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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)

PLACING OF EXISTING SHARES BY CONTROLLING SHAREHOLDER

This announcement is made by Xtep International Holdings Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company announces that it has been informed by Group Success Investments Limited (“**Group Success**”), a controlling shareholder of the Company, that it had entered into a placing agreement (the “**Placing Agreement**”) with Goldman Sachs (Asia) L.L.C. (“**Goldman Sachs**”) and J.P. Morgan Securities (Asia Pacific) Limited (“**J.P. Morgan**”) (collectively, the “**Placing Agents**”) on 26 October 2010, pursuant to which Group Success agreed to place through the Placing Agents an aggregate of 108,000,000 shares of HK\$0.01 each (the “**Shares**”) in the share capital of the Company, representing approximately 4.96% of the total issued share capital of the Company at a price of HK\$6.76 per Share (the “**Placing**”). Group Success is directly owned as to 63.2% by Mr. Ding Shui Po, the chairman of the Company (“**Mr. Ding**”) and 36.8% by Ms. Ding Mei Qing (“**Ms. Ding**”), an executive director of the Company. This is the first time Group Success has disposed of Shares in the Company since the listing of the Company in June 2008. The Placing is organised and fully underwritten by Goldman Sachs and J.P. Morgan.

As at the date of the Placing Agreement, Group Success directly held 1,418,059,500 Shares, representing approximately 65.17% of the total issued share capital of the Company. Completion of the Placing is currently expected to take place on 29 October 2010, provided that the Placing Agreement is not terminated in accordance with its terms. Upon completion of the Placing, Group Success will hold 1,310,059,500 Shares, representing approximately 60.20% of the total issued share capital of the Company.

Group Success has undertaken to the Placing Agents that it will not and will procure its nominees, companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) and Mr. Ding, Ms. Ding and Mr. Lin Zhang Li, each an executive Director, not to dispose of any Shares or any interests therein beneficially owned or held by Mr. Ding, Ms. Ding and Mr. Lin Zhang Li or itself, in each case, immediately after the completion of the Placing, for a period of three months from the date of completion of the Placing.

The Board does not expect the Placing to have any significant impact on its day to day operations or changes to its key management personnel. This Placing was made for the purposes of broadening the Company's investor base and enhancing liquidity. Mr. Ding and Ms. Ding remain committed to the Company and have confirmed their intention to remain as substantial shareholders of the Company for the foreseeable future.

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

Hong Kong, 26 October 2010

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