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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)**

## **POSITIVE PROFIT ALERT AND OPERATIONAL UPDATE ON BUSINESS IN MAINLAND CHINA FOR THE SECOND QUARTER OF 2022**

This announcement is made by Xtep International Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **POSITIVE PROFIT ALERT**

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the latest information available to the Board, the Group is expected to record a significant increase of not less than 35% in its unaudited consolidated profit attributable to ordinary equity holders of the Company for the six months ended 30 June 2022 (the “**Period**”) as compared to that for the corresponding period in 2021. Such increase was primarily due to a not less than 35% growth in consolidated revenue for the Period mainly attributable to:

- i. remarkable sales fair orders resulting from encouraging retail performance of the core Xtep brand and Xtep Kids’ business driven by their breakthrough in product innovation, retail channel upgrade and increased brand awareness; and
- ii. an impressive year-on-year revenue growth of over 100% for Saucony under the professional sports segment owing to its strong retail sales particularly in its e-commerce business.

## OPERATIONAL UPDATE — CORE XTEP BRAND

**For the three months ended 30 June 2022**

	<b>Change compared to the same period last year</b>
<b>Retail sell-through growth (including offline and online channels)</b>	Mid-teens
<b>Retail discount level</b>	25%–30%

**For the six months ended 30 June 2022**

	<b>Change compared to the same period last year</b>
<b>Retail sell-through growth (including offline and online channels)</b>	20%–25%
<b>Retail inventory turnover</b>	Around 4.5 months

The Company's shareholders and potential investors should note that the information contained in this announcement is only based on a preliminary assessment by the Board based on the information currently available, including the unaudited consolidated management accounts of the Group for the Period and unaudited operational data of the Group for the three months ended 30 June 2022, which have not been reviewed or audited by the Company's auditors or the audit committee of the Company and may be subject to adjustments and provisions. The interim results announcement for the Period is expected to be published in August 2022.

**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, 13 July 2022

*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; the non-executive Director is Mr. Tan Wee Seng and the independent non-executive Directors are Dr. Bao Ming Xiao, Dr. Wu Ka Chee, Davy and Dr. Chan Yee Wah.*