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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)**

**VOLUNTARY ANNOUNCEMENT**

**PROPOSED SHARE REPURCHASE UNDER  
THE REPURCHASE MANDATE,  
PROPOSED SHARE PURCHASE PURSUANT  
TO THE SHARE AWARD SCHEME  
AND  
INCREASE IN SHAREHOLDING  
BY CHAIRMAN AND CERTAIN SENIOR MANAGEMENT**

The Board wishes to announce that it has resolved to apply not more than HK\$150 million to conduct open-market share repurchase(s) of the Shares under the Repurchase Mandate.

The Board further announces that it has authorized the trustee of the Share Award Scheme to conduct on-market share purchase(s) of the Shares and hold such Shares as reserve for future award of Shares under the Share Award Scheme.

The Company was informed by its chairman Mr. Ding Shui Po and certain senior management that, they have already and intend to continue to increase their respective shareholding in the Company subject to market conditions.

**The Proposed Share Repurchase and the Proposed Share Purchase will be made at the discretion of the Board and subject to market conditions. There is no assurance of the timing, quantity or price of Proposed Share Repurchase and/or the Proposed Share Purchase or whether the Company will conduct the Proposed Share Repurchase and/or the Proposed Share Purchase at all.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

This is a voluntary announcement made by Xtep International Holdings Limited (the “**Company**”, and together its subsidiaries, the “**Group**”).

## **PROPOSED SHARE REPURCHASE UNDER THE REPURCHASE MANDATE**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to announce that it has resolved to exercise its power under the Repurchase Mandate (as defined below) and apply not more than HK\$150 million to repurchase (the “**Proposed Share Repurchase**”) ordinary shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in cash during the period when the Repurchase Mandate (as defined below) is valid and subsisting, pursuant to the general mandate (the “**Repurchase Mandate**”) granted by the shareholders of the Company (the “**Shareholders**”) to the Directors at the annual general meeting (“**AGM**”) of the Company held on 8 May 2017. Under the Repurchase Mandate, the Company can repurchase up to 10 percent of the issued share capital of the Company as at the date of the AGM. The Company will subsequently cancel the Shares repurchased.

The Board considers that the Proposed Share Repurchase is in the interest of the Company and its shareholders as a whole because:

- (1) The Shares have been trading at a level which significantly undervalues the Company’s performance and underlying value. The Board is committed to actively managing the Company’s capital and the Board believes that the Proposed Share Repurchase would create benefits to the Shareholders;
- (2) As the Group’s 3-year transformation as described in the Company’s announcement dated 8 December 2017 is near the end, the Board expects the Group’s financial performance to turnaround in 2018, and cashflow to be stronger comparing the past three years; and
- (3) The Group’s financial position is stable with net cash of RMB1.16 (approximately HK\$1.37) per Share, accounting for approximately 48.6% of the Group’s net asset, as of 30 June 2017.

Both strong expected future cashflow and healthy current financial position of the Group enables the Company to conduct the Proposed Share Repurchase while maintaining sufficient financial resources for continued growth of the Group’s operations.

## **PROPOSED SHARE PURCHASE PURSUANT TO THE SHARE AWARD SCHEME**

Reference is made to the Company’s announcement dated 1 August 2014 in relation to the share award scheme (the “**Share Award Scheme**”) adopted by the Company.

The Board further announces that it has authorized the trustee of the Share Award Scheme to conduct open-market share purchase(s) of the Shares and hold such Shares as reserve for future award of Shares under the Share Award Scheme. Further announcement will be made by the Company upon the award of the Shares purchased to the eligible persons under the Share Award Scheme.

## **INCREASE IN SHAREHOLDING BY CHAIRMAN AND CERTAIN SENIOR MANAGEMENT**

The Company was informed by its chairman Mr. Ding Shui Po and certain senior management that, they have already and intend to continue to increase their respective shareholding in the Company subject to market conditions.

The Company will continue to monitor the increase in shareholding of the Company by its chairman, directors and senior management and make timely disclosure in accordance with the applicable rules and regulations.

### **GENERAL**

**The Proposed Share Repurchase and the Proposed Share Purchase will be made at the discretion of the Board and subject to market conditions. There is no assurance of the timing, quantity or price of Proposed Share Repurchase or the Proposed Share Purchase or whether the Company will conduct the Proposed Share Repurchase or the Proposed Share Purchase at all.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

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

Hong Kong, 2 January 2018

*As at the date of this announcement, the executive Directors are Mr. DING Shui Po, Ms. DING Mei Qing, and Mr. DING Ming Zhong; the non-executive Director is Mr. HO Yui Pok, Eleutherius; and the independent non-executive Directors are Mr. TAN Wee Seng, Dr. GAO Xiao Feng and Dr. BAO Ming Xiao.*