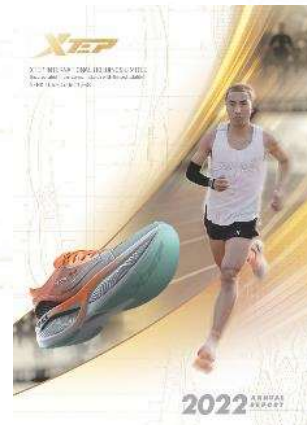




Xtep reported record-breaking revenue in its 2022 annual results and outstanding operational update for the first quarter of 2023

Xtep announced its 2022 annual results on 22nd March, with business continuing to demonstrate strong resilience. The Group's revenue rose by 29.1% to an all-time high of RMB12,930.4 million. Profit attributable to ordinary equity holders of the Company reached RMB921.7 million while net profit of the core Xtep brand rose by 10.7% to RMB1,345.5 million. The Board has proposed a final dividend of HK7.1 cents per Share. Together with an interim dividend of HK13.0 cents per Share, the full-year dividend payout ratio was approximately 50.0%.

On 11th April, Xtep announced its operational update of the core Xtep brand for the first quarter of 2023, with retail sell-through year-on-year growth at around 20%, retail discount level at 25% to 30% and channel inventory turnover at less than five months. The core Xtep brand will continue to solidify its unique brand equity by creating an international standard running ecosystem. With the steady growth of sports participation in Mainland China, Xtep is positive about the long-term outlook in pursuing sustainable growth and increasing market share through the robust "Fifth Five-Year Plan".



RESULTS

Xtep "160X" running shoes helped He Jie and Yang Shaohui break national marathon record



Core Xtep Brand



On 19th March, Chinese runners He Jie and Yang Shaohui broke an over 15-year-old national record at the Wuxi Marathon, wearing Xtep "Championship Running Shoes" "160X" and finishing the race in 02:07:30 and 02:07:49, respectively.

Featuring "XTEP ACE" cushioning technology and the world's first "PISA" supercritical foam technology, the "160X" series offers exceptional rebound and propulsion. The series has achieved outstanding results in various races, helping 51 runners win 232 championships thus far.



Xtep launched "Reactive Coil 10" at 321 Running Festival

Riding on the 8th 321 Running Festival which aims to promote running in Mainland China, Xtep launched the "Reactive Coil 10" running shoes. The upgraded series features a 29% improvement in cushioning, streamlined design for stronger ankle bracing, and new jacquard fabric for improved heat dissipation.



BRANDING



Core Xtep Brand



Xtep launched the first carbon footprint T-shirt series

To reduce its carbon footprint and care for the ecology, Xtep launched the first T-shirt series with polylactic acid content at 76%. Its carbon footprint is only 7.85kgCO₂ eq/piece under incineration process, equivalent to a reduction of carbon emissions by about 47.7% compared with cotton T-shirts and about 90.4% compared with polyester fiber T-shirts.

The carbon footprint evaluation rigorously controls the greenhouse gases emitted at every stage of the product life cycle. Xtep is committed to continuously increasing the proportion of polylactic acid materials used in its apparel, and actively promotes the "10-Year Sustainability Plan", with the hope of raising the percentage of green products to 30% of the Group's total products in the future.



PRODUCTS

K-Swiss "Ultrashot 3" assisted Cameron Norrie to win the championship at ATP500 in Rio de Janeiro



K-Swiss



At the Rio de Janeiro stop of the ATP500 tournaments, K-Swiss brand spokesperson, Cameron Norrie, wore the "Ultrashot 3" to claim the fifth crown in his career.

The winning shoes were named one of the best tennis shoes of the year in North America. Featuring multiple technologies, the shoes are lightweight and stable, allowing athletes to give their best performance on the court.

PRODUCTS

Saucony



2023 Saucony Endorphin Elite Half Marathon ended without a hitch

On 26th February, the 2023 Saucony Endorphin Elite Half Marathon kicked off in Qujing, Yunnan. A total of 36 elite runners, wearing the "Endorphin Elite" shoes, raced under extreme conditions on the plateau, pursued their running dreams and continuously challenged themselves. Yin Shunjin, both a coach and an athlete, claimed the championship in 01:06:41.

The marathon marked the first step of Saucony's "Boulders Project," which was part of the "Take Courage" declaration of its 125th anniversary. The project aims to support young athletes by providing them with top-of-the-line equipment and opportunities to participate in races, helping visionary young runners to achieve their dreams.



MARATHON