



Xtep International Holdings Limited

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

Hillhouse Makes US\$65 Million Strategic Investment in “K-Swiss” & “Palladium” and Invests HK\$500 Million in Xtep

15 June 2021, 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 that **Hillhouse Group** and **Xtep Global Investment Limited** (“Xtep Global”), the business operator as well as the ultimate owner of the “K-Swiss” and “Palladium” (the “Brands”), have formed a strategic partnership wherein Hillhouse invested in Xtep Global in the aggregate principal amount of US\$65 million (approximately HK\$505.7 million) to pursue the global business development of the Brands, namely “K-Swiss” and “Palladium”.

In addition, Hillhouse also entered into another Subscription Agreement with the Company with respect to the convertible bond issued by the Company, in the aggregate principal amount of HK\$500 million.

The Group sees Hillhouse as a strategic investor for their possession of significant operating resources and industry expertise in the retail sector of the Greater China market. The Group believes Hillhouse’s deep vertical knowledge in the consumer service sectors and its extensive online and offline networks and capabilities will bring about the innovative element to the business operations of “K-Swiss” and “Palladium”. With the introduction of Hillhouse, the Group believes that the competitive positioning and profitability of the Brands will be improved. The Group looks forward to fully unlocking the potential of the Brands in the rapidly growing sportswear market in China.

Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep International Holdings Limited, said, “We are highly confident in our proven business strategies, and the forward development prospects of both the Group as well as “K-Swiss” and “Palladium” brands, in particular with the partnership and support from Hillhouse. The strategic partnership between Hillhouse and Xtep Global as well as its investment in the Company will not only provide the Group with more resources and experience to develop its global business, but also optimize our investor and capital base. With such cooperation and support, the management team will gear up the Group’s development pace and we are optimistic towards the prospects of our Group.”

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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).



About Hillhouse Group

Founded in 2005, Hillhouse is a global firm of investment professionals and operating executives who focus on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse's investment approach. Hillhouse partners with exceptional entrepreneurs and management teams to create value, often with a focus on enacting innovation and technological transformation. Hillhouse invests in the healthcare, consumer, TMT, consumer technology, financial and business services sectors in companies across all equity stages. Hillhouse and its group members manage assets on behalf of global institutional clients.

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