



China Dongxiang (Group) Co., Ltd.

中國動向（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3818)

**CLARIFICATION ANNOUNCEMENT
IN RESPECT OF THE RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

The Board would like to make clarification with respect to certain inadvertent clerical errors made in the Chinese version of the Results Announcement posted on the Websites on 1 April 2008.

Reference is made to the annual results announcement of China Dongxiang (Group) Co., Ltd. (the “**Company**”) for the year ended 31 December 2007 (the “**Results Announcement**”) and its softcopy posted on the website of the Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and on the Company’s website at www.dxsport.com (“**Websites**”) on 1 April 2008.

Due to inadvertent clerical errors, the paragraph headed “Subsequent Events” on page 26 of the English version of the Results Announcement was incorrectly translated on page 25 of its Chinese version. To avoid confusion, both the English and Chinese versions of the paragraph headed “Subsequent Events” in the Results Announcement are set out as follows:

“SUBSEQUENT EVENTS

On 13 March 2008, the Company and Orix Corporation (“**ORIX**”) (collectively “the Parties”) entered into a non-binding letter of intent (“**LOI**”) in relation to the acquisition of the entire issued share capital of Phenix Co., Ltd. (“**Phenix**”), a company established under the laws of Japan, at a price to be agreed (“**Acquisition**”). Pursuant to the LOI, ORIX agreed to negotiate with the Company on an exclusive basis, and if they reach agreement, the Parties intend enter into definitive agreements regarding the Acquisition on or before 25 April 2008. The LOI will be terminated automatically at the earlier of 30 April 2008 or definitive agreements in relation to the Acquisition being entered into. Phenix is a sporting apparel company with core operations in design, development and sales. Its major brands include, among others, “**PHENIX**” in the ski and outdoor sportswear market globally and “**Kappa**” in the football and athletic-wear market in Japan. The Group considers that the Acquisition is in line with the Group’s multi-brand strategy.”

「結算日後事項

於二零零八年三月十三日，本公司與Orix Corporation (「ORIX」)(合稱「訂約各方」)訂立無約束力意向書 (「意向書」)，內容關於按將予協定的價格收購出售Phenix Co., Ltd. (「Phenix」，一間根據日本法律成立的公司)的全部已發行股本 (「收購事項」)。根據意向書，ORIX同意獨家與本公司進行磋商，而倘雙方達成協議，訂約各方擬於二零零八年四月二十五日或之前就收購事項訂立正式協議。意向書將於以下兩個時間中較早者自動終止：二零零八年四月三十日或關於收購事項的正式協議訂立之時。Phenix是一間運動服裝公司，核心業務為設計、開發及銷售，旗下主要品牌包括全球滑雪及戶外運動服裝市場的「PHENIX」與日本足球及體育服裝市場的「Kappa」等等。本集團認為，收購事項與本集團的多品牌策略貫徹一致。

On behalf of the Board
CHEN Yihong
Chairman

Hong Kong, 16 April 2008

The Directors are Mr. CHEN Yihong and Mr. QIN Dazhong as executive Directors, Mr. GAO Yu as non-executive Director, Dr. XIANG Bing, Mr. XU Yudi and Mr. MAK Kin Kwong as independent non-executive Directors.