

To: Business Editor
[For Immediate Release]



Xtep Becomes Official Technical Sponsor of Villarreal

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Increasing Exposure at Global Sporting Events

[22 July 2011, Hong Kong] **Xtep International Holdings Limited** (“Xtep” or the “Company” and, together with its subsidiaries, the “Group”; stock code: 1368), a leading sports fashion brand in the PRC, announced a five-year cooperation agreement with Spanish La Liga giant Villarreal C.F. As an official technical sponsor and exclusive provider of sportswear and accessories for the team, Xtep is further exploring opportunities around the world.

Key players and staff of Villarreal attended a press conference today in Xiamen with Xtep’s management to make the joint announcement. Leveraging the popularity of Villarreal in professional football, Xtep will increase its exposure at international sporting events.

According to the agreement, Xtep will provide Villarreal with sportswear and accessories during the five-year period from 1 July 2011 to 30 June 2016. The sponsorship includes a fee of 4,500,000 euros (equivalent to approximately HK\$50,000,000) to be paid in five yearly installments as well as sportswear. Players of the Spanish squad will participate in national and international tournaments, trainings, pre-game preparation and other club activities in sportswear adorned with the Xtep logo.

Established in 1923, Villarreal is one of the teams in La Liga, the Spanish Primera Division. The club finished fourth in the table for the 2010/11 season, and has qualified for the upcoming UEFA Champions League. Villarreal was the runner-up of La Liga 2007/08. It also received several honours, including semi-final spots in the Champions League and Europa League as well as the winner of UEFA Intertoto Cup. The team is also dubbed “Yellow Submarine” due to its yellow home jersey, with famous footballers including defender Joan Capdevilla, who was on the team that won the 2010 World Cup; midfielders Marcos Antônio Senna da Silva and Santiago Cazorla González, who were key players in the European Championship; and forward Giuseppe Rossi and Nilmar Honorato da Silva, both popular strikers in Europe. Villarreal visited Hong Kong on 27 May 2011 to play Kitchee in the Canon Cup 2011, a game to raise funds for Japan after country was hit by an earthquake, tsunami and nuclear threat in March. It was one of the largest fundraising events for the Japanese victims.

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Under the five-year agreement, the Xtep logo will appear in the television broadcast of Villarreal games and the venues for all matches played by the team in La Liga as well as Copa del Rey. Apart from air-time, the Xtep logo will also be shown on screens and score boards at the stadiums. The Company will have a full-page advertisement in each of the club's monthly magazines to further promote its brand.

For the sponsorship, Xtep plans to launch a new Villarreal-themed product line at a sales fair for the first quarter 2012. To promote the new products, Xtep will implement relevant strategies and carry out marketing campaigns accordingly.

Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep, said, "We are very happy about the agreement. La Liga is one of the most influential football leagues and Villarreal an excellent team in this top division. The club is characterized by its team spirit, energy and determination, which is in line with Xtep's sports image and pursuit of excellence. We believe the sponsorship will become a big driver of our development in Europe and even the world, accelerate our pace to go global and establish our foothold in international football."



Group photo of Xtep's Management and Villarreal players



Renowned Villarreal player Nilmar Honorato da Silva attended today's press conference



Mr. Fernando Roig Alfonso, President of Villarreal C.F. (left) and Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep (right) signed a five-year cooperation agreement

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About Villarreal C.F.

Established in 1923, Villarreal is one of the teams in La Liga. The club earned its nickname of “Yellow Submarine” due to its yellow home jersey. Villarreal has fine skills with midfielders who are experienced and strong in both attack and defence. It has received several honours, including semi-final spots in UEFA Champions League and UEFA Europa League, the winner of UEFA Intertoto Cup and the first runner-up of La Liga.

Profile

Date of Establishment	:	10 March 1923
Nickname	:	Yellow Submarine
Origin	:	Spain
Home Stadium	:	El Madrigal
Capacity	:	25,000
Coach	:	Juan Carlos Garrido
Ranking in La Liga 2010-11	:	Fourth
Best result in UEFA Intertoto Cup	:	Winner (2003 and 2004)
Best result in La Liga	:	Runner-up (2008)
Best Result in UEFA Europa League	:	Semi-final (2011)
Best Result in UEFA Champions League	:	Semi-final (2006)

About Xtep International Holdings Limited

Xtep International Holdings Limited is listed on the main board of the Hong Kong Stock Exchange. The Xtep brand is the leading fashion sportswear brand in the PRC. The Group is principally engaged in the design, development, manufacture, sales and marketing of sportswear. It has developed an extensive nationwide distribution network covering 31 provinces, autonomous regions and municipalities in the PRC.

Issued by Porda Havas International Finance Communications Group for and on behalf of **Xtep International Holdings Limited**. For further information, please contact:

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