

[For immediate release]



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

## **Xtep Enters into Strategic Co-operation with Taobao.com To Develop Online Sales and Distribution Platform**

[16 May 2010, Hong Kong] China's leading fashion sportswear enterprise **Xtep International Holdings Limited** ("Xtep" or the "Company", together with its subsidiaries the "Group", stock code: 1368) announced today a strategic partnership with Taobao.com, China's largest online consumer e-commerce marketplace.

Xtep and Taobao.com entered into a collaboration agreement in Shanghai on 14 May 2009. It allowed Xtep to develop an efficient online business platform that further expands its sales and distribution channels. The e-business platform also enables Xtep to efficiently and effectively manage and control its inventory. Distributors who run the online stores will place orders via Taobao.com, where such orders will be directed to Xtep for prompt handling and timely delivery, resulting in win-win cooperation for all parties involved.

Since its launch in December, 2009, the Xtep's online flagship store has been receiving increasing popularity and recognition from consumers. Customers enjoy the fun of shopping at Xtep over the Internet to anytime anywhere purchase Xtep's sportswear products, including some exclusive online items.

Taobao.com is the largest online shopping marketplace in Asia with hundreds of thousands of high-quality sellers. With a registered user base of more than 190 million as of April 2010, Taobao.com reaches an overwhelming majority of online shoppers in China. Transaction volume on Taobao exceeded RMB200 billion in 2009. According to iResearch, China's online shopping market was estimated to have reached RMB 248.4 billion in 2009, representing a 93.7% increase compared to the previous year. Studies also estimated the online trading market in the PRC will grow steadily in the coming years, with transaction value estimated to be over RMB 1 trillion in 2013. As a China's leading fashion sportswear brand, Xtep is optimistic of the outlook of its e-commerce business.

Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep, said, "Xtep considers e-commerce to be a key area of development in the next three years while some industry players generally take a wait-and-see or trial approach. We will deploy extensive resources to marketing and product development and launch new product series specifically for online distribution channels.

“We believe that e-commerce is set to change the mode of operation of our distribution channels. Leveraging Taobao.com’s strengths in the consumer e-commerce market, Xtep strives to be a trend setter in online business and bringing new perspectives to the industry. ,” Mr. Ding concluded.

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Mr. Ding Shui Po, Chairman and CEO of Xtep (2<sup>nd</sup> left) and Mr. Yu Ce (2<sup>nd</sup> right), general manager for Taobao’s vendor platform business, jointly announced the strategic cooperation at the signing ceremony



Mr. Ding Shui Po, Chairman and CEO of Xtep (1<sup>st</sup> right) together with the management of Taobao.com visited Xtep’s product display of Xtep during the signing ceremony

**About Xtep International Holdings Limited**

Xtep International Holdings Limited is listed on June 3, 2008 on the main board of the Hong Kong Stock Exchange. Xtep is the leading fashion sportswear brand in the PRC. The Group principally engages in the design, development, manufacture, sales and marketing of sportswear. The company has developed an extensive nationwide distribution network covering 31 provinces, autonomous regions and municipalities across the PRC.

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

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