



Xtep and Wolverine Form Joint Venture

Join Hands to Market Two Internationally Acclaimed Performance Brands Merrell and Saucony in Mainland China, Hong Kong and Macau

4 March 2019, Hong Kong – Leading PRC-based professional sportswear enterprise **Xtep International Holdings Limited**, together with its subsidiaries (“Xtep”; SEHK: 1368) today announced the Joint Venture Agreements (“the JV Agreements”) of its direct wholly-owned subsidiary Xtep Holdings Limited (“Xtep Holdco”) with Gemini Operations B.V. (the “JV Partner”), a wholly owned subsidiary of **Wolverine World Wide, Inc.**, together with its subsidiaries (“Wolverine”; NYSE: WWW), for the establishment of certain joint venture entities (“Joint Venture”) to carry out the development, marketing and distribution of footwear, apparel and accessories under the **Merrell** and **Saucony** brands in Mainland China, Hong Kong and Macau (“the Regions”).

Pursuant to the terms of the JV Agreements, the total initial funding contribution from each of Xtep and Wolverine to the Joint Venture shall be approximately RMB155 million. The Joint Venture will introduce the Merrell and Saucony brands and their internationally acclaimed running and outdoor footwear, apparel and accessories products in the Regions tapping Xtep’s strong retail network and relationship with shopping mall operators. The Joint Venture will open new stores with majority to be in the shopping malls of higher tier cities in Mainland China, coupled with the increasing presence in Hong Kong and Macau. A two-pronged approach will be adopted in product offerings in the stores, with high-end signature styles available as well as styles exclusively designed and manufactured according to the Chinese fits and tastes.

With over a century-long history, Wolverine is a world-leading footwear company owning several well-known outdoor, sportswear and lifestyle brands. Among all the brands, **Merrell** is one of the most popular global outdoor lifestyle brands and is appreciated for its high quality and cutting-edge technology. Standing out in design, quality, durability, versatility and comfort, Merrell prides itself on creating products that make outdoor activities perfect to enjoy. As for **Saucony**, it is among the top four most well-known running shoe brands in the world with products of professional quality and employing advanced technologies. It targets both elite and casual runners with award-winning product design, innovation and performance-enhancing technology. Its products focus on meeting the technical needs of runners, while providing them with maximum comfort and protection, leading the market in product innovation.

The Joint Venture will bring the Merrell and Saucony brands and product offerings that are complementary to Xtep's brand positioning and product portfolio, which will further elevate Xtep from a single brand to a multi-brand portfolio group capable of addressing to the needs of the more sophisticated Chinese clientele. The Merrell and Saucony Brands offer world-class designs and innovative use of technologies, while Xtep owns its inherent edge in supply chain management from procurement, design and development, production to marketing and distribution. The Joint Venture will enable Xtep and the Merrell and Saucony brands to leverage each other's strength in fostering product innovation and a diversified product offering catering to different customer needs. The Joint Venture will also be benefited from the expanded scale of supply chain. Meanwhile, Merrell and Saucony brands are able to tap Xtep's operational and marketing resources to raise their brand awareness in the Regions effectively.

Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep International Holdings Limited, said, "Over the years, Xtep has been committed to providing professional and fashionable sports products to consumers in its mission to become a multi-brand portfolio group capable of satisfying different customers' needs. We are delighted to have Wolverine, a well-known company with a global portfolio of premium brands, as our partner in working shoulder-to-shoulder to seize the numerous business opportunities in the Regions. Having access to the resources and strengths of Xtep and Wolverine, the Joint Venture will be able to help us reach more sophisticated customers and the Merrell and Saucony brands to appeal to consumers in this part of the world drawn to sports and outdoor activities. We see the strong synergies created between the two parties and strongly believe the cooperation will create a win-win situation to both Xtep and Wolverine."

Mr. Blake W. Krueger, Chairman, Chief Executive Officer and President of Wolverine World Wide, Inc., added, "Wolverine is extremely pleased to partner with Xtep for two of our major brands – Merrell and Saucony – to accelerate growth in the vital markets of Mainland China, Hong Kong and Macau. We have watched the enormous growth of sportswear in the Regions and the strategic development potential it represents. With Xtep's solid presence and regional expertise, and Wolverine's technical prowess and famous brands, the Joint Venture has a solid foundation to propel the Merrell and Saucony brands forward in the booming running and outdoor sectors. The Joint Venture will benefit from both partner's operational strength in the areas of marketing, product development and distribution; these synergies will ultimately boost Merrell and Saucony's market share in the Regions."

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About Xtep International Holdings Limited

Xtep International Holdings Limited (SEHK stock code: 1368) is a leading PRC-based professional sports brand with over 15 years of history, listed on 3 June 2008 on the Main Board of the Hong Kong Stock Exchange. Xtep is a leading PRC-based professional sports brand, principally engaged in the design, development, manufacturing, sales and marketing, and brand management of sports products, including footwear, apparel and accessories. It boasts an extensive distribution network of over 6,200 stores nationwide covering 31 provinces, autonomous regions and municipalities across the PRC. Xtep is a constituent of 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).



About Wolverine World Wide, Inc. (NYSE: WWW)

With a commitment to service and product excellence, Wolverine World Wide, Inc. is one of the world's leading marketers and licensors of branded casual, active lifestyle, work, outdoor sport, athletic, children's and uniform footwear and apparel. The company's portfolio of highly recognized brands includes: Merrell®, Sperry®, Hush Puppies®, Saucony®, Wolverine®, Keds®, Stride Rite®, Chaco®, Bates®, and HYTEST®. The company also is the global footwear licensee of the popular brands Cat® and Harley-Davidson®. The company's products are carried by leading retailers in the U.S. and globally in approximately 200 countries and territories.

For additional information, please visit our website, www.wolverineworldwide.com

For further information, please contact:

Xtep International Holdings Limited
Investor Relations and Corporate Communications
Tel: (852) 2152 0333
Email: ir@xtep.com.hk

Strategic Financial Relations Limited
Maggie Au / Adrianna Lau / Jacky Chiu
Tel: (852) 2864 4815 / (852) 2114 4987 / (852) 2114 4313
Email: sprg_xtep@sprg.com.hk