

FIVE-YEAR PLAN

Xtep announces a "Five-Year Plan" to fuel future development and uphold corporate social responsibility

Targets for 2025:

Revenue of core Xtep brand

RMB 20 billion (2021-25 CAGR: +23%)

Revenue of new brands

RMB 4 billion (2021-25 CAGR: +30%)

On September 1, Xtep held a special Investor Day to further elaborate on the Group's future development plans.

The core Xtep brand will continue to be the Group's main growth driver, with a focus on driving its store productivity through brand upgrade, product enhancement and retail network optimization.



The Group will expedite store openings in Mainland China for Saucony, Merrell and Palladium, and concentrate on K-Swiss's rebranding process. The four new brands, which target high-end customer groups, are expected to provide a fresh impetus to the Group in the future.

Xtep announces 2021 interim results; net profit records exceptional growth of 72% and reach RMB427 million, following the Group's exhaustive efforts amid stable economic recovery in Mainland China.

Revenue

RMB 4,135 million

▲ 12.4%

Profit attributable to ordinary equity holders

RMB 427 million

▲ 72.0%

Interim dividend per Share

HK 11.5 cents ▲ 76.9%

Payout ratio: 60.0%

Net cash and cash equivalents

RMB 2,580 million

Strong balance sheet



Thanks to the multi-faceted restructuring completed in 2017 that expedited the Group's development and growth, along with the stable economic fundamentals in Mainland China and robust prospects for the sportswear sector, Xtep once again manifested exceptional resilience and delivered a promising performance in 1H2021.

With full confidence in its sound business development, the Group's multi-brand strategy, which includes the core Xtep brand as the key growth driver and four new brands targeting various markets, is able to fully cater for different customer groups, from the mass market to the sophisticated customer base, addressing their diverse needs from professional sportswear to athleisure products. Backed by a solid foundation and brand diversity, the Group is now in a better position than ever to move forward and gear up its pace of development.

RESULTS ANNOUNCEMENT



CORE XTEP BRAND

Xtep appoints celebrity Dilraba as brand spokesperson to tap the huge opportunities from the "China chic" trend and launches the new "HALF-SUGAR" women's sportswear collection

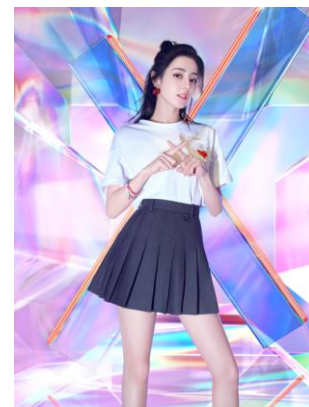
NEW SPOKESPERSON



Dilraba is an excellent choice for our brand spokesperson as her spirit resonates with young people. She has an ever-changing stylish image, as well as an excellent industry reputation and commercial value. By appointing Dilraba as our spokesperson, Xtep has given the sports world a tinge of female strength; gentle yet steadfast, as well as sportsmanship, vigorous determination and an enterprising spirit, providing inspiration to the youth of today.

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Xtep also launched the brand new "HALF-SUGAR" women's sportswear collection, a new concept in sports fashion. Sports aesthetics and genes of the time form the two beacons of this latest collection, which explores how sports fashion evolves and how sportswear can adapt to different settings and scenarios, showing an individual's unique personality. Through the collaboration, Xtep has given a guidepost to today's young people.



As a socially responsible enterprise, Xtep is committed to giving back to society through various means

CORE XTEP BRAND

Xtep is the official partner and sole sportswear sponsor of the 31st Summer World University Games in Chengdu, the first world-class sports event to take place in western China. Through the active involvement in it, we hope to encourage youth sports participation and a positive sporting attitude among young adults.



SOCIAL RESPONSIBILITY

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Xtep spokesperson Jeremy Lin designed a t-shirt to thank the medical staff for their care during his COVID-19 treatment. In addition, together with Xtep, he will fund the construction of a rural medical aid station for doctors to carry out free consultations and exchange activities through the China Foundation for Poverty Alleviation in developing regions of China.

