

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**Xtep International Holdings Limited**  
**特步國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1368)**

**BUSINESS UPDATE**

**BUSINESS COLLABORATION WITH WISDOM GROUP**

The Board is pleased to announce that the Company and Wisdom Holdings entered into Strategic MOU. Pursuant to the Strategic MOU, the Group will collaborate extensively with Wisdom Group in the areas of sports competition operations, brand promotion, market development for innovative sports products and equipment and integration of sports industry supply chain. The specific collaboration includes:

1. Business collaboration in marathon series. The Group will collaborate extensively with Wisdom Group in respect of 2015-2017 city marathon series to be independently operated by the Wisdom Group, including but not limited to Guangzhou International Marathon\* (廣州國際馬拉松), Hangzhou International Marathon\* (杭州國際馬拉松), Shenyang International Marathon\* (沈陽國際馬拉松) and Changsha International Marathon\* (長沙國際馬拉松), and the related carnivals.
2. Formation of operating company which will engage in organizing sports competitions and events. The Company's indirect wholly-owned subsidiary, Xiamen Texing and Wisdom Group's indirect wholly-owned subsidiary, Wisdom Zhejiang, will form Beijing Wisdom Xtep. Beijing Wisdom Xtep will engage in organizing road running (including running and race walking) competitions, development and sales of innovative sports products, sales and marketing, integrated operations of customer services, with a view to rapidly create economy of scale in the road running industry by using an open platform. It is also planned that the business of Beijing Wisdom Xtep will expand into other sports events such as football gradually. The Group will perform its disclosure obligations required under Chapter 14 of the Listing Rules as and when appropriate.

The collaboration between the Group and Wisdom Group symbolizes an important role in the Group's overall strategic layout of "Sports+". This extensive collaboration with Wisdom Group will enable the Group to realize a perfect integration of its strengths in the sports equipment industry with Wisdom Group's strengths in sports culture, and accelerate the Group's overall layout in both the upstream and downstream sports industries.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

The Company is pleased to announce that on 22 June 2015, the Company and Wisdom Holdings entered into the Strategic MOU. Pursuant to the Strategic MOU, the Group will collaborate extensively with Wisdom Group in the areas of sports competition operations, brand promotion, market development for innovative sports products and equipment and integration of sports industry supply chain. Below is a summary of the terms of the collaboration between the Group and the Wisdom Group pursuant to the Strategic MOU.

### **COOPERATION WITH RESPECT TO THE MARATHONS**

Pursuant to the Strategic MOU, the Group and Wisdom Group will collaborate extensively in respect of 2015-2017 city marathon series to be independently operated by Wisdom Group, including but not limited to Guangzhou International Marathon\* (廣州國際馬拉松), Hangzhou International Marathon\* (杭州國際馬拉松), Shenyang International Marathon\* (沈陽國際馬拉松) and Changsha International Marathon\* (長沙國際馬拉松), and the related carnivals.

### **JOINT VENTURE AGREEMENT**

Pursuant to the Strategic MOU, on 22 June 2015, Xiamen Texing and Wisdom Zhejiang entered into the Joint Venture Agreement, pursuant to which the Joint Venture Partners will establish Beijing Wisdom Xtep on the terms and subject to the conditions of the Joint Venture Agreement. Beijing Wisdom Xtep shall principally engage in businesses in the area of road running (including running and race walking) events, including organizing sports competitions, development and sales of innovative sports products and marketing, integrated operations of customer services, with a view to rapidly create economy of scale in the road running industry by using an open platform. The Joint Venture Partners intend to expand the scope of the Beijing Wisdom Xtep's business to other sports events in the future, including but not limited to football competitions.

Pursuant to the Joint Venture Agreement, the total registered capital of the Beijing Wisdom Xtep shall be contributed and owned by Wisdom Zhejiang as to 60% and by Xiamen Texing as to 40%. The board of directors of the Beijing Wisdom Xtep shall consist of five directors, three of whom shall be appointed by Wisdom Group and two shall be appointed by the Group.

As each of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Joint Venture Agreement is less than 5%, the formation of the Beijing Wisdom Xtep does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Pursuant to the collaboration between the Group and Wisdom Group under the Strategic MOU and the Joint Venture Agreement, Wisdom Group will take lead in developing and operating the sports event for Beijing Wisdom Xtep, the sales and marketing of exclusive products for the relevant sports events. The Group will take lead in the development of the exclusive sports equipment products for the relevant sports events.

## **INFORMATION ABOUT THE PARTIES**

Xiamen Texing is a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company. Xiamen Texing is primarily engaged in the trading of sports products.

Wisdom Holdings is a company incorporated in the Cayman Islands with limited liability which shares are listed on the main board of the Stock Exchange (stock code: 1661). Wisdom Zhejiang is an indirectly wholly-owned subsidiary of Wisdom Holdings. The Wisdom Group is a leading sports culture group in the PRC engaging in the operation of sporting tournaments and production of television programmes, with a special emphasis on the development and extension of the sports industry chain.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Wisdom Zhejiang and Wisdom Holdings are third parties independent of the Company and connected persons of the Company.

## **REASONS FOR AND BENEFIT OF THE TRANSACTIONS**

The Directors are of the view that the Joint Venture Agreement and the proposed collaboration with the Wisdom Group over the marathons and other sports events represent an ample opportunity for the Group to benefit from the growth of the PRC's sports event business with the benefit of the expertise of the Wisdom Group. The Joint Venture Agreement would also create new sales opportunities in relation to events to be organized by the Beijing Wisdom Xtep. Accordingly, the Board considers that it is in the interests of the Group to enter into the Joint Venture Agreement and the Strategic MOU and that the terms of the Joint Venture Agreement and the Strategic MOU are fair and reasonable and in the interests of the Shareholders as a whole.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the otherwise stated:

“Beijing Wisdom Xtep”	Beijing Wisdom Xtep Competition Operation Co., Ltd.* (北京智美特步賽事運營有限公司), a limited liability company to be established in the PRC by the Joint Venture Partners pursuant to the Joint Venture Agreement
“Board”	the board of Directors of the Company
“Company”	Xtep International Holdings Limited (特步國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Joint Venture Agreement”	the joint venture agreement dated 22 June 2015 entered into between the Joint Venture Partners in relation to the establishment of the Beijing Wisdom Xtep
“Joint Venture Partners”	collectively, Xiamen Texing and Wisdom Zhejiang
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic MOU”	the memorandum of understanding on strategic cooperation dated 22 June 2015 entered into between the Company and Wisdom Holdings in relation to the formation of the Beijing Wisdom Xtep and cooperation over the marathons

“Wisdom Group”	Wisdom Holdings and its subsidiaries, including Wisdom Zhejiang
“Wisdom Holdings”	Wisdom Holdings Group (智美控股集團), a company incorporated in the Cayman Islands with limited liability which shares are listed on the main board of the Stock Exchange (stock code: 1661)
“Wisdom Zhejiang”	Wisdom Competition Operation Management (Zhejiang) Co., Ltd.* (智美賽事營運管理(浙江)有限公司), a limited liability company established under the laws of the PRC and an indirectly wholly-owned subsidiary of Wisdom Holdings
“Xiamen Texing”	Xiamen Texing Trading Co., Ltd.* (廈門特興貿易有限公司), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“%”	per cent

\* denotes English translation of the name of a Chinese company or entity or vice versa and is provided for identification purposes only.

By Order of the Board of  
**Xtep International Holdings Limited**  
**DING Shui Po**  
*Chairman*

Hong Kong, 23 June 2015

*As at the date of this announcement, the executive Directors of the Company are Mr. Ding Shui Po, Ms. Ding Mei Qing, Mr. Lin Zhang Li, Mr. Ding Ming Zhong, Mr. Ye Qi and Mr. Ho Yui Pok, Eleutherius; and the independent non-executive Directors are Mr. Sin Ka Man, Mr. Tan Wee Seng, Dr. Gao Xian Feng and Dr. Bao Ming Xiao.*