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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 THIRD 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 THIRD QUARTER OF 2015

Through its continuous efforts to further enhance the overall operational efficiency and profitability of its distribution channels as well as its product portfolio, the Group saw sequential improvements in its first to third quarter sales fair orders of 2015. Adopting a flexible ordering policy to efficiently manage the orders placed by its exclusive distributors and authorised retailers, the Group held its quarterly sales fair for the third quarter of 2015 in early January 2015 and recorded an improvement for the eighth consecutive quarter with the sales fair order value (at wholesale value) for the third quarter of 2015 achieving a low single-digit increase when compared to the same period of 2014.

OPERATIONAL PERFORMANCE FOR THE FOURTH QUARTER OF 2014

In addition to the improving sales fair performance, the Group also recorded a mid single-digit increase in the average same store sales performance (at retail value) for the fourth quarter of 2014 when compared to the same period of 2013. The proactive control on sales orders to its retailers also effectively normalized the inventory levels at the retail end. Meanwhile, the Group’s real-time distribution resource planning (DRP) system has been continuously upgraded, which has enabled real-time execution monitoring on the retail inventory levels and hence to form timely and detailed control plans for its distributors and retailers. As a result, the inventory level of the Group’s retail distribution channels remained healthy with an inventory-to-sales ratio of approximately 4.5–5 months.

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, 12 March 2015

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.