



Xtep International Holdings Limited

A limited liability company incorporated in the Cayman Islands (Hong Kong Stock Exchange stock code: 1368)

Xtep unveils “5th Five-Year Plan” to uphold corporate social responsibility Promotes digital operations and business innovation

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Dual-emphasis on the core Xtep brand and new brands Boosts economies of scale and synergies to enlarge market share

September 1, 2021, Hong Kong News – China’s leading professional sporting goods company **Xtep International Holdings Limited** (The “Company”, together with its subsidiary the “Group”) (stock code: 1368.HK) unveiled at its Investor Day today that it has mapped out a “5th Five-Year Plan” effective from 2021 to 2025. It said that the plan is in line with the development direction of the National 14th Five-Year Plan, including innovation-driven development, build a strong domestic market through dual circulation while boosting international circulation, accelerating digital development, and promoting green development. With the Group’s successful transformation after the Five-Year Plan announced in 2016, coinciding with the 20th anniversary of the establishment of Xtep this year, the Group decided to launch its “5th Five-Year Plan” this year with strong commitment to sparing no effort in social responsibility, digital operations, and business innovation, echoing with the targets and development path of the "National Fitness Plan (2021-2025)" announced by the State Sports General Administration in early August.

The Group believes that the core Xtep brand will remain its largest growth driver in the next few years, with revenue expected to reach RMB20 billion in 2025, representing a CAGR of over 23%. The new brands can fuel long-term sustainable development to the Group, reaching a targeted revenue of RMB4 billion in 2025, with a CAGR of over 30%.

Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep International Holdings Limited, said, "Since Xtep completed strategic transformation in 2017 and embarked on its multi-brand strategy globally in 2019, we have solidified our business foundation and created many business opportunities. And, in recent years, as public health awareness within Mainland China has been rising and enjoying strong national policy support, Chinese sportswear brands have thrived. We are very pleased that the Group has entered the harvest stage. Looking at a highly favorable environment, we are confident of our future development. We have set a long-term five-year target plan for the core Xtep brand and four new brands, so as to effectively promote business development

in all aspects, including product development, brand positioning, channel upgrades and digital operations. We believe that our "5th Five-Year Plan" provides clear goals to achieve sustainable growth and further strengthen our leadership in the sportswear market throughout Mainland China and beyond."

Core Xtep brand

In terms of professional sports, Xtep will continue to focus on running, creating a world-class scientific laboratory, product innovation, and strengthening the running ecosystem. At the same time, it will continue to sponsor marathon events to solidify Xtep's leading position as a professional brand of running products. On the other hand, the Group will continue to enhance its investment in athleisure sports. In particular, it will explore crossover collaboration opportunities and bring-in borderless aesthetic trends; at the same time, it will also integrate China chic and launch innovative products such as Shaolin and XDNA to lead the market trend.

Omni-channel retailing is another focus of the core Xtep brand. For offline retail stores, the Group will focus on store upgrades through digital operations and new retail experience, aiming to enhance the brand image and store efficiency and bringing consumers extraordinary customer experience. In terms of online channel, the Group will accelerate the omni-channel layout, with e-commerce as the key focus of brand communication. At the same time, the Group will continue to increase investment in new retail channels, such as private domain traffic and live broadcast etc., so as to increase sales opportunities, and to enter the young market with innovative products and IP marketing.

For Xtep Kids, the Group believes that the kids-wear market possesses huge growth potential in the next few years. Hence, the Group will strive to develop the Xtep Kids through brand and product enhancement, coupled with channel upgrades.

New brands

While the business scale of the new brands remains small, the Group will continue to invest resources in product and omni-channel development in the next five years, and strengthen brand awareness. It is expected that the new brands will become the Group's strong growth drivers in its next five-year plan.

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About Xtep International Holdings Limited

Xtep International Holdings Limited (SEHK stock code: 1368) is a leading multi-brand sportswear company listed on the Main Board of the Hong Kong Stock Exchange on 3 June 2008. The Group engages mainly in the design, development, manufacturing, sales, marketing and brand management of sports products, including footwear, apparel and accessories. Established since 2001, its own signature brand “Xtep” is a leading professional sports brand with an extensive distribution network of over 6,000 stores covering 31 provinces, autonomous regions and municipalities across the PRC and overseas. In 2019, the Group has further diversified its brand portfolio which now includes four internationally acclaimed brands, namely K-Swiss, Palladium, Saucony and Merrell.

Xtep is a constituent of the MSCI China Small Cap Index, Hang Seng Composite Index Series and Shenzhen-Hong Kong Stock Connect. For more information, please visit Xtep’s corporate website: www.xtep.com.hk or scan the Group’s Wechat QR code below (or search by: xtepholdings or 特步控股).



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