

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

The Board announces that the Company obtained a 3-year dual currency term loan facility in the principal amount of HK\$140,400,000 and US\$82,000,000 (equivalent to approximately HK\$780,000,000 in aggregate) from a syndicate of eight banks on 25 April 2012. The Facility Agreement contains provisions which requires certain specific performance obligations on certain controlling shareholders (as defined in the Listing Rules) of the Company, including requiring certain controlling shareholders of the Company to maintain a minimum percentage of shareholding in the Company.

This announcement is made pursuant to Rule 13.18 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors (the “Board”) of Xtep International Holdings Limited (the “Company”) announces that on 25 April 2012, the Company as borrower entered into a facility agreement (the “**Facility Agreement**”) with a syndicate of eight banks which is arranged by Hang Seng Bank Limited (“**HASE**”) as mandated co-ordinating arranger and facility agent, pursuant to which a 3-year dual currency term loan facility in the principal amount of HK\$140,400,000 and US\$82,000,000 (equivalent to approximately HK\$780,000,000 in aggregate) (the “**Facility**”) was made available to the Company on the terms and conditions stated therein. The Facility is guaranteed by certain subsidiaries of the Company.

It is provided in the Facility Agreement, among other things, that an event of default will occur if:

- (a) Mr. Ding Shui Po is not or ceases to be the chairman of the board (the “**Board**”) of directors (the “**Directors**”) of the Company.
- (b) Mr. Ding Shui Po does not or ceases to maintain control over the management and business of the Company and its subsidiaries (the “**Group**”).

- (c) Mr. Ding Shui Po and Ms. Ding Mei Qing (the “**Majority Shareholders**”) collectively do not or cease to own, directly or indirectly, at least 40% of the beneficial shareholding, carrying at least 40% of the voting rights in the Company, free from any security.
- (d) The Majority Shareholders collectively are not or cease to be the single largest shareholder of the Company.

In case of occurrence of an event of default which is continuing, HASE may by notice to the Company (a) cancel the whole or any part of the Facility whereupon the whole or relevant part of the Facility shall immediately be cancelled; (b) declare that all or part of the Facility, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement and related documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or (c) declare that all or part of the Facility be payable on demand, whereupon they shall immediately become payable on demand by HASE on the instructions of the majority lenders.

As at the date of this announcement, Mr. Ding Shui Po is an executive director, the chairman and a controlling shareholder of the Company. Ms. Ding Mei Qing is an executive director and a controlling shareholder of the Company. Mr. Ding Shui Po and Ms. Ding Mei Qing owned Group Success Investments Limited as to 63.2% and 36.8%, respectively, and Group Success Investments Limited in turn held representing approximately 60.2% of the issued share capital of the Company. Mr. Ding Shui Po also has personal beneficial interests in approximately 0.48% of the issued share capital of the Company.

The Company will make continuing disclosure in its subsequent interim and annual reports pursuant to the requirements of rule 13.21 of the Listing Rules.

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

Hong Kong, 25 April 2012

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.