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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)

GRANT OF AWARDED SHARES AND ISSUE OF NEW SHARES UNDER GENERAL MANDATE PURSUANT TO SHARE AWARD SCHEME

GRANT OF AWARDED SHARES

The Board announces that on 19 March 2021, the Company granted 75,000,000 Awarded Shares to more than 100 Share Award Grantees who are employees of the Group pursuant to the Share Award Scheme. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Share Award Grantees is a Director, chief executive or substantial shareholder of the Company or their respective associates or otherwise a connected person of the Company.

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

New Shares shall be allotted and issued pursuant to the General Mandate to the Trustee pursuant to the terms of the Share Award Scheme in order to satisfy the Awarded Shares granted to the Share Award Grantees.

Reference is made to the Share Award Scheme adopted by the Board on 1 August 2014.

GRANT OF AWARDED SHARES

On 19 March 2021, the Board (including all independent non-executive Directors), based on the recommendation of the remuneration committee, resolved to grant a total of 75,000,000 Awarded Shares to more than 100 Share Award Grantees who are employees of the Group pursuant to the Share Award Scheme at nil consideration, subject to the acceptances by the Share Award Grantees.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Share Award Grantees is a Director, chief executive or substantial shareholder of the Company or their respective associates or otherwise a connected person of the Company.

The 75,000,000 Awarded Shares represent the value of approximately HK\$300,000,000, taking into account the closing price of HK\$4.00 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant.

The Awarded Shares granted shall vest in the Share Award Grantees in accordance with the schedule below (for this purpose, the date or each such date on which the Awarded Shares are to vest being hereinafter referred to as a "**Share Award Vesting Date**"):

Share Award Vesting Date	Percentage of Awarded Shares to Vest
31 March 2023	10% of the total number of Awarded Shares granted
31 March 2024	15% of the total number of Awarded Shares granted
31 March 2025	20% of the total number of Awarded Shares granted
31 March 2026	20% of the total number of Awarded Shares granted
31 March 2027	35% of the total number of Awarded Shares granted

Once vested, at the request of the relevant Share Award Grantees, the Awarded Shares shall be transferred to the relevant Share Award Grantees from the Trustee.

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

On 19 March 2021, the Board resolved to allot and issue 75,000,000 new Shares to the Trustee pursuant to the General Mandate granted by the Shareholders at the 2020 AGM to satisfy the Awarded Shares to be granted pursuant to the Share Award Scheme.

The reasons of the issue are to recognise the contributions made by the Share Award Grantees and to give incentives in order to retain talent for the continuous operations and development of the Group.

Pursuant to the Share Award Scheme, the maximum number of Shares that can be awarded is limited to 5% of the issued share capital of the Company as at the date of grant of the Awarded Shares. Immediately after the award of the Awarded Shares, the number of Shares that have been awarded under the Share Award Scheme represents approximately 4.91% of the issued share capital as at the Date of Grant.

The 75,000,000 Awarded Shares to be allotted to the Trustee represent (i) approximately 2.94% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 2.86% of the total number of Shares in issue as enlarged by such allotment.

Pursuant to the General Mandate, the Company can issue and allot a maximum number of 502,488,944 Shares (being 20% of the total number of the issued shares of the Company as at the date of the 2020 AGM). Except for (i) the issue of 5,000,000 new Shares to Mr. Nicholas Tse pursuant to the General Mandate as disclosed in the announcement of the Company dated 23 October 2020; and (ii) the issue of the Awarded Shares as mentioned in this announcement, no other new Shares have been issued or allotted under the General Mandate.

As at the date of this announcement, the Trustee is a third party independent of the Company and its connected persons.

Pursuant to the Share Award Scheme, the Board shall pay or cause to be paid the subscription money of HK\$240,000,000 for the 75,000,000 Awarded Shares (HK\$3.20 per Awarded Share, being 80% of the closing price per Share as at 19 March 2021) from the Company's internal resources to the Trustee to fund the subscription of the 75,000,000 Awarded Shares. The Trustee shall hold the Awarded Shares on trust for the Share Award Grantees and transfer to them at no cost until certain vesting criteria and conditions have been satisfied in accordance with the terms of the Share Award Scheme.

The Awarded Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares in issue. Pursuant to the Share Award Scheme, the Trustee shall not exercise the voting rights in respect of any Shares held upon trust pursuant to the Trust Deed.

No new funds will be raised as a result of the aforesaid allotment and issue. Save as disclosed above, the Company has not engaged in any fund raising activities by any issue of Shares in the 12 months immediately preceding the date of this announcement.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the 75,000,000 new Awarded Shares to be allotted and issued. Other than such approval to be granted by the Stock Exchange, the issuance of the Awarded Shares is not subject to approval by the Shareholders or any other conditions.

DEFINITION

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“2020 AGM”	the annual general meeting of the Company held on 8 May 2020;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Awarded Share(s)”	75,000,000 awarded Shares granted to the Share Award Grantees pursuant to the Share Award Scheme on the Date of Grant;

“Board”	the board of Directors or a committee or sub-committee or person(s) as from time to time delegated with the power and authority by the board of Directors to administer the Scheme;
“Company”	Xtep International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the Stock Exchange;
“connected persons”	has the meaning ascribed thereto under the Listing Rules;
“Date of Grant”	19 March 2021, the date on which the Awarded Shares were granted;
“Director(s)”	the director(s) of the Company;
“Eligible Person”	any employee (whether full time or part time), executive or officer, director (including any executive, non-executive and independent non-executive director) of the Group, who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of the Group;
“General Mandate”	the general mandate granted by the shareholders of the Company to the Directors at general meetings of the Company from time to time to allot, issue or otherwise deal with Shares in accordance with the Listing Rules;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Share Award Grantee(s)”	the Eligible Person(s) selected by the Board on 19 March 2021, to whom the Awarded Shares are granted on the same date by the Board pursuant to the terms of the Share Award Scheme;
“Share Award Scheme”	the share award scheme adopted by the Company on 1 August 2014;
“Shareholder(s)”	the holder(s) of Shares;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;
“Trust Deed”	a trust deed dated 1 August 2014 and entered into between the Company as settlor and the Trustee as trustee (as restated, supplemented and amended from time to time);
“Trustee”	Bank of Communications Trustee Limited, and any additional or replacement trustees, being the trustee or trustees for the time being declared in the Trust Deed; and
“%”	per cent.

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

Hong Kong, 19 March 2021

As at the date of this announcement, the executive Directors of the Company are Mr. Ding Shui Po, Ms. Ding Mei Qing and Mr. Ding Ming Zhong; and the independent non-executive Directors of the Company are Mr. Tan Wee Seng, Dr. Gao Xian Feng and Dr. Bao Ming Xiao.