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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)

SALES FAIR RESULTS FOR THE FIRST QUARTER OF 2015
AND
OPERATIONAL UPDATE ON BUSINESS IN CHINA

This announcement is made by the board of directors (the “**Board**”) of Xtep International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

SALES FAIR RESULTS FOR THE FIRST QUARTER OF 2015

As a leading PRC-based fashion sportswear brand enterprise, the Group has continued its proven branding strategies and implemented effective measures to improve the overall operational efficiency and profitability of its retail distribution channels. The Group held its sales fair for the first quarter of 2015 in mid July 2014 and recorded its sixth consecutive quarterly improvement. Adopting a flexible ordering policy and efficiently managing orders placed by exclusive distributors and authorised retailers at the sales fair, the Group’s sales fair order value (at wholesale value) for the first quarter of 2015 turned positive and increased by a low single-digit when compared to the same period of 2014.

OPERATIONAL PERFORMANCE FOR THE SECOND QUARTER OF 2014

In addition to the improving sales fair performance, the Group also saw a positive average same store sales performance (at retail value) for the second quarter of 2014 with a mid single digit increase when compared to the same period of 2013. Meanwhile, through the extensive coverage of its distribution resource planning system (DRP System), the Group was able to monitor the real-time operational performance of its distribution channels more effectively. The inventory level of its retail distribution channels gradually returned to a healthier position at an approximately 4.5 months inventory-to-sales ratio.

The Company's shareholders and potential investors should note that the above announcement is made based on unaudited operational data of the Group and this data has not been audited or reviewed by the Company's auditors.

The Company's shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 21 August 2014

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, Mr. Ye Qi and Mr. Ho Yui Pok, Eleutherius; the non-executive director is Mr. Tan Wee Seng and the independent non-executive directors are Mr. Sin Ka Man, Mr. Xu Peng Xiang, Dr. Gao Xian Feng and Dr. Bao Ming Xiao.