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MEIKE INTERNATIONAL HOLDINGS LIMITED
美克國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00953)

ANNOUNCEMENT
REPURCHASE OF INVENTORIES

This announcement is made by Meike International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) of the Company announces that the Group intends to repurchase inventories from approximately ten distributors and a certain number of retailers. The inventories to be repurchased are mainly sports shoes and clothes which were sold to such distributors by the Group in the second half of 2010 and the first half of 2011. The repurchase price will be set at 92% of the original selling prices (including tax) at which the Group sold such inventories to the distributors and the maximum total consideration in aggregate under this repurchase arrangement will be RMB92,000,000 (approximately HK\$113,580,247) and shall be settled by way of setting-off against the amounts due from the distributors to the Group. The repurchase arrangement is tentatively scheduled to be conducted from 18 June 2012 to 31 December 2012. The Group intends to export the repurchased inventories to overseas countries afterwards.

As the sportswear industry in China is under intensive competition and excess inventories are piling-up due to the slowdown in demand since the second half of 2011, the Group, in response to the stagnant market condition, has decided to make an one-off voluntary offer to the distributors to repurchase their slow-moving inventories, as a demonstration of the Group’s measures to strengthen the long-term relationship with the business partners in tough economic times.

The Group believes that the repurchase of inventories from the distributors is critical to the Group's long term development by:

1. strengthening the cooperation between the Group and the distributors for building up a more efficient retail network;
2. enabling the Group to have better influence over the retail channels;
3. fastening the pace of the Group's integration plan with the distributors to integrate outlets with relatively small floor area, high cost and low efficiency; and
4. minimizing loss by re-sale of the repurchased inventories through the Group's export network.

The repurchase arrangement shall take time to complete. It is expected that the Group's financial results is likely to be deteriorated for the year ending 31 December 2012, due to the provision in respect of the repurchased inventories under the repurchase arrangement and the deep discount given to the overseas customers of the Group.

By Order of the Board
Meike International Holdings Limited
Ding Siqiang
Chairman

Hong Kong, 14 June 2012

As at the date of this announcement, the Board comprises: Mr. Ding Siqiang (Chairman), Ms. Ding Xueleng, Ms. Ding Jinzhu, Mr. Lin Yangshan, Mr. Li Dongxing and Mr. Ding Minglang as executive Directors; and Mr. Yang Chengjie, Mr. Xie Weichun and Mr. Lin Jiwu as independent non-executive Directors.