

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES. THIS PRESS RELEASE SHALL NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY XTEP INTERNATIONAL HOLDINGS LIMITED'S SECURITIES IN THE UNITED STATES OR IN ANY STATE OR COUNTRY WHERE SUCH OFFER, SOLICITATION OR SALE IS NOT PERMITTED.

XTEP INTERNATIONAL HOLDINGS LIMITED'S SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 OR AN EXEMPTION FROM REGISTRATION. ANY PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS THAT CAN BE OBTAINED FROM XTEP INTERNATIONAL HOLDINGS LIMITED AND THE PROSPECTUS WILL CONTAIN DETAILED INFORMATION ABOUT XTEP INTERNATIONAL HOLDINGS LIMITED AND ITS MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS. XTEP INTERNATIONAL HOLDINGS LIMITED DOES NOT INTEND TO REGISTER ANY PART OF THE OFFERING IN THE UNITED STATES. THERE WILL BE NO PUBLIC OFFERING IN THE UNITED STATES OF ANY SECURITIES BEING OFFERED IN THE OFFERING.

THIS DOCUMENT IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ELSEWHERE. SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. XTEP INTERNATIONAL HOLDINGS LIMITED DOES NOT INTEND TO REGISTER ANY SECURITIES OR CONDUCT A PUBLIC OFFERING IN THE UNITED STATES. THIS DOCUMENT (AND THE INFORMATION CONTAINED HEREIN) IS NOT FOR PUBLICATION OR DISTRIBUTION TO PERSONS IN THE UNITED STATES.

For Immediate Release

20 May 2008



特步國際控股有限公司
Xtep International Holdings Limited

Announced Global Offering of shares

Offering Highlights:

- Number of Offer Shares: 550,000,000 shares, initially including 55,000,000 Hong Kong Offer Shares and 495,000,000 International Placing Shares
- Offer price range: HK\$4.05 per share to HK\$5.50 per share
- Size of Offering: HK\$2,227,500,000 to HK\$3,025,000,000
- The Hong Kong Public Offer will commence at 9:00 a.m. on Wednesday, 21 May 2008 and is expected to close at 12:00 noon on Monday, 26 May 2008
- Xtep International Holdings Limited's shares are expected to start trading on the Main Board of the Stock Exchange of Hong Kong Limited on Tuesday, 3 June 2008. The stock code is 1368
- J.P. Morgan Securities (Asia Pacific) Limited and UBS Investment Bank are the Joint Global Coordinators and Joint Sponsors of the Global Offering of shares
- J.P. Morgan Securities Ltd. and UBS Investment Bank are the Joint Bookrunners and Joint Lead Managers of the Global Offering of shares

(20 May 2008, Hong Kong) Xtep International Holdings Limited (“Xtep” or the “Company”; Stock code: 1368), the leading domestic fashion sportswear enterprise in the PRC, announced today its global offering of shares (the “Global Offering”) and the details of its listing on the Main Board of The Stock Exchange of Hong Kong Limited.

Xtep will issue 550,000,000 new shares in the Global Offering, of which 495,000,000 shares will be initially offered for placing under the international placing (the “International Placing”) and 55,000,000 shares will be initially offered under the public offer in Hong Kong (the “Public Offer”). The structure of offering may be subject to re-allocation due to the number of offer shares in the Public Offer and the International Placing as well as adjustment due to the over-allotment options.

The offer price per share of Xtep will range between HK\$4.05 and HK\$5.50. The net proceeds from the Global Offering, after deducting underwriting fees and estimated expenses payable by our Company in connection thereto, are estimated to be approximately HK\$2,451 million, assuming that the over-allotment option is not exercised and assuming an offer price of HK\$4.78 per Share, being the mid-point of the proposed offer price range. The Company intends to use the net proceeds from the Global Offering as follows:

- Approximately HK\$539 million (equivalent to approximately 22% of the Group’s total estimated net proceeds) towards media advertising and brand promotional activities;
- Approximately HK\$417 million (equivalent to approximately 17% of the Group’s total estimated net proceeds) towards expanding and improving the coverage of our distribution network in the areas of Hunan, Fujian, Heilongjiang, Jilin, Liaoning, Jiangsu, Guangdong, Zhejiang and Sichuan provinces;
- Approximately HK\$466 million (equivalent to approximately 19% of the Group’s total estimated net proceeds) towards expanding the Group’s apparel production facilities by increasing our apparel production lines from 12 to 120, and upgrading the Group’s production machinery to further improve production efficiency;
- Approximately HK\$588 million (equivalent to approximately 24% of the Group’s total estimated net proceeds) towards acquiring brands and launch of new investment projects;
- Approximately HK\$172 million (equivalent to approximately 7% of the Group’s total estimated net proceeds) towards recruiting professional designers, engaging design and consultancy firms and upgrading our laboratories for enhancing our design and technology capabilities;
- Approximately HK\$195 million (equivalent to approximately 8% of the Group’s total estimated net proceeds) towards working capital and other general corporate purposes; and
- Approximately HK\$74 million (equivalent to approximately 3% of our total estimated net proceeds) towards upgrading our current information management system to improve efficiency.

The Hong Kong Public Offer will commence at 9:00 a.m. on Wednesday, 21 May 2008 and is expected to close at 12:00 noon on Monday, 26 May 2008. Xtep's shares are expected to start trading on the Main Board of the Stock Exchange of Hong Kong Limited on Tuesday, 3 June 2008. The stock code is "1368".

J.P. Morgan Securities (Asia Pacific) Limited and UBS Investment Bank are the Joint Global Coordinators and Joint Sponsors of the Global Offering of shares; J.P. Morgan Securities Ltd. and UBS Investment Bank are the Joint Bookrunners and Joint Lead Managers of the Global Offering of shares.

Xtep has always been positioned in the market as a unique fashion sports brand which is fashionable yet casual. Xtep adopts a multi-brand strategy to cater for different consumer groups whereby on top of the self-owned core "Xtep" brand, Xtep has sequentially launched new brands including Disney Sport & Koling. The Company has a series of innovative and diversified marketing strategies, including being the first company employing entertainment celebrities, such as Nicolas Tse and Jolin Tsai, for the purpose of brand and product promotions in the PRC sportswear industry. It also promotes the brand by means of sponsorships of sports events and the Olympic Train, as well as promoting through the Beijing 2008 Olympic Games. Xtep has succeeded to distinct itself from competitors, upgrade brand and corporate image and enhance competitive strengths through sustainable innovation and precise marketing planning.

In order to effectively control production cost and quality, Xtep has its own production facilities in Quanzhou, Fujian province, including 12 footwear production lines and 12 apparel production lines with an actual capacity of over 11.50 million pairs of footwear products and 1 million pieces of apparel products per annum. The Company believes that the product design teams and the research and development team, comprising approximately 370 professionals in aggregate, design trendy, innovative and fashionable sportswear products in a timely and cost-effective manner. The Company distributes its branded products through an extensive distribution network nationwide covering 31 provinces, autonomous regions and municipalities in the PRC. The numbers of retail outlets of Xtep, Disney Sport and Koling amounted to 4,678, 265 and 50, respectively.

Xtep's chairman Mr. Ding Shui Po commented, "In order to maintain the market position of Xtep in the fashion sports market in the PRC, we will enhance our brand image and recognition, reinforce our multi-branded strengths and consolidate our design and development of products by continual implementation of successful

marketing strategies and effective cost management. Besides, the Company will further increase our ends user sales value and market share by working closely with our distributors to expand and optimize the distribution and retail network.”

Xtep International Holdings Limited

Xtep, the leading domestic fashion sportswear enterprise in the PRC, is primarily engaged in the design, development, manufacture and marketing of sportswear, including footwear, apparel and accessory products, sold under the Xtep brand, Disney Sport brand and Koling brand. According to Euromonitor International, Xtep brand is the largest domestic fashion sportswear brand in terms of revenue for 2007.

— End —

This press release is distributed by Wonderful Sky Financial Group Limited for Xtep International Holdings Limited.

For further information, please contact:

WonderfulSky Financial Group Limited

Chow Tsz Lung / Iris Tsang

Tel: (852) 2851 1038

Fax: (852) 2815 1352

Email: tlchow@wspr.com.hk / iristsang@wspr.com.hk

Disclaimers:

1. This press release is for information only and does not constitute any recommendation or invitation for acquisition, purchase or subscription of the securities of Xtep International Holdings Limited, nor it intends to act as a recommendation of the sale of securities or any invitation for acquisition, purchase or subscription of securities. Investors should read the prospectus for detailed information about the Company and the proposed offering before deciding whether or not to invest in the shares.
2. An application for subscription of the stocks referred to in this press release shall be accepted conditional upon completion of the formal subscription form, without which an application will not be accepted.