



Xtep buyouts Wolverine Group's interests in the 2019 Joint Venture and acquires 40% of Saucony's intellectual property rights in China

On 17th December, Xtep announced it has entered into agreements with Wolverine Group for the acquisition of Wolverine Group's interests in the 2019 Joint Venture to carry out sale and distribution of products under Saucony and Merrell brands, as well as the acquisition of 40% ownership interest in Saucony Asia IP Holdco. Xtep's wholly owned subsidiary, XMS Sports Co. Limited, will also acquire the options to purchase an additional 35% or 60% ownership interest in Saucony Asia IP Holdco, in the event of global sale of the Saucony brand's intellectual property or a change in control of Wolverine. The transactions demonstrate Xtep's confidence and commitment to the business development of Saucony and Merrell brands and its growth potential in China.



With exceptional design and superior performance, Saucony's wear rate ranked second among international brands and third among all brands in six World Marathon Majors and China's six major marathons in 2023. Such outstanding wear rate is a testament to Saucony's quality and performance, reinforcing its position as one of the preferred brands in highly competitive events.

Xtep announced operational updates on business in Mainland China for the fourth quarter and full year of 2023



On 9th January, Xtep announced its 2023 fourth quarter and full year operational updates. For the fourth quarter, the core Xtep brand recorded an over 30% year-on-year growth in its retail sell-through, with a retail discount of around 30% off. For the year ended 31st December 2023, retail sell through of the core Xtep brand recorded an over 20% year-on-year growth, with a retail channel inventory turnover of around 4 to 4.5 months. Xtep will continue to maintain competitive advantage to meet the evolving demands of consumers in China.

BUSINESS UPDATES

Xtep is committed to contributing to society and building a sustainable future



On 18th December, a magnitude 6.2 earthquake struck Linxia Hui Prefecture in Gansu Province. Xtep, in collaboration with the China Next Generation Education Foundation, donated supplies worth RMB20 million, including warm clothing and materials, to the affected areas in Gansu and Qinghai provinces, aiming to support frontline emergency relief efforts and post-disaster reconstruction. As an ESG pioneer and trailblazer, Xtep considers giving back to society as part of its corporate culture. The company has integrated sustainability development governance into all facets of corporate management and operations.

SUSTAINABILITY



Core Xtep Brand



Xtep's "160X" championship running shoes continue to empower champions



At the Guangzhou Double Gold race held on 10th December, Wu Xiangdong successfully clinched the Chinese men's championship once again after Shanghai Marathon with Xtep's "160X 5.0 PRO". During the Jinjiang Marathon and Xiamen Haicang Half Marathon held on 3rd December, Xtep's "160X" series provided exceptional support to runners, enabling them to secure victories in both the men's and women's championships.



Among six major marathons in China in 2023, Xtep dominated its leading position with a 27.2% wear rate, surpassing all domestic and international brands. Xtep's running shoes have consistently witnessed runners enhancing their abilities, and the company will continue to explore the boundless possibilities of Chinese marathons.

MARATHONS

K-Swiss served as the official apparel sponsor of the Hong Kong Tennis Open 2024



K-Swiss



K-Swiss, a high-end fashion sportswear brand, supported the Hong Kong Tennis Open 2024 to further expand its presence in the professional tennis field and demonstrate its commitment to the sport's high-quality development. As the official designated apparel sponsor of the event, the brand set up a K-Swiss pop-up store inside the venue and invited TEAM K-Swiss tennis player Pedro Cachin to participate in a signing session, allowing fans to interact closely and communicate while sharing the joy of tennis and embracing the brand's refined and elegant lifestyle attitude.

SPONSORSHIP

Palladium



Palladium released No.17 co-branded series jointly with Jeremy Lin

Palladium joined forces with Jeremy Lin to unveil the "PALLADIUM X Jeremy Lin No.17 Series". This collection proudly presents the "WE CREATE MIRACLES" print, accentuating Jeremy Lin's iconic No.17. The series boasts a vibrant combination of white and blue hues, complemented by striking orange accents and incorporates Jeremy Lin's unique elements throughout. Moreover, it offers a relaxed and comfortable fit, making it suitable for a range of casual wear occasions, effortlessly blending fashion and sport.



PRODUCTS