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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 SECOND QUARTER OF 2016
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 SECOND QUARTER OF 2016

Continuing on the success of increased sales of functional sportswear, especially running wear, driving up both sales volume and blended average selling price, the Group reported growth again in the order value from the sales fair for the second quarter of 2016, which was held in late September 2015. The sales fair order value (at wholesale value) for the second quarter of 2016 achieved an approximately 10% increase when compared to the same period of 2015. Such order value growth represented the 11th consecutive quarterly improvement since the fourth quarter of 2013.

OPERATIONAL PERFORMANCE FOR THE THIRD QUARTER OF 2015

The Group has devoted substantial efforts to continuously improve its products mix and portfolio. First half of 2015 recorded significant improvement in footwear sales due to the increasing proportion of functional running footwear in the product mix. In the third quarter of 2015, such momentum in footwear has been carried forward while growing the sales of functional apparel as well. During the third quarter of 2015, the average same store sales performance (at retail value) recorded a high single-digit growth, maintaining the strong momentum of second quarter 2015, further boosting the sales and profitability of its retailers. Through the Group’s real time distribution resource planning system, it was able to constantly monitor the sell-through of products. The inventory level of the Group’s retail distribution channels continues to be healthy with an inventory-to-sales ratio of approximately 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, 29 October 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; and the independent non-executive Directors are Mr. Sin Ka Man, Mr. Tan Wee Seng, Dr. Gao Xian Feng and Dr. Bao Ming Xiao.