

[For Immediate Release]



## **Birmingham International and Xtep conclude 5-year long-term strategic cooperation**

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### **Birmingham City FC to set a foothold in mainland China Xtep to be the first PRC sportswear brand to have a presence in English Premier League**

[20 January 2010, Hong Kong] **Birmingham International Holdings Limited** (“**Birmingham International**”, stock code: 2309), owner of English Premier League Birmingham City Football Club (“Birmingham City FC” or “BCFC”), entered into a 5-year long-term cooperation agreement with PRC’s leading fashion sportswear enterprise **Xtep International Holdings Limited** (“**Xtep**”, stock code: 1368). The two parties will join hands to promote the development of football as a common sport. As 2010 is the World Cup year, the two companies will jointly tap business opportunities in this market internationally and in the PRC.

Commenting on the cooperation with Xtep, **Mr. Vico Hui, Chief Executive Officer of Birmingham International** said, “Birmingham City FC has just achieved a record breaking 14-game unbeaten streak in top-flight matches. Ever since our acquisition in September 2009, the team has been delivering the best performance ever and thus has drawn the attention of a number of sportswear brands. We have chosen Xtep as our partner as its wealth of experience in fashion sportswear brand management, unrivalled product design and development strengths, as well as its high quality and extensive retail network in the PRC will be the attributes to bring Birmingham City FC to consumers in the lucrative PRC market. Meanwhile, Xtep will benefit from Birmingham City FC’s strong foothold and influence in the international football arena and in particular in English Premier League to gain international brand exposure.”

**Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep** said, “English Premier League is the most important football league internationally that has the greatest influence of all. Birmingham City FC is a fast emerging team with very impressive performance since the start of this competition season. This cooperation, the first in-depth of its kind between Xtep, a leading sportswear brand in China, and Birmingham City FC of the English Football League, a world class football event, is expected to add a new dimension to Xtep’s development. It matches perfectly with our brand character and will mark a major milestone in the development of our football business. Going forward, Xtep will not rest on its laurels. We will work closely with Birmingham City FC to jointly develop products under the “BCFC-Xtep” brand which will be launched in the PRC market.”

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The sponsorship agreement between BCFC and Xtep comprises three major areas. From August 2010 to May 2015, Xtep will provide sponsorship to Birmingham City FC and supply sportswear products to the team. The sponsorship fee for the entire period amounts to HK\$90 million in aggregate. In addition, Xtep will supply to Birmingham International approximately HK\$10 million net worth of sportswear products. Birmingham City FC's players will be in their football outfits bearing the "BCFC-Xtep" logo in the football field. In addition, during the contract period, eight mega advertising billboards for Xtep and world class apparel and footwear products designed by this leading PRC sportswear player will be seen in English Premier League.

In addition, according to the agreement, Xtep plans to launch a series of products under the joint "BCFC-Xtep" brand. These products will be available in approximately 6,000 retail outlets of Xtep in the PRC. Hence, Birmingham City FC will have a strong presence in the vast PRC market. Xtep will be appointed as the sole and exclusive sports product supplier and exclusive advertising and promotion partner of "BCFC-Xtep" branded sportswear in the United Kingdom and the PRC. Hence, Xtep shall pay to Birmingham International a royalty calculated at a certain percentage to be determined based on the performance of Birmingham City FC in Premier League or UEFA Cup and by reference to the aggregate amount of the net sales price of the "BCFC-Xtep" branded sportswear sold.

At the same time, Birmingham International and Xtep agreed that when the sales of the "BCFC-Xtep" products reach a certain scale, Birmingham International and Xtep will establish a joint venture company to further explore the opportunity of "BCFC- Xtep" brand in the Chinese and international market.

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#### **About Birmingham International Holdings Limited**

Birmingham International Holdings Limited is a public company listed on the main board of the Stock Exchange of Hong Kong. The Group is principally engaged in the provision of apparel sourcing, trading and sales support services as well as the entertainment business. It acquired a 29.91% equity stake in Birmingham City Football Club on 16 July 2007 and became the largest shareholder of BCFC. On 29 August 2009, the Birmingham International increased its position in BCFC. As at 18 November 2009, it held a 96% interest in BCFC.

#### **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.

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