[For Immediate Release]

Xtep International Holdings Limited

Incorporated in the Cayman Islands with Limited Liability (HKSE Stock Code: 1368)

Xtep Announces 2026 Interim Results

Steady business driven by solid 11.4% growth in professional sports segment
Sound financial position with strong operating cash flow and net cash

Highlights
• Revenue of the Group amounted to RMB6,794.9 million. Revenue of the core Xtep brand decreased modestly by 2.2% to RMB5,919.9 million, while professional sports segment delivered solid revenue growth of 11.4% to RMB875.0 million. • Revenue of overseas business more than doubled, driven by strong momentum in cross-border e-commerce and the strategic rollout of new image stores across Southeast Asia. • Gross profit margin expanded by 1.4 percentage points to 46.4%, fueled by strengthened branding of the core Xtep brand and the ongoing premiumization strategy of Saucony. • Profit attributable to ordinary equity holders of the Company amounted to RMB817.9 million, net profit margin was 12.0%. • The Group's financial position remains strong, with net operating cash inflow increasing by 9.5% to RMB847.3 million and net cash surging by 36.3% to RMB2,325.8 million (2025: RMB1,707.0 million). • Basic earnings per Share were RMB30.0 cents. The Board has declared an interim dividend of HK18.0 cents per Share, with an option to receive scrip shares in lieu of cash. The dividend payout ratio increased to 53.8%. • As at 30 June 2026, there were 6,308 Xtep Adult and 1,455 X Young branded stores in China and overseas. Saucony recorded 180 stores in China.

25 August 2026, Hong Kong – Leading PRC-based professional sportswear enterprise **Xtep International Holdings Limited** (the "Company", together with its subsidiaries, the "Group") (Stock code: 1368. HK) today announced its unaudited interim results for the six months ended 30 June 2026 ("1H2026", "Period").

In the first half of 2026, the Group's revenue amounted to RMB6,794.9 million. Revenue of the core Xtep brand decreased modestly by 2.2% to RMB5,919.9 million, while professional sports segment delivered solid revenue growth of 11.4% to RMB875.0 million. Revenue of overseas business more than doubled, driven by strong momentum in cross-border e-commerce and the strategic rollout of new image stores across Southeast Asia. The Group's gross profit margin expanded by 1.4 percentage points to 46.4%, fueled by strengthened branding of the core Xtep brand and the ongoing premiumization strategy of Saucony. Profit attributable to ordinary equity holders of the Company amounted to RMB817.9 million, net profit margin was 12.0%. Basic earnings per Share were RMB30.0 cents. The Board has declared an interim dividend of HK18.0 cents per Share, with an option to receive scrip shares in lieu of cash. The dividend payout ratio increased to 53.8%.

Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep International Holdings Limited, said, "Amid the complex macroenvironment and ongoing industry competition, the Group remained committed to its strategic priorities, focusing on improving operational efficiency while strengthening its foundation for sustainable growth. Capitalizing on the booming running market, we leveraged the core Xtep brand for mass market penetration while targeting the premium market with Saucony. In the first half of 2026, the core Xtep brand maintained its leading overall wear rate across major domestic marathons and empowered Chinese athletes in delivering outstanding results. Saucony actively advanced its premiumization strategy across branding, products and retail channels, delivering solid revenue growth. Looking ahead, the Group will continue to deploy multi-brand portfolio to precisely address diverse customer demand, while enhancing product competitiveness by leading R&D and leveraging channel optimization alongside direct-to-consumer (DTC) transformation to achieve market share growth and operational excellence."

Business Review

Core Xtep brand

The flagship collection engineered for elite racers and everyday runners

Xtep's "160X" championship running shoe series continued to empower elite athletes to secure outstanding results on both the international and domestic stages. This exceptional product performance was underscored at the 2026 Tokyo Marathon, where Feng Peiyou broke the Chinese national record and finished as the fastest Asian runner with a remarkable time of 2:05:58. Furthermore, He Jie ranked first among Asian athletes at the Seoul Marathon, achieving this prestigious sub-2:10 milestone for the fourth time in his professional career. Building on this momentum, Xtep unveiled the next-generation "160X 8" series in August to set a new benchmark for elite performance footwear, alongside expanding its product offerings for broader audience through "260X", "360X" and "QING YUN" series.

Securing running leadership on the marathon course

Amid China's expanding running market, Xtep continues to elevate its industry leadership, achieving historic milestones in marathon participation. The "professional-to-mass influence" strategy has solidified Xtep as the top-ranked brand for participant wear rates across all major domestic marathons. This market dominance was underscored in the first half of 2026, where the Group secured the highest wear rate among participants at key flagship events, including the Xiamen, Chongqing, Wuhan, Wuxi, and Meishan Renshou marathons. Meanwhile, Saucony maintained a leading presence among international brands in wear rate across the five major marathons, highlighted by top-three wear-rate rankings at both the Xiamen and Wuhan Marathons.

In the first half of 2026, Xtep deepened the strategic commitment to China's running culture by sponsoring 38 landmark races nationwide. This effort was anchored by its 18th consecutive year partnering with the World Athletics Platinum Label Xiamen Marathon, alongside premier events such as the Platinum Label Meishan Renshou Half Marathon and the Gold Label Chongqing Marathon. Beyond major marathons, Xtep actively supported the "Sports for All" initiative through targeted campus and community sponsorships, including the Tsinghua University Campus Marathon and the Peking University May Fourth Youth Day Run, which engaged over 8,000 students and alumni. Additionally, the Group launched the "Night to Light" evening run program, extending its reach to mass market runners across 67 cities.

Channel optimization to capture shifting demand

The Group continuously elevate Xtep's brand prestige and market competitiveness through high-impact retail execution. In response to changing consumer preferences and the evolving retail landscape, Xtep has accelerated its shopping mall footprint while expanding its DTC strategy. Strengthening its DTC operational model not only boosts brand accessibility and customer loyalty, but also optimizes resource allocation across key operational dimensions. Meanwhile, to capitalize on the growing value-retail sector, the Group launched "Xtep Selected"—a strategic new format targeting the premium outlet market, featuring spacious store layouts and curated multi-category product lineups to maximize consumer reach while delivering an elevated shopping experience and exceptional value.

As at 30 June 2026, there were 6,308 Xtep Adult branded stores, mainly operated by authorized distributors in the Chinese Mainland and overseas (31 December 2025: 6,357).

Flagship products "2000KM" to drive e-commerce momentum

E-commerce remained a core growth engine for the Group in the first half of 2026, contributing over one-third of core Xtep brand's revenue. High-performing platforms such as Douyin and JD.com saw revenue growth exceed 20%, successfully engaging a new wave of consumers through immersive, content-rich retail experiences. Meanwhile, the running category demonstrated robust growth, driven by the flagship "2000 KM" series built for exceptional durability, stability, and long-distance cushioning. Following its expansion into offline retail channels in February, sales volume for the "2000 KM" series surged over 70%, underscoring its strong market momentum.

Scaling overseas business for future growth

Overseas revenue grew more than double as Xtep is accelerating its international expansion to drive the next phase of growth. The overseas strategy is gaining rapid momentum across Southeast Asia, anchored by a targeted rollout in Malaysia where expedited store launches have generated encouraging market feedback. Meanwhile, the cross-border e-commerce business achieved strong momentum, with revenue more than doubling year over year. Growth was particularly pronounced across major Southeast Asian e-commerce platforms, including Shopee, TikTok, and Lazada.

X Young

Backed by more than a decade of focus on youth sports, Xtep continues to solidify its authority in the children's athletic segment. In the first half of 2026, X Young launched the new "A+ Pro Growth Sneaker 2.0" to support adolescent physical development, enabling healthy development alongside scientific exercise. Meanwhile, X Young also introduced the "100ES 2.0" running shoe specifically designed for physical education exams on synthetic tracks, delivering enhanced acceleration, stability, and sprint traction.

Building on seven years of commitment to the street dance community, X Young continues to empower young talent through professional-grade gear and structured development platforms. The brand became the exclusive official sportswear partner of Juste Debout in China, the world's premier street dance competition. Through this platform, X Young supported 13-year-old street dance prodigy Li Yongqiu as he won the junior title at the Global Finals in Paris, becoming only the third Chinese dancer to claim the honor and subsequently signed him as a global brand spokesperson. As at 30 June 2026, there were 1,455 X Young stores in the Chinese Mainland (31 December 2025: 1,488), predominantly operated by the Group's authorized distributors.

Saucony and Merrell delivered solid revenue and advanced premiumization strategy

As Saucony entered the 2.0 era of its brand development, the professional sports segment delivered a solid financial performance in the first half of 2026. Segment revenue rose by 11.4% year on year to RMB875.0 million, accounting for 12.9% of the Group's total revenue. Profitability also saw healthy expansion, with operating profit climbing 15.5% year on year to RMB90.8 million from RMB78.6 million in the prior year.

Rooted in over a century of running heritage, Saucony advanced its strategic premiumization initiative across branding, product innovation, and retail channels. This evolution has successfully expanded Saucony's reach beyond professional runners to captivate discerning, elite consumers. In the first half of 2026, Saucony accelerated this momentum by opening flagship stores in top-tier malls across key cities, highlighted by the launch of its first image store in Hong Kong at K11 Art Mall in June. To complement this physical expansion, Saucony broadened its product assortment bridging performance and lifestyle, introducing elevated running apparel and versatile to further boost brand equity and consumer engagement. As at 30 June 2026, there were 180 Saucony stores in China.

Merrell celebrated its 45th anniversary with a comprehensive brand upgrade, revitalizing its "It Starts Outside" philosophy to inspire deeper daily connections with the outdoors. Highlighting this milestone, Merrell remains dedicated to delivering technically advanced footwear and apparel for outdoor enthusiasts, balancing uncompromising performance, durable functionality, and all-day comfort. By leveraging e-commerce as its primary growth engine and focusing on three core product pillars, including trail running, hiking and outdoor lifestyle, Merrell successfully capitalized on broader outdoor industry tailwinds to drive sustainable growth.

Recognized leadership in ESG excellence

Demonstrating its dedication to long-term sustainable growth, Xtep's environmental protection, social responsibility and corporate governance efforts continue to be recognized with a top-tier S&P ESG score and MSCI ESG "A" rating. To advocate barrier-free running, Xtep hosted a product experience and sharing session for visually impaired runners in Beijing and donated 500 pairs of the 360X 3.0 "Rainbow Trail" to the China Association of the Blind for distribution to running groups nationwide. Simultaneously, Xtep partnered with ATRenew to host the "Return to New Life · Run for a Clean Future" charity run in Beijing. The event combined waste sorting and recycling tours, demonstrating Xtep's sustainable closed-loop approach of "run + pick up + learn + recycle." Further reinforcing its social footprint, the Group also supported various philanthropic initiatives through sportswear and financial donations valued at over RMB14 million in the first half of 2026.

Prospects

Decades of strategic specialization in running continue to underpin our long-term growth trajectory. By systematically scaling our R&D capabilities, distribution footprint, and brand presence, we have cultivated a self-sustaining running ecosystem that cements our leadership in China. The strategic alignment of our multi-brand portfolio—anchored by the core Xtep brand and amplified by Saucony and Merrell—positions us to unlock solid cross-brand synergies and capture further market share.

Xtep's dominance in the running category is proven across major racing events, where we consistently capture top wear-rate rankings at China's premier marathons. Driven by cutting-edge R&D, our flagship 160X series serves as the gold standard for elite performance, powering record-breaking athletic triumphs. Building on this elite racing heritage, we are strategically broadening our line-up with accessible, high-performance options, allowing us to engage runners of all tiers and deepen our mass-market penetration.

To deepen consumer engagement and adapt to evolving preferences, we are accelerating our channel transformation and DTC model. This strategic shift enables us to connect more directly with our community, respond swiftly to market demands, and deliver a seamless purchasing experience, fostering the agility needed to drive continuous innovation, operational efficiency, and long-term growth.

Leveraging over a century of heritage, Saucony's strategic repositioning into the premium segment continues to yield tangible results, effectively capturing elite consumer segments aligned with its core brand identity. As a key secondary growth engine for the Group, Saucony maintains strong expansion momentum. The Group will continue to broaden Saucony's lifestyle offerings while reinforcing its core performance running segment. Concurrently, the brand's expanded footprint in high-tier retail locations enhances brand equity, laying the groundwork for further channel optimization to maximize store productivity and operational efficiency.

Structural tailwinds across the sportswear sector—underpinned by national health initiatives and heightened wellness awareness—continue to bolster industry fundamentals. This underlying resilience, paired with our disciplined operational focus and organizational agility, strengthens our optimistic long-term outlook for the sector. By anticipating shifting consumer demand and capturing emerging market segments with precision, we remain uniquely positioned to navigate near-term volatility and drive sustainable value for our stakeholders.

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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 in 2008. The Group principally engages in the design, development, manufacturing, sales, marketing and brand management of sports products covering footwear, apparel and accessories for adults and children. With the core Xtep brand, Saucony and Merrell under its diversified brand portfolio, the Group strategically targets the mass market and professional sports segments through an extensive distribution network of around 8,000 stores.

Xtep is a constituent of the MSCI China Small Cap Index and Hang Seng Composite Index Series, and is an eligible stock under the Shanghai-Hong Kong 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.

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Appendix

2026 Interim Results Financial Highlights

For the Six Months Ended 30 June	1H2026	1H2025	YoY Change
Profitability Data (RMB million)			
Revenue	**6,794.9**	6,837.6	**-0.6%**
Gross Profit	**3,154.6**	3,073.7	**+2.6%**
Adjusted Operating Profit*	**1,203.8**	1,283.7	**-6.2%**
Operating Profit	**1,160.9**	1,304.8	**-11.0%**
Profit Attributable to Ordinary Equity Holders	**817.9**	913.6	**-10.5%**
Basic Earnings per Share (RMB cents)	**30.0**	34.6	**-13.1%**
Profitability Ratios			
Gross Profit Margin	**46.4%**	45.0%	**+1.4% pts**
Adjusted Operating Profit Margin*	**17.7%**	18.8%	**-1.1% pts**
Operating Profit Margin	**17.1%**	19.1%	**-2.0% pts**
Net Profit Margin	**12.0%**	13.4%	**-1.4% pts**
Cash Flow (RMB million)			
Net Operating Cash Inflow	**847.3**	773.8	**+9.5%**
	As at 30 June 2026	As at 31 December 2025	**Change**
Net cash and cash equivalents	**2,325.8**	1,707.0	**+36.3%**

*Excluding share award expenses amounted at RMB43 million in 1H2026 and reversal of share award expenses amounted at RMB21 million in 1H2025.

Group Revenue & Gross Profit Margin Breakdown

By product

For the Six Months Ended 30 June	1H2026	1H2025	YoY Change
Footwear			
Revenue *(RMB million)*	**4,271.6**	4,154.1	**+2.8%**
Gross Profit Margin	**48.7%**	46.5%	**+2.2% pts**
Apparel			
Revenue *(RMB million)*	**2,402.4**	2,552.3	**-5.9%**
Gross Profit Margin	**43.0%**	42.9%	**+0.1% pt**
Accessories			
Revenue *(RMB million)*	**120.9**	131.2	**-7.8%**
Gross Profit Margin	**36.6%**	35.2%	**+1.4% pts**

By brand nature

For the Six Months Ended 30 June	1H2026	1H2025	YoY Change
Mass Market			
Revenue *(RMB million)*	**5,919.9**	6,052.5	**-2.2%**
Gross Profit Margin	**45.1%**	43.6%	**+1.5% pts**
Professional Sports			
Revenue *(RMB million)*	**875.0**	785.1	**+11.4%**
Gross Profit Margin	**55.5%**	55.2%	**+0.3% pt**