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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)

**OPERATIONAL UPDATE ON BUSINESS IN CHINA
FOR THE SECOND QUARTER OF 2017**

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

The Group continued to improve its product mix in 2017, as it continues its restructuring progress towards being a professional sports brand. This led to an increase in overall average selling price and narrowed retail discount level as compared to 2016. During the second quarter of 2017, the average same store sales performance (at retail value) recorded a mid-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 based on the unaudited operational data of the Group which 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, 23 August 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.