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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 FIRST 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 FIRST QUARTER OF 2017

Continuing on the success of increased sales of functional sportswear, especially running wear, driving up blended average selling price, the Group reported growth again in the order value from the sales order for the first quarter of 2017, which was held in June 2016. The sales order value (at wholesale value) for the first quarter of 2017 achieved a percentage of mid single digit increase when compared to the same period of 2016. Such order value growth represented the 14th consecutive quarterly improvement since the fourth quarter of 2013.

Following the official signing of the Group’s cooperation with the Dow Chemical Company, the jointly developed Softpad™ shoe insoles has been applied to both functional and lifestyle XTEP Brand footwear products. The Group has exclusive use of this patented trademark until 2019, and will continue to use this technology in footwear products for the new upcoming seasons. The technology aims at additional comfort for the consumer, and its application in products has been well received by distributors.

In addition, the Group has launched new X-WindWall (馭風科技) apparel products, with advanced material technology minimizing wind impact on body while running. The material is light-weight and breathable, and reduces wind resistance aimed to help runners achieve better running results and increased comfort.

OPERATIONAL PERFORMANCE FOR THE SECOND QUARTER OF 2016

The Group has continuously improved its product mix and portfolio, leading to increased sales of both functional footwear and apparel. During the second quarter of 2016, the average same store sales performance (at retail value) recorded a mid-single-digit growth. The retail discount remained similar levels to that of first quarter 2016. 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, 22 August 2016

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, 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.