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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 ORDER RESULTS FOR THE FOURTH QUARTER OF 2017**  
**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 ORDER RESULTS FOR THE FOURTH QUARTER OF 2017**

Continuing on the success of increased sales of functional sportswear driving up blended average selling price, the Group reported growth again in the order value from the sales order for the fourth quarter of 2017, which was held in March 2017. The sales order value (at wholesale value) for the fourth quarter of 2017 achieved a percentage of low-single-digit increase when compared to the same period of 2016.

As mentioned in the previous quarterly update, because of higher supply-chain efficiency, the Group is now able to shorten the production cycle, and react quicker to changes in retail market conditions. Therefore, the expected contribution to the Group’s sales from e-commerce platform and replenishment orders will increase, orders from sales fairs will be kept at a minimum level by the Group, and there will be less direct correlation between sales fair results and actual reported results at the end of the year. Therefore, the Group will cease to report sales fair numbers starting from 2018 orders.

During the quarter, the Group has launched the 20th generation of the Flame Shoe (風火鞋), XTEP Brand’s signature series, with new Air Mega (氣能環) 3.0 technology for more flexible range of shock absorbing protection. In apparel, the Group mainly applied four technology platforms, which are XTEP-WARM, XTEP-COMFORT, XTEP-SHIELD and XTEP-DRY to match winter weather. We have launched the XTEP 3-IN-ONE (特步三重鎖熱系統) series, consisting of three functions: wind-resistant (拒風), warmth-preserving (鎖暖) and heat reflection (反熱), to provide customers with comfortable sports experience in winter.

## **OPERATIONAL PERFORMANCE FOR THE FIRST QUARTER OF 2017**

The Group continued to improve its product mix in 2017, as it continues its restructuring progress towards being a functional sports brand. This led to an increase in overall average selling price and narrowed retail discount level as compared to 2016. During the first quarter of 2017, the average same store sales performance (at retail value) recorded a low-single-digit growth. The inventory level of the Group's retail distribution channels continues to be healthy at 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, 25 May 2017

*As at the date of this announcement, the executive Directors of the Company are Mr. Ding Shui Po, Ms. Ding Mei Qing, Mr. Ding Ming Zhong, and Mr. Ho Yui Pok, Eleutherius; and the independent non-executive Directors are Mr. Tan Wee Seng, Dr. Gao Xian Feng and Dr. Bao Ming Xiao.*