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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)

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

The Board announces that the Company obtained a 3.5-year dual currency term loan facility in the principal amount of US\$116,000,000 and HK\$651,000,000 (equivalent to approximately HK\$1,555,800,000 in aggregate) from a consortium of nine banks on 3 January 2017. 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 (the “**Board**”) of directors (the “**Directors**”) of Xtep International Holdings Limited (the “**Company**”) announces that on 3 January 2017, the Company as borrower entered into a facility agreement (the “**Facility Agreement**”) with a consortium of nine banks which is arranged by Hang Seng Bank Limited (“**HASE**”), The Hongkong and Shanghai Banking Corporation Limited, Bank of China (Hong Kong) Limited, Industrial and Commercial Bank of China (Asia) Limited and CTBC Bank Co., Ltd as mandated lead arrangers and bookrunners, pursuant to which a 3.5-year dual currency term loan facility in the principal amount of US\$116,000,000 and HK\$651,000,000 (equivalent to approximately HK\$1,555,800,000 in aggregate) (the “**Facility**”) was made available to the Company on the terms and conditions stated therein. The purposes of the Facility are: (i) to take advantage of the relatively low financing cost to refinance in full an existing dual currency term loan facility in the principal amount of US\$92,000,000 and HK\$452,400,000 (further details of which have been disclosed in the announcement of the Company dated 9 January 2014); and (ii) to finance the general corporate requirements of the Company and its subsidiaries (the “**Group**”). 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 the following undertakings are not complied with and not remedied within 20 days of the earlier of (i) HASE, as the facility agent, giving notice to the Company and (ii) any of the Company or the guarantors named therein becoming aware of the failure to comply:

- (a) Mr. Ding Shui Po will remain as the chairman of the Board of the Company.
- (b) Mr. Ding Shui Po will maintain control over the management and business of the Group.
- (c) Mr. Ding Shui Po and Ms. Ding Mei Qing (the “**Majority Shareholders**”) collectively will continue 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 will remain to be the single largest shareholder of the Company.

In case of occurrence of an event of default which is continuing, HASE, as the facility agent, 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, as the facility agent, 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 Wan Xing International Holdings Limited as to 55% and 35%, respectively, which in turn held 90% equity interest of Group Success Investments Limited. Group Success Investments Limited held approximately 59.02% of the issued share capital of the Company. Mr. Ding Shui Po also has personal beneficial interests in approximately 0.78% of the issued share capital of the Company.

The Company will make continuing disclosure in respect of the Facility 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, 3 January 2017

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 and Mr. Ho Yui Pok, Eleutherius; and the independent non-executive Directors of the Company are Mr. Sin Ka Man, Mr. Tan Wee Seng, Dr. Gao Xian Feng and Dr. Bao Ming Xiao.