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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)

OPERATIONAL UPDATE ON BUSINESS IN MAINLAND CHINA FOR THE THIRD QUARTER OF 2019

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

OPERATIONAL UPDATE

For the three months ended 30 September 2019

	Change compared to the same period last year
Same store sales¹ growth (in terms of retail value)	Around 10%
Retail sell-through growth (including offline and online channels)	Around 20%
Retail discount level	22%–25%
Retail inventory turnover	Around four months

¹ Same store sales reflect sales performance of those physical Xtep brand stores in operation for longer than one year.

Retail sell-through growth of Xtep brand products for July and August 2019 exhibited steady momentum as compared with the first half of the year, with the growth of apparel products outperforming footwear products. Retail sales growth moderated in September 2019, mainly due to the high sales base and an unseasonably mild fall in the northern part of Mainland China. The warm weather affected the sales performance of Xtep stores with Fall/Winter collections launched. Sales momentum nevertheless returned to previous growth rate during the first two weeks of October 2019.

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, 17 October 2019

As at the date of this announcement, the executive Directors of the Company are Mr. Ding Shui Po, Ms. Ding Mei Qing and Mr. Ding Ming Zhong; and the independent non-executive Directors are Mr. Tan Wee Seng, Dr. Gao Xian Feng and Dr. Bao Ming Xiao.