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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 FIRST 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 FIRST QUARTER OF 2016

Driven by the enhanced professional functions of its products and the increased sales volume of its running and football products, the Group reported growth again in the order value from the sales fair for the first quarter of 2016, which was held in late June 2015, and such order value growth represented the tenth consecutive quarterly improvement since the fourth quarter of 2013. The sales fair order value (at wholesale value) for the first quarter of 2016 achieved a 10% increase when compared to the same period of 2015.

The Group has devoted substantial efforts to continually improve its products mix and portfolio. The Group focuses on delivering footwear products with fashionable and professional designs and strives to enhance product functions. Thanks to the sales increase in the higher margin running products, the Group’s first quarter orders of both footwear and apparel recorded a 10% growth, which should advance the Group’s sales and profitability.

OPERATIONAL PERFORMANCE FOR THE SECOND QUARTER OF 2015

In addition to the improving sales fair performance, the average same store sales performance (at retail value) recorded a high single-digit growth for the second quarter of 2015, representing remarkable improvements from the mid single-digit quarterly growth in the past, further boosting the sales and profitability of its retailers. 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 4.5 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, 7 July 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.