



Xtep and Wisdom Building Up Largest Running Platform in China

(27 June 2015, Hong Kong) – Leading PRC-based fashion sportswear enterprise Xtep International Holdings Limited (“Xtep”) (stock code: 1368) has entered into a Memorandum of Understanding (MOU) with Wisdom Holdings Group (“Wisdom”) (Stock code: 1661), a leader in the sports culture industry in China, on 22 June 2015. Under the terms of the MOU the two parties are to form a joint venture operating company which will engage in organizing sports competitions and events and business collaboration with an emphasis on marathons series. On 26 June 2015, the launch ceremony of “Xtep and Wisdom — China Elite Running Competition” cum “Special and Beautiful Heart Charity Running Competition” jointly initiated by the two parties has been held in Beijing, marking the official commencement of the strategic cooperation between Xtep and Wisdom.

Xtep and Wisdom have made public announcements in relation to their strategic cooperation. Through the joint venture company both parties are to collaborate extensively in the areas of sports competition operations, brand promotion, market development for innovative sports products and equipment and integration of the sports industry supply chain. This strategic cooperation also represents the formation of an overall deployment in the upstream and downstream segments of the sporting and cultural industry chain by integrating both parties’ strengths in the field of sporting competition operation and sporting products. “The China Elite Running Competition” is intended to become the largest running platform based on such cooperation, while “Soul of Runners—China Runner Forum” and the “Special and Beautiful Heart Charity Running Competition” are the activities to realize the strategic cooperation between both parties leveraging this platform.

Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep said, “As a sporting brand with the largest number of marathon sponsorships in the Greater China region, we will expand the scope of the Group’s sports business through this strategic cooperation. Looking ahead, we will provide a seamless one-stop industrial management of products and services to enhance the brand and reputation of Xtep. This is one of the recent “3+” reform strategies launched by the Group under the “Sports+” banner which will focus on sports and expand the scope of sports business. The other two strategies “Product+” and “Internet+” will see the former aim at a comprehensive upgrade of product functionality and the latter on the establishment of strategic

partnership with internet platforms to build an O2O platform to connect online and offline channels. These reform strategies will chart the future direction of Xtep and facilitate the upgrade of China's sports industry."

Ms. Ren Wen, Chairlady of the Board of Wisdom, said, "The strategic cooperation with Xtep represents an important step in its expansion into the market for innovative sporting products and an integral part of the overall "sports+" strategy of the Group. The integration of the entire "Sports+" industry supply chain encompassing "sports competition operation + sports marketing + stadium marketing + content production + public sports services + internet" initiated by Wisdom is close to completion. The strategic alliance with Xtep provides us a way to enter the sports product marketing sector from the sports competition organisation sector, and also to realise a closed operation cycle from online to offline channels and from the organisation of competition to products."

The objective of the event held is to promote morale and care for charity events within the running discipline and across the sports culture industry in China. This will help spread a positive attitude and health and well-being associated with running to society. The event was held under the guidance of the China Sports Foundation and full support from various media and enterprises including the Hunan Broadcasting System Economy TV Channel, TRENDS, 887 Music Station and Sina Weibo. Wu Qi, President of China Sports Foundation; Du Zhao Cai, Director of Athletics Administrative Center of the General Administration of Sport of China; Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep; Ms. Ren Wen, Chairlady of the Board of Wisdom; Zhu Hao Feng, Director of Hunan Broadcasting System Economy TV Channel. Celebrities advocating running including Nicholas Tse, Masu, Mengke Bateer and Wu Min attended the event.

The event is comprised of four themes inspired by the four seasons, namely Imagination in Spring, Heat in Summer, Dazzling Colours in Autumn and Pureness in Winter. The launch ceremony of Soul of Runners—China Runner Forum" was held simultaneously with the "China Running Elite Competition," the first running platform in China. Guests attending the event included the organising committees and running groups of major marathons in China.

In the launch ceremony of the subsequent "Special and Beautiful Heart" charity running competition, Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep, and Ms. Ren Wen, Chairlady of the Board of Wisdom, together with the winners of previous competitions cheered on participants at the start of the first charity road run competition in China. The "Special and Beautiful Heart" charity road run competition is to be annually organised at least four times in four cities in the spring, summer, autumn and winter. All of the organising expenses are to be raised from entrepreneurs and runners' entry fees will be donated for the installation of lower limb prosthesis and rehabilitation for lower limb amputees aged under 14.

With Wang Han, the famous programme emcee from Hunan TV and Xtep's spokesperson, as the emcee of the event, the performance of Korean and Chinese boys group UNIQ and the

surprise appearance of Nicholas Tse on the stage as the special guest, climax kept popping up again and again throughout the event.



Photo caption :

Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep (right); and Ms. Ren Wen, Chairlady of the Board of Wisdom (left), jointly announced the Xtep-Wisdom strategic alliance, and Xtep spokesperson Nicholas Tse, shed light on the event

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Listed on 3 June 2008 on the Main Board of the Hong Kong Stock Exchange, Xtep is a leading PRC-based fashion sportswear enterprise. It is principally engaged in the design, development, manufacturing, sales and marketing, and brand management of sportswear products, including footwear, apparel and accessories. During the past several years, Xtep has been actively implementing its sports marketing strategy with a focus on running and football. It boasts an extensive distribution network of more than 7,000 stores nationwide covering 31 provinces, autonomous regions and municipalities across the PRC. For more information, please visit Xtep's corporate website: www.xtep.com.hk.

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