

Attn : Finance Editor

[For Immediate Release]



Xtep Launches Animated Cartoon Marketing Strategy To Actively Capture Kids Wear Market

[6 April, 2014, Hong Kong] — Leading PRC fashion sportswear enterprise, **Xtep International Holdings Limited** (the “Company”, and together with its subsidiaries, the “Group”) (Stock code: 1368) is pleased to announce that its joint investment and collaboration with Kung Fu Comic & Animation (China) Limited on co-producing a Xtep kids animated series are officially kick started. Under the project plan, RMB30 million joint investments will be utilized to create, develop, film and produce the Xtep kids animated series which is expected to be broadcasted on CCTV Kids channel, major provincial satellite television and cartoon channels next year. By incorporating “animated cartoon marketing” into “Xtep Kids” brand development strategy, the Group is poised to enhance the brand value and market position of “Xtep Kids” in the PRC children’s industry.

Mr. Eric Shaw, an international renowned animated creative writer and Emmy Award winner from the U.S., has been appointed to be the head writer for the Xtep Kids animated series. Mr. Shaw won the Emmy Award twice (Award-winning works: “SpongeBob SquarePants” and “Word Girl”) and gained his fame for his participation in producing classic animated television series such as “Tom and Jerry Tales” and “My Friends Tigger & Pooh”. SAMG Animation Company Limited, one of the leading computer animation studios in Korea, will also lead the pre-production of the animation series. This Xtep Kids animated series is planned to have a total of 104 episodes averaging 14 minutes per episode. Inspired by the brand culture of Xtep, the production team will create tailored characters in the Xtep Kids animated series accordingly and design and develop a series of related products in order to create an industry chain of “Xtep Kids” in a highly effective way and accelerate the “Xtep Kids” brand development.

Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep, said, “Children are our future masters and “Xtep Kids” will be one of the most important brand equity to the Group in the future. By means of the animated cartoon marketing strategy, embedding “Xtep Kids” brand into Xtep Kids animated series, we are targeting our “Xtep Kids” potential customers ranging in age 3 to 12 who are crazing for cartoon and aiming to arousing target customers’ brand recognition through in-program brand exposures on television series. We believe that our “Xtep Kids” series shall continue to thrive under the interaction between the creative Xtep Kids animated series and the growing China’s children products industry.”

According to The World Bank, the population between the ages of 0-14 in the PRC has already exceeded 250 million in 2012, translating into an enormous market potential. The Group officially entered into this market segment in 2012 and has been actively enhancing its “Xtep kids” series in terms of market positioning as well as its product offerings. Since 2013, the Group has been increasing its promotional efforts in order to boost brand exposure of “Xtep Kids” and fully seize business opportunities arose by entering into strategic partnerships with some most influential kids channels in the PRC, including CCTV Kids channel, Jiangsu Youman Cartoon TV and Beijing Kaku TV, respectively. Thanks to the arising market positioning best value for money product offerings and successful brand marketing campaign, the Group’s “Xtep Kids” series achieved outstanding sales performance. As of 31 December 2013, the Group had around 300 retail POS selling “Xtep Kids” products in the PRC and the Group is planning to have approximately 350 retail POS in second to fourth-tier cities in the PRC by the end of 2014.

- End -

About Xtep International Holdings Limited (Stock code: 1368)

Listed on June 3, 2008 on the Main Board of the Hong Kong Stock Exchange, Xtep International Holdings Limited is a leading PRC fashion sportswear enterprise. It is principally engaged in the design, development, manufacturing, sales and marketing, and brand management of sportswear products, including footwear, apparel and accessories. Xtep boasts an extensive distribution network of over 7,000 stores nationwide covering 31 provinces, autonomous regions and municipalities across the PRC.

For more information, please visit Xtep’s corporate website: www.xtep.com.hk

Issued by **Porda Havas International (Finance) PR Group** on behalf of **Xtep International Holdings Limited**.

For further information, please contact:

Xtep International Holdings Limited

Ms. Janice Wong

Tel: (852) 21520813

Email: janice.wong@xtep.com.hk

Porda Havas International (Finance) PR Group

Ms. Jacqueline Lee

Tel: (852) 3150 6732

Email: jacqueline.lee@pordahavas.com

Ms. Gloria Li

Tel: (852) 3150 6753

Email: gloria.li@pordahavas.com

Ms. Chris Wang

Tel: (852) 3150 6714

Email: chris.wang@pordahavas.com

Mr. Dayvic Leung

Tel: (852) 3150 6712

Email: dayvic.leung@pordahavas.com

Fax: (852) 3150-6728