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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 FOURTH 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 FOURTH QUARTER OF 2015

Backed by the flexible ordering system, the extensive coverage of the Distribution Resource Planning (“**DRP**”) system and solid in-house production capacity, the Group has established a more market-driven retail business model and enjoys the flexibility of having a proportion of in-season replenishment orders. The quarterly sales fair for the fourth quarter of 2015 was held in late March 2015 and recorded its ninth consecutive quarterly improvement since the fourth quarter of 2013. The sales fair order value (at wholesale value) for the fourth quarter of 2015 achieved a low single-digit increase when compared to the same period of 2014.

Over the year, the Group has devoted substantial efforts to improve its products mix and portfolio. Focusing on design and mass market appeal, the Group continues to deliver high quality footwear products, especially the running category, which remains the key income contributor to the Group. Thanks to the sales increase in the higher margin running products, the Group’s fourth quarter orders of both footwear and apparel recorded a low single digit growth, which should advance the Group’s future sales and profitability.

OPERATIONAL PERFORMANCE FOR THE FIRST QUARTER OF 2015

In addition to the improving sales fair performance, the average same store sales performance (at retail value) remained steady for the first quarter of 2015, with an uninterrupted quarter-on-quarter improvement since the first quarter of 2013 and a mid single-digit increase when compared to the same period of 2014. Sales and profitability of its retailers showed improvement over the past few quarters. Through the Group's real time DRP system, it was able to monitor the sell-through of products. The inventory level of the Group's retail distribution channels maintained healthy with an inventory-to-sales ratio of approximately 4-4.5 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, 14 May 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.