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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)

DISCLOSABLE TRANSACTION
SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

On 19 December 2014, two indirect wholly-owned subsidiaries of the Company, namely, Xtep (China) Co., Ltd. and Koling (Fujian) Garment Co., Ltd., used internal idle cash to subscribe for wealth management products at the principal amount of RMB150 million and RMB300 million, respectively, with China Minsheng Bank Corp., Ltd. (as custody bank) and its wholly-owned subsidiary Minsheng Royal Asset management Co., Ltd (as manager).

Pursuant to Rules 14.22 and 14.23 of the Listing Rules, the principal amounts of the Subscriptions with the same counterparty should be aggregated. When aggregated, certain applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for the Subscriptions exceeds 5% but all of the applicable percentage ratios are less than 25%. Accordingly, the Subscriptions constitute disclosable transactions of the Company and are subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE SUBSCRIPTIONS

The board (the “**Board**”) of directors (the “**Directors**”) of Xtep International Holdings Limited (the “**Company**”) announces that on 19 December 2014, two indirect wholly-owned subsidiaries of the Company, namely, Xtep (China) Co., Ltd. and Koling (Fujian) Garment Co., Ltd., used internal idle cash to subscribe for wealth management products at the principal amount of RMB150 million and RMB300 million, respectively, with China Minsheng Bank Corp., Ltd. (as custody bank) and its wholly-owned subsidiary Minsheng

Royal Asset management Co., Ltd (as manager) (collectively, the “**Subscriptions**” and each, a “**Subscription**”). Principal terms of the Subscriptions are set out below:

Name of wealth management product:	HuiYing 18
Nature of investment and underlying products:	Highly liquid and low risk products including bank deposit, buy-back, currency fund, corporate bonds and convertible bonds, due from banks and credit assets and fixed return products
Expected return rate:	6.5% per annum
Contract date:	19 December 2014
Investment period:	23 December 2014–25 June 2015 (6 months)
Return calculation:	Principal subscription amount of the investment × expected return rate × investment period/365
Custody fee:	Principal subscription amount × 0.1% per annum
Management fee:	Principal subscription amount × 0.2% per annum
Payment of principal and investment return:	The principal subscription amount and return will be paid in a lump sum within five business days after the maturity date and the investment return net of the corresponding custody fee and management fee.
Early termination:	The manager of the products has right of early termination while Xtep (China) Co., Ltd. and Koling (Fujian) Garment Co., Ltd. do not have right of early termination.

INFORMATION ABOUT THE GROUP

The Company and its subsidiaries (the “**Group**”) are principally engaged in the design, development, manufacturing, sales and marketing and brand management of sportswear, including footwear, apparel and accessories, sold mainly under XTEP.

INFORMATION ABOUT CHINA MINSHENG BANK CORP., LTD

China Minsheng Bank Corp., Ltd. is a licensed bank and a joint stock company established under the law of the People’s Republic of China and listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1988). To the best knowledge, information and belief of the directors of the Company having made all reasonable enquiry, China Minsheng Bank Corp., Ltd. and its ultimate beneficial owners are independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Directors consider that the risk of Subscriptions are strictly controlled to protect the Shareholders' interests, and the Subscriptions are short-term in nature and offer better returns when compared to the fixed-term deposit interest rates offered by commercial banks in China and the Subscriptions are for the purpose of optimizing the use of the Group's idle cash without adversely affecting the Group's working capital and operations of the main business of the Group.

As such, the Directors are of the view that the terms of the Subscriptions are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rules 14.22 and 14.23 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the principal amounts of the Subscriptions with the same counterparty should be aggregated. When aggregated, certain applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for the Subscriptions exceeds 5% but all of the applicable percentage ratios are less than 25%. Accordingly, the Subscriptions constitute disclosable transactions of the Company and are subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

MEASURES OF RISK CONTROL

Giving top priority to risk prevention, the Group implemented stringent control and made prudent decisions in respect of the purchase of wealth management products on the principle of protecting the interests of all the Shareholders and the Group. During the terms of the Subscriptions, the Group will keep in close contact with China Minsheng Bank Corp., Ltd., to follow up the operation of wealth management funds, strengthen risk control and supervision, and strictly control the safety of funds.

The Company acknowledged that the disclosure in respect of the Subscriptions as required under Chapter 14 of the Listing Rules has been delayed. Going forward, the Company will make such disclosure in a more timely manner to ensure full and effective compliance with the Listing Rules.

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

Hong Kong, 8 May 2015

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 is Mr. Tan Wee Seng and the independent non-executive directors are Mr. Sin Ka Man, Mr. Xu Peng Xiang, Dr. Gao Xian Feng and Dr. Bao Ming Xiao.