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**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)**

**RE-DESIGNATION OF EXISTING CHIEF EXECUTIVE OFFICER AND  
CHAIRMAN OF THE EXECUTIVE COMMITTEE,  
APPOINTMENT OF NEW CHIEF EXECUTIVE OFFICER, EXECUTIVE  
DIRECTOR AND CHAIRMAN OF THE EXECUTIVE COMMITTEE,  
AND  
GRANT OF SHARE OPTIONS**

The board of director (the “**Board**”) announces the re-designation of Mr. Qin Dazhong (“**Mr. Qin**”) from his position as the chief executive officer and the chairman of the executive committee of China Dongxiang (Group) Co., Ltd. (the “**Company**”) to the vice chairman of the Board and Mr. Qin remains as a member of executive committee, and the appointment of Ms. Sandrine, Suzanne, Eléonore, Agar Zerbib (“**Ms. Zerbib**”) as the new chief executive officer, executive director and the chairman of the executive committee of the Company, all with effect from 29 November 2010.

The Company also announces that on 23 November 2010, it granted share options (“**Options**”) to subscribe for a total of 3,000,000 ordinary shares of HK\$0.01 each in the share capital of the Company (“**Shares**”) to Ms. Zerbib, subject to acceptance of Ms. Zerbib, under the share option scheme adopted by the Company on 12 September 2007 (the “**Share Option Scheme**”).

This announcement is made by the Company pursuant to Rules 13.51(2) and 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board of the Company announces that Mr. Qin will be re-designated from his position as the chief executive officer and the chairman of the executive committee of the Company to the vice chairman of the Board and Mr. Qin remains as a member of executive committee and Ms. Zerbib will be appointed as the chief executive officer, an executive director and the chairman of the executive committee, all with effect from 29 November 2010.

## **RE-DESIGNATION OF EXISTING CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE EXECUTIVE COMMITTEE TO THE VICE CHAIRMAN OF THE BOARD**

Mr. Qin Dazhong (秦大中), aged 41, has been the chief executive officer, executive director and chairman of the executive committee of the Company since 23 March 2007. Mr. Qin joined Beijing Dongxiang as general manager since October 2002 and has over 12 years of experience in the operation of sportswear companies. From 1997 to 2002, he held various positions at Beijing Li Ning Sports Goods Co., Ltd. (北京李寧體育用品有限公司) where he was responsible for its corporate planning, international business and financial control. Prior to joining the sportswear industry, he worked for the National Audit Office of the PRC (中國國家審計署). He received a bachelor degree in economics from Zhongshan University (中山大學) and an executive master in business administration degree from Guanghai School of Management of Peking University (北京大學光華管理學院) in 2002.

Except for the Company, Mr. Qin has not held any directorships in any listed public companies in the last three years. Mr. Qin is currently (i) the executive director of the Company; (ii) general managers of 北京動向體育發展有限公司 (Beijing Dongxiang Sports Development Co., Limited\*), 上海卡帕體育用品有限公司 (Shanghai Kappa Sporting Goods Co., Limited\*), 上海泰坦體育用品有限公司 (Shanghai Taitan Sporting Goods Co., Limited\*) and 上海雷德體育用品有限公司 (Shanghai Leide Sporting Goods Co., Limited\*); and (iii) director of Phenix Co. Ltd.. Save as disclosed above, he is not currently holding other positions with the Company or any of its material subsidiaries. Mr. Qin does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Qin is deemed to be interested in 211,864,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Qin has not entered into any new service contract regarding this re-designation. Pursuant to service contract previously entered into between the Company and Mr. Qin, Mr. Qin is entitled to receive an annual salary (before tax) of RMB1,473,000 per annum, director fees of HK\$176,000, discretionary bonus and other benefits including employee benefit plan and insurances etc. The service contract is subject to the Articles of Association of the Company and the Listing Rules on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) which contains provisions for early retirement and retirement by rotation of directors. The emoluments of the executive director of the Company are determined by reference to the remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there is no information in relation to the re-designation of Mr. Qin which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of holders of securities of the Company.

## **APPOINTMENT OF NEW CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTOR AND THE CHAIRMAN OF THE EXECUTIVE COMMITTEE**

Ms. Sandrine, Suzanne, Eléonore, Agar Zerbib, aged 48, has been working in the sports industry in China for the last 17 years. From July 2007, Ms. Zerbib has run her own consulting business in Full Jet Limited which provides consulting services in the fashion and sports industries to non-Chinese companies entering/re-entering the Chinese market or expanding their Chinese operations as well as to Chinese companies looking to improve and further expand their business.

From August 1994 to March 2003, Ms. Zerbib was employed by Adidas China as managing director to create and develop the China business of Adidas from its naissance stage to its present leading position. From April 2003 to June 2007, she served as the president of Adidas Greater China Area. As such, she initiated, negotiated and activated Adidas partnership with the 2008 Beijing Olympics Games and further developed Adidas China to the second global market behind the USA.

Before joining Adidas China in 1994, Ms. Zerbib worked as the head of acquisition financing in Banque Du Phenix, a subsidiary of AGF insurance group, from May 1990 to February 1994. From September 1987 to April 1990, Ms. Zerbib worked in various positions at Banque Centrale Des Cooperatives Et Des Mutuelles, a subsidiary of GMF insurance group, including as a financial analyst and the head of the financial analysts division.

Ms. Zerbib has not held any directorships in any listed public companies in the last three years. She is not currently holding or has not previously held any other positions with the Company or any of its subsidiaries. Ms. Zerbib does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, save and except the grant of Options to subscribe for 3,000,000 Shares granted under the Share Option Scheme, Ms. Zerbib does not have any interest nor is deemed to be interested in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Pursuant to the service contract to be entered into between the Company and Ms. Zerbib, the appointment of Ms. Zerbib is for a term of three years commencing from 29 November 2010.

Pursuant to the service contract, Ms. Zerbib is entitled to receive an annual salary (after tax) of RMB3,000,000, director fees amount to HK\$176,000 per annum, discretionary bonus and other benefits including housing allowance and insurances etc. The service contract is subject to the Articles of Association of the Company and the Listing Rules on the Stock Exchange which contains provisions for early retirement and retirement by rotation of directors. The emoluments of the executive director of the Company are determined by reference to the remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there is no information in relation to the appointment of Ms. Zerbib which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of holders of securities of the Company.

The Board would like to extend its warmest welcome to Ms. Zerbib and believes her addition to the Board is important to the Company's future success.

## GRANT OF SHARE OPTIONS

In connection with Ms. Zerbib's employment, the Company has granted Options to subscribe for a total of 3,000,000 Shares to Ms. Zerbib under the Share Option Scheme, subject to the acceptance of Ms. Zerbib.

The followings are the details of the grant of Options:

Date of grant	:	23 November 2010 (“ <b>Date of Grant</b> ”)
Exercise price of Options	:	HK\$4.120 per Share, which represents the highest of (i) the closing price of HK\$4.120 per Share as stated in the daily quotation sheet of the Stock Exchange on 23 November 2010, being the Date of Grant, (ii) the average closing price of HK\$4.072 per Share as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately before the Date of Grant and (iii) the nominal value of a Share
Number of Shares to be issued upon exercise of the Options in full	:	3,000,000
Closing market price of the Shares on the Date of Grant	:	HK\$4.120 per Share
Validity period of Options	:	From the Date of Grant to 11 September 2017
Vesting dates of Options	:	Not more than 30% of the Options granted shall be exercisable in the first two years and not more than 40% of the Options granted shall be exercisable in the third year during the validity period, such that all Options granted shall be fully exercisable from the fourth year

The grant of Options was approved by the independent non-executive Directors on 23 November 2010.

By Order of the Board  
**China Dongxiang (Group) Co., Ltd.**  
**Chen Yihong**  
*Chairman*

Hong Kong, 23 November 2010

*As at the date of this announcement, the executive Directors of the Company are Mr. Chen Yihong and Mr. Qin Dazhong, the non-executive Director of the Company is Mr. Gao Yu, and the independent non-executive Directors of the Company are Mr. Jin Zhi Guo, Dr. Xiang Bing and Mr. Xu Yudi.*

\* denotes an English translation of a Chinese name.