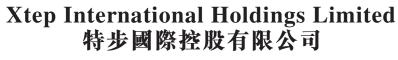
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(Incorporated in the Cayman Islands with limited liability) (Stock Code: 1368)

OPERATIONAL UPDATE ON BUSINESS IN CHINA FOR THE THIRD QUARTER OF 2018

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

During the third quarter of 2018, the average same store sales performance (in terms of retail value) recorded a mid-teens growth in comparison to the same period in 2017. The retail discount levels remained at low levels of 20-25%, and the retail inventory was kept at a healthy level of around 4 months. Same store sales reflect sales performance of those physical Xtep brand stores in operation for longer than one year.

The Company's shareholders and potential investors should note that this announcement is made based on unaudited operational data of the Group and such data have not been audited or reviewed by the Company's auditor.

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, 8 October 2018

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; non-executive Director is 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.