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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)

POSITIVE PROFIT ALERT
FOR THE YEAR ENDED 31 DECEMBER 2018

Based on a preliminary assessment of the unaudited consolidated financial statements of the Group for the year ended 31 December 2018, it is expected that there will be a significant increase of around 50% to 60% in the consolidated net profit attributable to ordinary equity holders of the Company for the year ended 31 December 2018 as compared to that for the year ended 31 December 2017.

The information contained in this announcement is only based on a preliminary review of the unaudited consolidated financial statements of the Group for the year ended 31 December 2018, which have not been reviewed or audited by the Company's auditor.

This announcement is made by Xtep International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company and potential investors that, based on a preliminary review of the unaudited consolidated financial statements of the Group for the year ended 31 December 2018, it is expected that there will be a significant increase of around 50% to 60% in the consolidated net profit attributable to ordinary equity holders of the Company for the year ended 31 December 2018 as compared to that for the year ended 31 December 2017.

The expected increase in the consolidated net profit attributable to ordinary equity holders of the Company for the year ended 31 December 2018 is attributable to the significant increase in consolidated revenue of approximately 25% thanks to (i) the robust sales performance at retail stores as a result of store upgrades and retail network optimisation, strong product offerings and recognitions which led to higher sell-through rates and replenishment orders from distributors; and (ii) stronger demand for restocking by distributors as a result of the inventory buy-back by the Group in 2017.

The Company is still in the process of finalising the consolidated results of the Group for the year ended 31 December 2018. This positive profit alert announcement is based on the preliminary review of the currently available information, which has not been reviewed or audited by the Company's auditor. Shareholders and potential investors of the Company are advised to read carefully the announcement of the Company in relation to the results of the Group for the year ended 31 December 2018, which is expected to be released in March 2019.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board of
Xtep International Holdings Limited
Ding Shui Po
Chairman

Hong Kong, 22 January 2019

As at the date of this announcement, the executive Directors are Mr. DING Shui Po, Ms. DING Mei Qing, and Mr. DING Ming Zhong; the non-executive Director is Mr. HO Yui Pok, Eleutherius; and the independent non-executive Directors are Mr. TAN Wee Seng, Dr. GAO Xiao Feng and Dr. BAO Ming Xiao.