjustment will be deemed to have taken effect on the earlier of (i) the date of completion of the relevant corporate event leading to the requirement to perform the adjustment and (ii) if necessary, the issue of the Adjustment Certificate.
- 18.6 The Company will within 30 Business Days of the announcement of the relevant corporate event leading to the requirement to perform the adjustment inform each Option Holder of the adjustment. If the Company receives an exercise notice from an Option Holder after such notification but before the Adjustment Certificate is issued, the Company will inform the Option Holder of such fact in which case the Option Holder can either give notice within fourteen Business Days after receiving the relevant notice from the Company to withdraw the exercise notice or if he/she fails to withdraw the exercise notice that exercise notice will be deemed to have been received by the Company on the date when the Company receives the certification and the Company will accordingly process the exercise notice based on the adjusted exercise price as set out in the Adjustment Certificate.

**19. ALTERATIONS TO THE 2025 SHARE OPTION SCHEME**

19.1 Subject to paragraph 19.2 and the Listing Rules, the Board may alter any of the provision of the 2025 Share Option Scheme except that:

- (a) any alterations to the terms and conditions of the 2025 Share Option Scheme which are of a material nature, including but not limited to the provisions of the 2025 Share Option Scheme as to the definition of “Eligible Participant(s)”; and
- (b) the provisions of the 2025 Share Option Scheme relating to matters governed by Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants,

shall not be altered except with the prior approval by ordinary resolution of Shareholders in general meeting of the Company, provided that no such alteration shall operate to affect adversely the terms of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Eligible Participants as would be required of the holders of the Shares under the Articles of Association for the time being of the Company for a variation of the rights attached to the Shares.

19.2 Prior approval by ordinary resolution of Shareholders in general meeting of the Company must be obtained before any change to the authority of the Board to alter the terms of the 2025 Share Option Scheme.

19.3 The amended terms of the 2025 Share Option Scheme and the Options will comply with the relevant requirements of all laws, rules and regulations including but not limited to the Listing Rules.

**20. ALTERATION OF TERMS AND CONDITIONS OF OPTIONS GRANTED**

20.1 Any change to the terms of any Option granted to a Eligible Participant must be approved by the Directors, the independent non-executive Directors, the Remuneration Committee, and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Options was approved by the Directors, the independent non-executive Directors, the Remuneration Committee, and/or the Shareholders in general meeting (as the case may be), in accordance with the terms of the 2025 Share Option Scheme and Chapter 17 of the Listing Rules. The foregoing provisions shall not apply where the alterations take effect automatically under the existing terms of the 2025 Share Option Scheme.

20.2 The amended terms of the Options will comply with the relevant requirements of all laws, rules and regulations including but not limited to the Listing Rules.

**21. CANCELLATION OF OPTIONS GRANTED**

21.1 The Board may cancel any Options granted on such terms and conditions with the consent of the relevant Option Holder. Where the Board cancels Options granted and grants new Options (or Other Scheme Options and Awards) to the same Option Holder, the grant of such replacement Options cannot cause the Mandate Limit set out in paragraph 11.1 to be breached.

21.2 The cancelled outstanding Vested Options or Unvested Options will be regarded as utilised for the purpose of calculating the Mandate Limit in paragraph 11.1.

**22. TERMINATION OF THE 2025 SHARE OPTION SCHEME**

22.1 The 2025 Share Option Scheme may be terminated at any time by ordinary resolution of Shareholders in general meeting of Company or by the Board when it resolves that no further Options will be granted thereunder.

22.2 Subject to paragraph 21.1, the Company cannot grant new Options but for so long as there are Options granted but not yet accepted, outstanding Vested or Unvested Options, the 2025 Share Option Scheme will remain in full force and effect for the purpose of giving effect to the acceptance of granted Options, the exercise of such outstanding Vested or Unvested Options or otherwise as may be required in accordance with the 2025 Share Option Scheme.

*The following is a summary of the principal terms of the 2025 Share Award Scheme to be approved and adopted by ordinary resolution at the AGM, but such summary does not form part of, nor was it intended to be, part of the 2025 Share Award Scheme, nor should it be taken as affecting the interpretation of the rules of the 2025 Share Award Scheme:*

## **1. PURPOSE**

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

## **2. ELIGIBLE PARTICIPANTS OF THE 2025 SHARE AWARD SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS**

- 2.1 Subject to the terms and conditions of the 2025 Share Award Scheme, Eligible Participants include the Employee Participants, the Related Entity Participants and the Service Provider Participants who in the absolute discretion of the Board have contributed to the Group on the basis of their contribution to the development and growth of the Group and may participate in the 2025 Share Award Scheme.
- 2.2 In assessing the eligibility of Employee Participant(s), the Board will consider all relevant factors as appropriate, including, among others:
- (a) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
  - (b) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
  - (c) his/her contribution made or expected to be made to the growth of the Group and the positive impacts which he/she may bring to the Group's business and development;
  - (d) his/her educational and professional qualifications, and knowledge in the industry; and
  - (e) whether granting Awards to him/her is an appropriate incentive to motivate him/her to continue to contribute towards the betterment of the Group.

2.3 In assessing the eligibility of Related Entity Participant(s), the Board will consider all relevant factors as appropriate, including, among others:

- (a) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;
- (b) the period of engagement or employment of the Related Entity Participant by the Group;
- (c) the number, scale and nature of the projects in which the Related Entity Participant is involved;
- (d) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialized into further business relationships;
- (e) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and
- (f) the materiality and nature of the business relation of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participants' contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

2.4 In assessing the eligibility of Service Provider Participant(s) to be Eligible Participant(s), the Board will consider all relevant factors as appropriate, including, among others:

- (a) the nature of the goods and services provided by the Service Provider Participant, and whether such goods and services form an integral and important part of the Group's operations;
- (b) whether the Service Provider Participant provides goods and services to the Group on a recurring and regular basis;
- (c) the track record of the quality of the goods and services provided by the Service Provider Participant;
- (d) the tenure of engagement of the Service Provider Participant by the Group;
- (e) whether similar goods and services are readily available from other providers in the market; and
- (f) the Service Provider Participant's contribution to the Group's business (e.g. revenue growth).



### 3. DURATION

- 3.1 Subject to paragraph 3.2, the 2025 Share Award Scheme will take effect when all the conditions set out in paragraph 5 have been satisfied and will terminate or expire (as the case may be) on the earlier of:
- (a) the termination of the 2025 Share Award Scheme pursuant to paragraph 19; and
  - (b) ten years commencing on the Adoption Date (the “**Scheme Period**”).
- 3.2 After the Scheme Period, no further grant of Awards shall be made but the 2025 Share Award Scheme will remain in full force and effect to the extent necessary to give effect to the acceptance of any granted Awards, vesting of any Awarded Shares or otherwise as may be required in accordance with the 2025 Share Award Scheme and the administration of the trust property held by the Trustee pursuant to the Trust Deed.

### 4. ADMINISTRATION OF THE 2025 SHARE AWARD SCHEME

- 4.1 The Board and the Trustee will administer the 2025 Share Award Scheme. The Remuneration Committee is involved where the Grantee is a director of the Company or a member of the Company’s senior management, the Listing Rules require its involvement or it is authorised by the Board. In order to avoid any conflict of interest, if the Remuneration Committee has any member who is not an independent non-executive Director, such director member will abstain from voting on the resolution of the Board or of the Remuneration Committee in relation to any decision on any grant or potential grant being considered to be made under the Scheme to such director, including the decision on whether to make a grant to the director and the vesting conditions.
- 4.2 The Board may appoint a third-party professional service provider as the administrator in relation to the 2025 Share Award Scheme (or certain aspects of it) on such terms as the Board may determine.
- 4.3 The decision of the Board on the interpretation of the 2025 Share Award Scheme or whether a circumstance exists which may affect the treatment of any Award or Selected Participant thereunder will be final and binding (in the absence of manifest error) on all parties.

**5. CONDITIONS OF THE 2025 SHARE AWARD SCHEME**

5.1 The 2025 Share Award Scheme will take effect upon satisfaction of the following conditions:

- (a) the approval by ordinary resolution of Shareholders in general meeting of the Company is obtained to adopt the 2025 Share Award Scheme and to authorise the Board to grant Awards under the 2025 Share Award Scheme and to allot, issue and deal with Shares pursuant to the grant of any Awards in accordance with the terms and conditions of the 2025 Share Award Scheme;
- (b) the appointment of the Trustee and the settling of the 2025 Share Award Scheme with the Trustee; and
- (c) the Listing Committee of the Stock Exchange grants approval for the listing of and permission to deal in such number of Shares representing the Mandate Limit to be allotted and issued by the Company pursuant to the grant of any Awards in accordance with the terms and conditions of the 2025 Share Award Scheme.

**6. OPERATION OF THE 2025 SHARE AWARD SCHEME**

- 6.1 The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company or any subsidiary as directed by the Board which shall constitute part of the Trust Fund, for the purchase or subscription (as the case may be) of Shares and other purposes set out in the 2025 Share Award Scheme and the Trust Deed.
- 6.2 Subject to the requirements in the 2025 Share Award Scheme and all applicable laws, rules and regulations, the Board may from time to time instruct the Trustee in writing to (i) purchase Shares on the Stock Exchange; or (ii) subscribe for Shares from the Company at a subscription price representing the nominal value of the Shares. Once purchased or subscribed for, the Shares are to be held by the Trustee for the benefit of Eligible Participants under the Trust on and subject to the terms and conditions of the 2025 Share Award Scheme and the Trust Deed.
- 6.3 Subject to the requirements in the 2025 Share Award Scheme and all applicable laws, rules and regulations, the Board may, from time to time at its absolute discretion, select any Eligible Participant (other than any Excluded Participant) to be a Selected Participant and grant to such Selected Participant Awarded Shares at the Award Price.

- 6.4 The Award Price for the Awarded Shares shall be determined by the Board from time to time based on consideration such as the purpose of the Award and the characteristics and the profile of the Selected Person, which shall be paid upon vesting of the Awarded Shares or at such other time as determined by the Board in its absolute discretion.
- 6.5 The Board will grant Awards to the Selected Participants by letters. The letter of grant will specify:
- (a) the name of the Selected Participant;
  - (b) the date of the letter;
  - (c) the Acceptance Period;
  - (d) the conditions to Vesting (if any);
  - (e) the performance targets and other eligibility criteria, if any, to be satisfied before an Awarded Share Vests;
  - (f) the number of Awarded Shares;
  - (g) the Award Price;
  - (h) The lock-up period; and
  - (i) such other terms and conditions to which the Award will be subject.

The letter of grant will contain provisions requiring the Selected Participant (i) to undertake to hold the Award on the terms and conditions on which it is granted and (ii) to agree to be bound by the 2025 Share Award Scheme.

- 6.6 An Award will be open for acceptance by the Selected Participant during the Acceptance Period.
- 6.7 Upon receipt of the letter of grant, the Selected Participant shall accept an Award by returning to the Company a notice of acceptance (the “**Acceptance Notice**”) within the Acceptance Period. If any Selected Participant fails to return the Acceptance Notice before the expiry of the Acceptance Period, the Award will automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date.

**7. GRANT AWARDS TO DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY**

7.1 Any grant of Awards to a Director, chief executive or substantial Shareholder (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Selected Participant of such grant).

7.2 Where the grant of Awards to:

- (a) a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the 2025 Share Award Scheme) to him/her in the 12-month period immediately preceding the Grant Date to exceed 0.1 per cent. of the number of Shares in issue (excluding any treasury shares) as at the Grant Date; or
- (b) an independent non-executive Director or a substantial Shareholder or any of their associates, would result in the Shares issued and to be issued in respect of all Awards and Other Scheme Options and Awards granted (excluding any Awards lapsed in accordance with the terms of the 2025 Share Award Scheme) to him/her in the 12-month period immediately preceding the Grant Date to exceed 0.1 per cent. of the number of Shares in issue (excluding any treasury shares) as at the Grant Date.

In the circumstances described in (a) and (b) above, a circular containing the details of the grant shall be despatched to the Shareholders in a manner complying with, and containing the information as required under the Listing Rules (including in particular a recommendation from the independent non-executive Directors to the independent Shareholders as to voting). Also, an approval by ordinary resolution of Shareholders must be obtained in general meeting of the Company with such Selected Participant, his/her associates and all core connected person of the Company abstaining from voting (except that a connected person may vote against the resolution if his/her intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules). The Company shall comply with the requirements under Rule 13.40, 13.41 and 13.42 of the Listing Rules.

**8. RESTRICTION ON GRANT OF AWARD**

8.1 The Board will not grant any Award to any Selected Participant, or cause the Trustee to purchase or subscribe for Shares or transfer Awarded Shares to Selected Participants, or cause the Company to allot and issue Awarded Shares to Selected Participants:

- (a) after any inside information (as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)) has come to the knowledge of the Company until such inside information has been published in accordance with the Listing Rules;
- (b) on any day on which the Company's financial results are published and:
  - (i) during the period of 60 days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
  - (ii) during the period of 30 days immediately preceding the publication date of the Company's quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-yearly period up to the publication date of the results,

unless there are circumstances of the Company that fall within the exceptions under the Listing Rules;

- (c) who is a Director, during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company; and
- (d) in any circumstances which are prohibited under the Listing Rules or where the requisite approval from any applicable regulatory authorities has not been granted.

**9. LAPSE OF AWARDS**

9.1 If a Selected Participant who on the Grant Date was an Eligible Participant, that individual ceases to be an Eligible Participant because of:

- (a) death; or
- (b) (in the case of an Employee Participant or a Related Entity Participant) ill health, serious injury or disability which in the opinion of the board of the relevant Employer renders the individual unfit to perform his/her duties of his/her employment or his/her office for a continuous period of twelve months and provided such illness or injury or disability is not self-inflicted; or
- (c) (in the case of an Employee Participant or a Related Entity Participant) redundancy, retirement or expiration of the term of the employment according to his/her contract of employment with his/her Employer; or
- (d) (in the case of an Employee Participant or a Related Entity Participant) early retirement or termination by mutual agreement with his/her Employer; or
- (e) (in the case of an Employee Participant) his/her employment or office being in a company which ceases to be a member of the Group or under the Control of the Group or relating to a business, or a part of the business which is transferred to a person who is not a member of the Group or is not under the Control of a member of the Group or if the Company or the relevant Employer or member of the Group is reorganised or merged or consolidated with another entity (and paragraphs 9.4, 9.5 and 9.6 do not apply) such that such Employer or the new entity ceases to be a member of the Group or under the Control of a member of the Group,

And situations in paragraph 9.3 do not apply, the relevant Award will lapse, in the case of (a), (c), (d) and (e) on the day of the occurrence of the relevant event, and in the case of (b) on the day when the board of the relevant Employer arrived at its decision, and the relevant Awarded Shares shall not vest on the relevant Vesting Date.

9.2 When a person who is a Selected Participant ceases to be an Eligible Participant because he/she has submitted his/her resignation from his/her employment or office with the Employer (and paragraph 9.1(a) does not apply), whether or not he/she is still in the employment of the Employer during the relevant employment resignation notice period or the relevant Employer has terminated the employment or office (and paragraph 9.3 does not apply), then:

- (a) the relevant Award made to such Selected Participant will automatically lapse forthwith; and
- (b) the relevant Awarded Shares shall not vest on the relevant Vesting Date.

9.3 If the Board or the board of directors (or a committee thereof) of the relevant subsidiary determines that a person who is a Selected Participant (this includes a person who has ceased to be an Eligible Participant but his/her Awards continue to subsist in accordance with power of Directors as set out in the 2025 Share Award Scheme), that person:

- (a) is guilty of misconduct, whether or not in connection with his/her relationship with the Group, or wilful disobedience or non-compliance with the terms of his/her employment, service agency, consultancy, engagement contract or lawful orders or instructions given by any member of the Group; or
- (b) has been convicted of any criminal offence involving his/her integrity or honesty, whether or not in connection with his/her relationship with the Group; or
- (c) has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations from time to time; or
- (d) has caused a material misstatement in the Group's financial statements; or
- (e) has committed any act or offence which would justify (as determined by the Board) the termination of his/her employment contract or office, his/her engagement or contract with the relevant member of the Group at common law or pursuant to any applicable law, rule or regulation (or, in the case of a person who was an Employee Participant but has subsequently ceased to be an Employee Participant, his/her behaviour while he/she was an Employee Participant would have justified the termination of his/her employment contract but which does not become known to the Group until after he/she has ceased to be an Employee Participant); or
- (f) has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally; or
- (g) has disclosed confidential information of the Group; or
- (h) has done anything (as determined by the Board) adversely affecting his/her ability to perform his/her duties properly or bring the Group into disrepute; or
- (i) has entered into competition with the Group or breached any non-solicitation provisions or any other undertakings in his/her employment, service agency, consultancy or engagement contract with any member of the Group (irrespective of whether such provisions are upheld or declared void and unenforceable by a court with competent jurisdiction),

then whether or not he/she is summarily dismissed by the Employer or is still employed by the Employer, the relevant Award made to such Selected Participant will automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date.

A resolution of the Board or the board of directors (or a committee thereof) of the relevant subsidiary to the effect that the employment or engagement of the person has or has not been terminated on one or more of the grounds specified in this paragraph or that one or more of the grounds specified in this paragraph 9.3 and paragraph 9 has arisen in respect of the person will be conclusive and binding on the person, and where appropriate, the persons' Personal Representative(s).

- 9.4 If a general offer to acquire Shares (whether by way of a takeover offer, share repurchase offer, privatisation proposal by a scheme of arrangement between the Company and its members or otherwise in like manner) is made to the Shareholders pursuant to the Takeovers Code, the vesting conditions, the vesting schedule and other terms referred to in paragraph 13.1 and the letters of grant in respect of all the Awards not yet Vested will not change when the general offer is made whether or not the offer becomes or is declared unconditional in all respects.
- 9.5 If a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, all Unvested Awarded Shares (only to the extent that a minimum vesting period of 12 months has been reached in respect of such Unvested Awarded Shares) will immediately and automatically Vest and the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Selected Participants (together with a notice of the existence of the provisions of this paragraph 9.5), and the Company shall allot and issue to such Selected Participant such number of new Awarded Shares in accordance with the terms of the 2025 Share Award Scheme.
- 9.6 If a compromise or arrangement between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction of the Company or amalgamation of the Company with another company or companies (other than a relocation scheme as contemplated in Rule 7.14(3) of the Listing Rules):
- (a) the Company will give notice to all Selected Participants on the same date as it gives notice to its members or creditors to hold a meeting to consider, and if thought fit approve, such a compromise or arrangement;
  - (b) thereupon all Unvested Awarded Shares (only to the extent that a minimum vesting period of 12 months has been reached in respect of such Unvested Awarded Shares) will vest; and



- (c) the Company shall allot and issue to such Selected Participant such number of new Awarded Shares in accordance with the terms of the 2025 Share Award Scheme,

provided that the arrangements and mechanisms in this paragraph 9.6 shall be subject to the laws relevant to the compromise or arrangement and to the sanction of the relevant court.

The Company may require any Selected Participant to transfer or otherwise deal with the Awarded Shares issued as a result of the vesting of the Awards so as to place the Selected Participant in the same position as nearly as would have been the case had such Awarded Shares been subject to such compromise or arrangement.

- 9.7 For the purpose of this paragraph 9, an Employee Participant will be regarded as remaining as an Employee Participant notwithstanding that he/she ceases to be an employee of a member of the Group if he/she immediately becomes or stays as an Employee Participant of another member of the Group.
- 9.8 The Company may exercise the Clawback right in circumstances where it, in the absolute opinion of the Board or the Remuneration Committee, may be regarded as inequitable for any Awards to be vested or retained (as the case may be) by any Selected Participant, including but not limited to where the relevant Participant has contributed to a material misstatement or omission in the financial reports of the Group, or if the relevant Selected Person has committed any serious negligence, fraud or misconduct. For the avoidance of doubt, notwithstanding anything else in the 2025 Share Award Scheme, any Awards may be subject to Clawback pursuant to the Company's policy on Clawback, as amended from time to time.
- 9.9 The Awards that are clawed back or lapsed shall be regarded as cancelled, and the relevant Awarded Shares shall be regarded as Returned Shares. The Board shall inform the Trustee in writing in case if any Award is deemed to have lapsed or claw backed pursuant to the terms of the Scheme Rules. The Trustee shall hold Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants (excluding any Excluded Participants) as the Board or the Remuneration Committee shall in its absolute discretion at any time determine and select in writing as the Selected Participant(s).

**10. MAXIMUM NUMBER OF SHARES**

- 10.1 Subject to paragraphs 10.2 to 10.5, the total number of Shares which may be allotted and issued in respect of all Awards to be granted under the 2025 Share Award Scheme and Other Scheme Options and Awards must not exceed 10 per cent. of the Shares in issue (excluding any treasury shares) as at the Adoption Date (subject to adjustment in the event of a capitalisation issue or rights issue or open offer of Shares, or a consolidation, sub-division or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction)) (the “**Mandate Limit**”). The total number of Shares which may be allotted and issued in respect of all Awards to be granted under the 2025 Share Award Scheme and Other Scheme Options and Awards to Service Provider Participants must not exceed 1 per cent. of the Shares in issue (excluding any treasury shares) as at the Adoption Date (the “**Service Provider Sublimit**”). Unless approved pursuant to paragraphs 10.2 to 10.5, no Awards or Other Scheme Options and Awards may be granted if such grant will result in the Mandate Limit or the Service Provider Sublimit being exceeded. Awards and Other Scheme Options and Awards lapsed according to the terms of the 2025 Share Award Scheme or Other Scheme(s) will not be regarded as utilised for the purpose of calculating the Mandate Limit or the Service Provider Sublimit.
- 10.2 Subject to an approval by ordinary resolution of Shareholders in general meeting of the Company, the Company may after three years from the Adoption Date (or from the date of approval by ordinary resolution of Shareholders in general meeting of the Company for the last refreshment) “refresh” a Mandate Limit or a Service Provider Sublimit provided that the total number of Shares which may be allotted and issued in respect of all Awards to be granted under the 2025 Share Award Scheme and Other Scheme Options and Awards to be granted under the Mandate Limit and the Service Provider Sublimit as “refreshed” must not, respectively, exceed 10 per cent. and 1 per cent. of the Shares in issue (excluding any treasury shares) at the date of the resolution to approve the “refreshed” limit (“**Refresher Date**”). For any additional refreshment within three years of the Adoption Date (or within three years from the date of approval by ordinary resolution of Shareholders in general meeting of the Company for the last refreshment), approval of Shareholders must be obtained in general meeting with controlling shareholders and their associates (or if there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) abstaining from voting in favour of the relevant resolution at the general meeting.
- 10.3 The requirements above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Mandate Limit or the Service Provider Sublimit (as a percentage of the total number of Shares in issue (excluding any treasury shares)) upon refreshment is the same as the unused part of the Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

10.4 The Company will comply with all applicable laws, rules and regulations in seeking a refreshment of a Mandate Limit. Unless approved pursuant to paragraph 10.5, the Board cannot grant any Award on or after the Refresher Date if such grant will result in the Mandate Limit as refreshed being exceeded.

10.5 Subject to a specific approval by ordinary resolution of Shareholders in general meeting of the Company, the Board may grant Awards to Selected Participants specifically identified by the Board beyond the Mandate Limit, provided the Awards in excess of the Mandate Limit are granted only to Selected Participants specifically identified by the Company before such approval is sought. If the approval by ordinary resolution of Shareholders in general meeting of the Company is obtained, the Board may grant Awards to any Selected Participant in respect of such number of Awarded Shares and on such terms as specified in that approval by ordinary resolution of Shareholders in general meeting of the Company.

## 11. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

11.1 Unless approval by ordinary resolution of Shareholders in general meeting of the Company is obtained pursuant to paragraph 10.5 with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting and subject to the Listing Rules including but not limited to rules relating to grant of options/awards to connected persons, the Board cannot grant any Award (“**Triggering Award**”) to any Selected Participant which, if vested, would result in that Selected Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him/her in respect of all Awards and Other Scheme Options and Awards granted to him/her in the 12-month period immediately preceding the Grant Date of the Triggering Award to exceed 1 per cent. of the number of Shares in issue (excluding any treasury shares) as at that Grant Date (the “**Individual Limit**”).

## 12. TRANSFERABILITY OF AWARDS

12.1 Prior to the Vesting Date, a Selected Participant cannot sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or otherwise dispose of any of his/her Awards or purport to do any of the foregoing. If a Selected Participant does any of the foregoing, whether voluntarily or involuntarily, the Award will immediately and automatically lapse.

**13. VESTING OF AWARDS**

13.1 Subject to the rest of the provisions in this paragraph, paragraph 13.2 and other provisions in the 2025 Share Award Scheme, all applicable laws, rules and regulations and with its terms and conditions, the respective Awarded Shares shall Vest on the Selected Participant on the date or dates when all the vesting conditions set out in the letter of grant have been satisfied, waived or, by the terms of the grant, treated as having been waived in accordance with paragraph 18 (provided that a minimum vesting period of 12 months has been reached), and the Board shall either (A) direct and procure the Trustee to release from the Trust the Awarded Shares to the Selected Participants by transferring the number of Awarded Shares to the Selected Participants in such manner as determined by them from time to time; or (B) cause the Company to allot and issue to such Selected Participant such number of Awarded Shares as set out in the letter of grant and the Board shall, in the case of allotment and issue of new Awarded Shares to Selected Participants, cause to be paid the subscription money for the new Awarded Shares, representing the nominal value of the new Awarded Shares multiplied by the number of new Awarded Shares to be issued, from the Company's resources within a reasonable period of time; and the Selected Participants shall pay the Company the Award Price for the Awarded Shares.

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

13.2 The minimum vesting period is 12 months. Provided that where the Employee Participant (i) is a director of the Company or a senior manager specifically identified by the Company, the Remuneration Committee shall, or (ii) is not a director of the Company nor a senior manager specifically identified by the Company, the Board shall have the authority to determine a shorter vesting period, if the Remuneration Committee (or, as the case may be, the Board) considers that a shorter vesting period is appropriate to align with the purpose of the Scheme, in any of the following specific circumstances:

- (a) grants of "make-whole" Awards to Employee Participants who newly joined the Group to replace the share awards or options they forfeited when leaving the previous employer;

- (b) grants with specific and objective performance-based vesting conditions in lieu of most time-based vesting criteria;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Awards would have been granted;
- (d) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; and
- (e) grants of Awards with a total vesting and holding period of more than 12 months.

13.3 The Board shall send to each Selected Participant a vesting notice not less than 30 Business Days prior to each Vesting Date or the date a general offer involving the Shares of the Company is announced (the “**Vesting Notice**”).

13.4 The Board or the Remuneration Committee (if authorised by the Board) is entitled to impose any conditions, as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares to the Selected Participant and shall set out such conditions in the letter of grant to the Selected Participant. Subject to applicable law and regulations, the Board or the Remuneration Committee (if authorised by the Board) may waive any vesting conditions in accordance with paragraph 18. The Board or the Remuneration Committee (if authorised by the Board) may in its absolute discretion set performance targets to be achieved before the vesting of the Awarded Shares to the Selected Participant, and various factors will be considered in setting performance targets. Such performance targets may include but not limited to, and where appropriate, (i) sales targets: revenue targets of the Group or any of its business units; (ii) operational targets: operation efficiency indicators (e.g. gross profit margin improvements); (iii) financial targets: net profits, cash flow, share price, market capitalisation, return on equity etc of the Group; and (iv) individual’s performance targets: contribution to strategic development and business expansion, demonstration of integrity, compliance and upholding of corporate value of the Group.

The human resources departments will propose the performance targets (if any) of each Selected Participant to the Board or the Remuneration Committee (as the case may be) for consideration, who will then assess the reasonableness and suitability and confirm such performance targets. In relation to the Awards granted to the Directors and senior management of the Company, the performance targets, or the absence of such, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules. The Board or the Remuneration Committee (as the case may be) will appraise and evaluate the achievement of the applicable performance targets in relation to the Awards on a case-by-case basis in accordance with the Company's internal human resources evaluation system. The Company will gather the data relevant to the defined performance targets of the relevant Selected Participant in the relevant period, and form a fair view as to whether the relevant performance targets have been fulfilled. The assessment will take into consideration an individual's role, position, responsibilities, performance and achievement, as well as the performance of the Company and the sub-unit to which the Selected Participant belongs. The Board or the Remuneration Committee (if authorised by the Board) shall have the sole discretion in determining whether the relevant performance targets for the Selected Participant have been met. Their decisions shall be final and binding.

13.5 In addition to paragraphs 3.2, 6.7 and 12 and subject to paragraph 9, unless the Board exercises its discretion pursuant to the powers granted by under the 2025 Share Award Scheme, an Award will automatically lapse and will not Vest on the earlier of:

- (a) the failure to satisfy the vesting conditions, or such conditions are not waived;
- (b) the Selected Participant is found to be an Excluded Participant; or
- (c) the Selected Participant fails to deliver the relevant transfer documents duly executed by the Selected Participant to the Trustee prior to the Vesting Date as required by the Board; or
- (d) the Selected Participant failing to obtain all necessary consents or file all necessary registrations referred to in the 2025 Share Award Scheme within 30 Business Days from the date of the Vesting Notice.

#### **14. RIGHTS OF SELECTED PARTICIPANTS**

14.1 A Selected Participant cannot vote or receive dividends and does not have any transfer or other rights of a shareholder in respect of the Award Shares, including those arising on a liquidation of the Company, until the Awarded Shares are allotted and issued to the Selected Participant and the he/she has been registered in the register of members of the Company in respect of the Awarded Shares.

## 15. RANKING OF SHARES

15.1 The Awarded Shares will be subject to all the provisions of the Articles of Association and will rank equally in all respects with the fully paid Shares in issue on the date when the name of the Selected Participant is registered on the register of members of the Company.

## 16. REORGANISATION OF CAPITAL STRUCTURE

16.1 In the event of a capitalisation issue or rights issue or open offer of Shares, or a consolidation, sub-division or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), the Company will make corresponding adjustments (as necessary and in accordance with the Listing Rules and any guidance materials published by the Stock Exchange from time to time) to:

- (a) the number of Shares subject to the Mandate Limit and the Service Provider Sublimit (as refreshed from time to time); and/or
- (b) the number of Awarded Shares pursuant to the outstanding Awards; and/or
- (c) the Award Price.

16.2 No adjustments required in paragraph 16.1 may be made to the advantage of any Selected Participant unless with the prior approval by ordinary resolution of Shareholders in general meeting of the Company.

16.3 An adjustment will be made, to the extent practicable, in accordance with the following principles:

- (a) on the basis that each Selected Participant will have the same proportion of the Awarded Shares to which he/she would have been entitled immediately prior to the event leading to the requirement to perform the adjustment; and
- (b) Shares will not be issued at less than its nominal value.

16.4 In respect of any adjustment required in paragraph 16.1, other than adjustments made on a capitalisation issue, the Company will seek a written certification from an independent financial adviser or the auditors that the adjustments satisfy the conditions set out in paragraph 16.3 (“**Adjustment Certificate**”). In giving the Adjustment Certificate, the independent financial adviser or the Auditors will act as experts and not as arbitrators and their confirmation will (in the absence of manifest error) be final and binding on the Company and the Selected Participants. The costs of the Adjustment Certificate will be borne by the Company.



16.5 An adjustment will be deemed to have taken effect on the earlier of (i) the date of completion of the relevant corporate event leading to the requirement to perform the adjustment and (ii) if necessary, the issue of the Adjustment Certificate.

16.6 The Company will within 30 Business Days of the announcement of the relevant corporate event leading to the requirement to perform the adjustment inform each Selected Participant of the adjustment.

## **17. ALTERATIONS TO THE 2025 SHARE AWARD SCHEME**

17.1 Subject to paragraph 17.2 and the Listing Rules, the Board may alter any of the provision of the 2025 Share Award Scheme except that:

- (a) any alterations to the terms and conditions of the 2025 Share Award Scheme which are of a material nature, including but not limited to the provisions of the 2025 Share Award Scheme as to the definition of “Eligible Participant(s)” and “Selected Participant(s)”; and
- (b) the provisions of the 2025 Share Award Scheme relating to matters governed by Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants,

shall not be altered except with the prior approval by ordinary resolution of Shareholders in general meeting of the Company, provided that no such alteration shall operate to affect adversely the terms of any Award granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Selected Participants as would be required of the holders of the Shares under the Articles of Association for the time being of the Company for a variation of the rights attached to the Shares.

17.2 Prior approval by ordinary resolution of Shareholders in general meeting of the Company must be obtained before any change to the authority of the Board to alter the terms of the 2025 Share Award Scheme.

17.3 The amended terms of the 2025 Share Award Scheme and the Awards will comply with the relevant requirements of all laws, rules and regulations including but not limited to the Listing Rules.



**18. ALTERATION OF TERMS AND CONDITIONS OF AWARDS GRANTED**

18.1 Any change to the terms of any Award granted to a Selected Participant must be approved by the Directors, the independent non-executive Directors, the Remuneration Committee, and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Awards was approved by the Directors, the independent non-executive Directors, the Remuneration Committee, and/or the Shareholders in general meeting (as the case may be), in accordance with the terms of the 2025 Share Award Scheme and Chapter 17 of the Listing Rules. The foregoing provisions shall not apply where the alterations take effect automatically under the existing terms of the 2025 Share Award Scheme.

18.2 The amended terms of the Awards will comply with the relevant requirements of all laws, rules and regulations including but not limited to the Listing Rules.

**19. CANCELLATION OF AWARDS**

19.1 The Board may cancel any Awards granted on such terms and conditions with the consent of the relevant Selected Participant. Where the Board cancels outstanding Awards and grants new Awards (or Other Scheme Options and Awards) to the same Selected Participant, the grant of such replacement Awards (or Other Scheme Options and Awards) cannot cause the Mandate Limit set out in paragraph 10.1 to be breached.

19.2 The cancelled Awards will be regarded as utilised for the purpose of calculating the Mandate Limit in paragraph 10.1.

**20. TERMINATION OF THE 2025 SHARE AWARD SCHEME**

20.1 The 2025 Share Award Scheme may be terminated at any time by ordinary resolution of Shareholders in general meeting of Company or by the Board when it resolves that no further Awards will be granted thereunder.

20.2 Subject to paragraph 19.1, no further grant of Awards shall be made but the 2025 Share Award Scheme will remain in full force and effect to the extent necessary to give effect to the acceptance of any granted Awards, vesting of any Awarded Shares or otherwise as may be required in accordance with the 2025 Share Award Scheme.

## 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 Monday, 28 April 2025 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 2024;
2. to declare a final dividend of HK9.5 cents (equivalent to approximately RMB8.8 cents) per Share, with a script dividend option, for the year ended 31 December 2024;
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 re-elect Mr. Ding Ming Zhong as director of the Company;
6. to re-elect Mr. Yeung Lo Bun 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 additional shares (each, a “**Share**”) of HK\$0.01 each in the capital of the Company (including any sale and transfer of treasury shares, which shall have the meaning ascribed to it by the Listing Rules) 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 (excluding treasury shares, if any) 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 (excluding treasury shares, if any) 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 Act, Cap. 22 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 in issue (excluding treasury shares, if any) as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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- (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.”
- 12. “**THAT**
  - (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the ordinary share of HK\$0.01 each in the Share Capital of the Company (or such shares as shall result from a capitalization issue, rights issue, open offer, subdivision, consolidation, re-classification, reconstruction or reduction of share capital of the Company from time to time) (the “**Share(s)**”) which may be issued in respect of the share options to be granted under the “2025 Share Option Scheme”, a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose (the “**2025 Share Option Scheme**”), the 2025 Share Option Scheme be and is hereby approved and adopted; and any director of the Company and/or his/her delegate(s) be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2025 Share Option Scheme, including but without limitation:
    - (i) administering the 2025 Share Option Scheme under which share options will be granted to Select Participants (as defined under the 2025 Share Option Scheme) under the 2025 Share Option Scheme;

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- (ii) modifying and/or amending the 2025 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2025 Share Option Scheme relating to modification and/or amendment and subject to Chapter 17 of the Listing Rules;
  - (iii) granting share options under the 2025 Share Option Scheme and allotting and issuing from time to time such number of Shares as may be required to be allotted and issued in respect of the share options to be granted under the 2025 Share Option Scheme and subject to the Listing Rules;
  - (iv) making application at the appropriate time or times to the Stock Exchange, and any other stock exchanges upon which the issued Shares of the Company may for the time being be listed, for the listing of, and permission to deal in, any Shares that may hereafter from time to time be allotted and issued in respect of the share options to be granted under the 2025 Share Option Scheme and subject to the Listing Rules; and
  - (v) consenting, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2025 Share Option Scheme and subject to the Listing Rules; and
- (b) the total number of Shares which may be issued in respect of all options and awards to be granted under the 2025 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% (or such other lower percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue (excluding any treasury shares) as at the adoption date of the 2025 Share Option Scheme (the “**Mandate Limit**”) or the relevant date of approval of the refreshment of the Mandate Limit.”
13. “**THAT** conditional upon the passing of resolution numbered 12, the Service Provider Sublimit (as defined under the 2025 Share Option Scheme) of 1% of the total number of Shares in issue (excluding the treasury shares) as at the adoption date of the 2025 Share Option Scheme or the relevant date of approval of the refreshment of the Service Provider Sublimit be and is hereby approved and adopted.”

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### 14. “THAT

- (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares to be issued in respect of the awarded shares to be granted under the 2025 Share Award Scheme, a copy of which is tabled at the meeting and marked “B” and initialled by the chairman of the meeting for identification purpose (the “**2025 Share Award Scheme**”), the 2025 Share Award Scheme be and is hereby approved and adopted; and any director of the Company and/or his/her delegate(s) be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2025 Share Award Scheme, including but without limitation:
  - (i) administering the 2025 Share Award Scheme under which awarded shares will be granted to Selected Participants (as defined under the 2025 Share Award Scheme) under the 2025 Share Award Scheme;
  - (ii) modifying and/or amending the 2025 Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2025 Share Award Scheme relating to modification and/or amendment and subject to Chapter 17 of the Listing Rules;
  - (iii) granting award shares under the 2025 Share Award Scheme and allotting and issuing from time to time such number of Shares as may be required to be allotted and issued in respect of the awarded shares to be granted under the 2025 Share Award Scheme and subject to the Listing Rules;
  - (iv) making application at the appropriate time or times to the Stock Exchange, and any other stock exchanges upon which the issued Shares of the Company may for the time being be listed, for the listing of, and permission to deal in, any Shares that may hereafter from time to time be allotted and issued in respect of the awarded shares to be granted under the 2025 Share Award Scheme and subject to the Listing Rules; and
  - (v) consenting, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2025 Share Award Scheme and subject to the Listing Rules; and
- (b) the total number of Shares which may be issued in respect of all options and awards to be granted under the 2025 Share Award Scheme and any other schemes of the Company must not in aggregate exceed 10% (or such other lower percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue (excluding any treasury shares) as at the adoption date of the 2025 Share Award Scheme (the “**Mandate Limit**”) or the relevant date of approval of the refreshment of the Mandate Limit.”



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15. “**THAT** conditional upon the passing of resolution numbered 14, the Service Provider Sublimit (as defined under the 2025 Share Award Scheme) of 1% of the total number of Shares in issue (excluding the treasury shares) as at the adoption date of the 2025 Share Award Scheme or the relevant date of approval of the refreshment of the Service Provider Sublimit be and is hereby approved and adopted.”

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

Hong Kong, 7 April 2025

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

*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

*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 Wednesday, 23 April 2025 to Monday, 28 April 2025, 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 Monday, 28 April 2025. In order to be eligible to attend and vote at the forthcoming AGM of the Company to be held on Monday, 28 April 2025, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 22 April 2025.

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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, 9 May 2025 to Tuesday, 13 May 2025, 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 Tuesday, 13 May 2025. 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, 8 May 2025. The payment date of the proposed final dividend is expected to be Monday, 30 June 2025.

The Board has recommended a final dividend of HK9.5 cents (equivalent to approximately RMB8.8 cents) per Share for the year ended 31 December 2024. The proposed final dividend will be offered with a scrip dividend option to shareholders, which will allow them to receive new shares 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 despatched to shareholders for the scrip dividend on or about Wednesday, 21 May 2025.

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.
7. In relation to proposed resolutions numbered 12 and 13 above, summary of the principal terms of the 2025 Share Option Scheme are set out in the Appendix III to the circular of which this notice of the annual general meeting forms part.
8. In relation to proposed resolutions numbered 14 and 15 above, summary of the principal terms of the 2025 Share Award Scheme are set out in the Appendix IV to the circular of which this notice of the annual general meeting forms part.
9. 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.
10. 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.
11. In the event of any inconsistency, the English version of this notice shall prevail over the Chinese version.