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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 SECOND 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 SECOND 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 second quarter of 2017, which was held in September 2016. The sales order value (at wholesale value) for the second quarter of 2017 achieved a percentage of low single digit increase when compared to the same period of 2016.

Because of improvements in 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 replenishment orders will increase, and orders from sales fairs will be kept at a minimum level per Group’s guidance to the distributors.

During the quarter, the Group has launched three new series of running shoes, which are RUN FAST (競速快跑), RUN STRONG (動力暢跑) and RUN FIT (舒適易跑), to better serve marathon runners, routine runners and entry-level runners respectively. These new shoes employ silicon technology and Softpad™ materials to create a light-weight comfortable running experience for consumers.

The Group also launched new Xtep-energy (馭能科技) apparel technology, which releases negative ions to enhance runners’ metabolism and alleviate sports fatigue. To suit the needs of summer season apparel, the Group focused on upgrading quick-dry and cooling features, while adding UV blocking and seamless stitching for additional protection and comfort. These are reflected in Xtep-Dry, Xtep-Cool, Xtep-Shield and Xtep-Comfortable series respectively.

OPERATIONAL PERFORMANCE FOR THE THIRD 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 third quarter of 2016, the average same store sales performance (at retail value) recorded a mid-single-digit growth. The retail discount was around 25%, showing some improvement from that of second quarter 2016. The inventory level of the Group's retail distribution channels continues to be healthy at approximately 4.5–5 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, 11 November 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.