



## Xtep announced operational updates on business in Mainland China for the second quarter of 2023

On 19<sup>th</sup> July, Xtep announced its 2023 second quarter operational updates. For the second quarter, the core Xtep brand achieved retail sales of a high double-digit year-on-year growth with a retail discount of around 25%. For the first half of 2023, retail sales of the core Xtep brand also recorded a high double-digit year-on-year growth, with retail channel inventory turnover of less than five months. Xtep is optimistic about its medium and long-term business outlook and will continue to focus on building Xtep into a top global competitive sports brand as well as an esteemed national brand operator.



## BUSINESS UPDATES

### MSCI upgraded Xtep's ESG rating to "BBB"



In July, Xtep had its ESG rating upgraded from "BB" to "BBB" by the authoritative international index agency Morgan Stanley Capital International (MSCI) in the latest annual review, demonstrating the Group's strong ESG performance. Looking ahead, Xtep will persist in pursuing the long-term ideal of sustainable development and further raise ESG governance level within its existing framework.



## Xtep acted as an exclusive sponsor of the Chengdu World University Games

The Chengdu FISU World University Games kicked off on 28<sup>th</sup> July. As an official partner of the Game, Xtep exclusively provided sportswear made of comfortable-to-wear fabrics to torchbearers, technical staff and volunteers. At the opening ceremony, Xtep's new generation of champion running shoe "160X 5.0" made its debut with the torchbearers, allowing the world to witness the confidence and dedication of Xtep.



## ESG

### Xtep "160X 3.0 PRO" championship running shoes helped runners win Hohhot Marathon



Core Xtep Brand

On 9<sup>th</sup> July, the 2023 Hohhot Marathon made a grand comeback after a three-year absence. Assisted by the "160X 3.0 PRO" running shoe, the fierce competition ended with Xtep's sponsored athlete Yang Dinghong winning a championship in men's marathon with a record-breaking time of 2:19:46. Champions of men's and women's marathons and half-marathons all wore Xtep championship running shoes "160X 3.0 PRO". The running shoes series has helped runners challenge their limits and set new records, bringing honor to Chinese running shoes again.



## RUNNING



## Core Xtep Brand



## Xtep Running Club in Beijing Olympic Forest Park all freshened up and opened for business

The Xtep Running Club in Beijing Olympic Forest Park has been renovated after seven years in operation and reopened on 2<sup>nd</sup> July. As Xtep's first running club in Mainland China, it will continue to serve running enthusiasts in Beijing Olympic Forest Park and from all over Beijing, creating a comprehensive and professional one-stop "Runner's Home" for runners, enhancing Xtep's well-established running ecosystem.



## RUNNING CLUB

## Saucony 125<sup>th</sup> anniversary and TRIUMPH series



## Saucony



Founded in 1898, Saucony is celebrating its 125<sup>th</sup> anniversary in 2023. From 8<sup>th</sup> July to 16<sup>th</sup> July, Saucony presented a nine-day exhibition themed its 125<sup>th</sup> anniversary and TRIUMPH series at the Shanghai Tough Planet Café, with a creative space set up to showcase the story of the brand and for running cultural communication among runners.

On the first floor, the spotlight was on the brand's anniversary and legends along the way. On the second floor, there was a wall on which all 21 generations of the TRIUMPH running shoe were displayed, showing the first generation and how it has evolved to become the "first class cabin for runners" today, and displayed the true stories of runners from across the country.

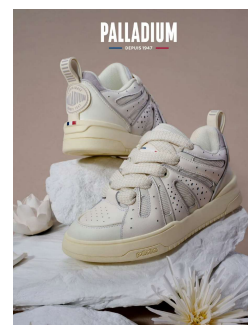
## BRANDING

## Palladium



## Palladium officially launched the "Petal Shoes"

Palladium's "Petal Shoes" made their debut this summer. The soft silhouette of the petals on the upper matching with the openwork design structure gives the shoes an elegant appearance. The wide and thick tongue and cuff wrap fully around the foot, bestowing the wearer a soft and comfortable feel. In addition, the midsole is made of lightweight foamed EVA material, and the rubber outsole has a hollowed-out structure design to create for consumers a light wearing experience.



## PRODUCTS