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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)

SHARE OPTION SCHEME

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of Xtep International Holdings Limited (the “**Company**”) hereby announces that on 7 December 2011 (the “**Date of Grant**”), the Company granted to certain eligible persons (the “**Grantees**”) an aggregate of 60,000,000 share options (the “**New Share Options**”) to subscribe for a total of 60,000,000 ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”) under the share option scheme (the “**Share Option Scheme**”) adopted by the Company on 7 May 2008.

Among the 60,000,000 New Share Options granted, 10,100,000 New Share Options were granted to the following directors (“**Directors**”) of the Company as follows:

Name of Director	Capacity	Number of New Share Options granted
Ho Yui Pok, Eleutherius	executive director	6,500,000
Ye Qi	executive director	3,000,000
Tan Wee Seng	non-executive director	600,000

The granting of the New Share Options to the above Directors was approved by all the independent non-executive directors of the Company.

Save as disclosed above, none of the Grantees is a director, chief executive or substantial shareholder of the Company or an associate of any of them.

Each New Share Option shall entitle the Grantees to subscribe for one Share upon exercise of such New Share Option at an exercise price of HK\$2.35 per Share, which represents the highest of (1) the nominal value of a Share; (2) the closing price of HK\$2.31 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant; and (3) the average closing price of HK\$2.35 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant.

The New Share Options granted shall vest in each Grantee in accordance with the timetable below with an exercise period from the Date of Grant until 13 January 2021 (inclusive) (for this purpose, the date or each such date on which the New Share Options are to vest being hereinafter referred to as a “**Vesting Date**”):

Vesting Date	Percentage of New Share Options to vest
14 January 2012	40% of the total number of New Share Options granted
14 January 2013	30% of the total number of New Share Options granted
14 January 2014	30% of the total number of New Share Options granted

CANCELLATION OF SHARE OPTIONS

Reference is made to the announcement of the Company dated 14 January 2011 in relation to the grant of share options (the “**Old Share Options**”) in respect of a total of 60,000,000 Shares to the Grantees on 14 January 2011 pursuant to its Share Option Scheme.

Upon accepting the grant of New Share Options by the Grantees on the Date of Grant, all the Grantees (including the above-named Directors) had agreed to irrevocably cancel, and the Company cancelled on the Date of Grant, the Old Share Options granted to them in respect of an aggregate of the 60,000,000 Shares pursuant to the Share Option Scheme. None of these Old Share Options had been exercised or lapsed as at the date hereof.

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

Hong Kong, 7 December 2011

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 Director of the Company is 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.