

# Corporate Social Responsibilities

## CARE FOR COMMUNITY AND IN HARMONY

The Group strives to achieve its long-term objective of becoming the world's famous sportswear brand. In expanding our business, we believe that the Group's business growth and success are aligned to our continuous efforts and supports in promoting a better community and harmonious environment.

As a caring and responsible corporate citizen, the Group endeavours to build a harmonious and warm working environment for its staff on the one hand, and encourage its staff to act in unity and make contributions to the community on the other hand. Our past efforts have also gained the recognition by the community and our staff. During the year, we have been awarded the "Donors Contribution Award", "Harmonized Enterprise Award", "Harmonized Labour Relations Enterprise" and "Caring Company" by various local government bodies.

### I) Contribution to society

In 2010, the Group actively participated in various charitable and community activities with the support of its staff:

#### (i) *Sending warmth to victims of disasters*

The Group acted promptly to the disaster of Qinghai Yushu Earthquake to donate relief materials amounting to RMB6,000,000 to the victims for their immediate relief. In addition, at the end of June when the massive flooding hit Fujian Province, causing serious damages to certain parts of Fujian Province, Mr. Ding Shui Po, our Chairman, donated RMB500,000 under his name for rebuilding homes for the victims.

#### (ii) *Promoting equal opportunity*

The "BCFC-Xtep Walkathon for Brightness 2010" was jointly sponsored by the Group and Birmingham International Holdings Limited in order to promote "Equal Participation, Sports for All" and raise the public awareness of the disabled community. The 3km walkathon attracted over 1,000 participants and raised approximately HK\$700,000 for the visually impaired. Moreover, the Group also sponsored the representatives for the visually impaired from Hong Kong by means of cash and apparel products to attend the Beijing International Marathon to support them in participating public sports activities.

#### (iii) *Supporting environmental protection*

To raise the public awareness of environmental protection in China, the Group has supported the World Wide Fund For Nature (WWF) – "Earth Hour 2010" by sponsoring T-shirt to promote the environmental campaign. We are happy to make a difference to our living environment and continue to support a low-carbon lifestyle in the near future.

### II) Training for business partners

Our distribution network covers 31 provinces by 28 exclusive Xtep brand distributors and over 3,000 retail outlets franchise operators appointed by the Group. We also have over 100 suppliers and outsource production operators to supply and manufacture our products. Accordingly, we regard them as our key business partners and provide regular and comprehensive training to ensure that the Group's brand image of the leading

enterprise of fashion sportswear products can be consistently maintained. During the year, the Group organized over 100 training programmes for our distributors and retail outlets franchise operators, suppliers and outsourced production operators, covering innovative solicitation model, management strategies and service training for different ranks of staff. Among the training courses, various community care programme were included and environmental caring instructions were laid down for staff to comply with. We encourage our business partners to serve and protect our environment.

### III. Staff Training and Corporate Activities

Xtep is a learning organization that treasures knowledge sharing and seeks for continuous improvement. We believe that our staff is fundamental to drive the Group's business growth and future success. Accordingly, our staff is our most valuable asset. We strive to enhance our staff's understandings towards the corporate mission, culture, value and strategy through a series of training activities, established strategic human resources management, competitive remuneration packages and appraisal system.

During the year, the Group held various corporate activities including "Sunshine Sharing Programme" and "4<sup>th</sup> Sunlight Cultural Tour" to build and promote a constructive corporate culture and core values, and to recognise the performance and efforts of our staff. At the same time, these ongoing corporate culture activities can increase the cohesion and

impact of our quality staff and facilitate close communication and cooperation with us. In addition, to enhance the service quality, we encourage staff to progress and excel every day by offering them comprehensive on-the-job training and high-end professional training course – 14-cycle senior management-led training scheme.

The Group acknowledged and awarded those staff with outstanding performances at the annual award ceremony to recognise their excellent performance in the past year.

As such, the above-mentioned corporate activities has enabled our staff to gain better understanding of our mission, vision and our core values, and hence strengthening their cohesion, sense of belonging and team spirit.

The Group is fully committed to becoming a globally renowned fashion sportswear brand that cares for the community, its business partners and staff. Looking ahead, in discharging our corporate social responsibilities, we endeavour to promote Xtep's brand and the development of the sports industry through a variety of effective marketing measures, build a promising career platform for our staff, explore tremendous potential opportunities with our business partners, establish a dynamic and caring community for the public, and maximise the value of our Shareholders.