

A. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation**

Our Company was incorporated in Bermuda under the Companies Act as an exempted company with limited liability on November 14, 2007.

We have been registered in Hong Kong under Part XI of the Companies Ordinance as a non-Hong Kong company and our principal place of business in Hong Kong is at Suites 3108–11, 31/F., Tower 6, The Gateway, 9 Canton Road, Tsimshatsui, Kowloon, Hong Kong. In compliance with the requirements of the Companies Ordinance, Ms. CHANG Karen Yi-Fen, has been appointed as our agent for the acceptance of service of process and any notice required to be served on our Company in Hong Kong.

As our Company was incorporated in Bermuda, we operate subject to the Companies Act and our Company's constitution which comprises the Memorandum and Bye-laws. A summary of our Company's constitution and relevant aspects of the Companies Act is set out in Appendix VII to this prospectus.

2. Changes in share capital of our Company

- (a) At the date of incorporation of our Company, our authorized share capital was HK\$100,000 divided into 10,000,000 Shares of HK\$0.01 each. On November 22, 2007, one subscriber's Share was transferred to Major Focus Management Limited for nil consideration.
- (b) By resolutions in writing of our sole Shareholder passed on May 14, 2008, the authorized share capital of our Company was increased from HK\$100,000 to HK\$300,000,000 by the creation of 29,990,000,000 new Shares ranking *pari passu* in all respects with the then existing issued Shares.
- (c) Immediately upon completion of the Global Offering but assuming the Over-allotment Option is not exercised, the authorized share capital of our Company will be HK\$300,000,000 divided into 30,000,000,000 Shares, of which 3,550,000,000 Shares will be issued fully paid or credited as fully paid, and 26,450,000,000 Shares will remain unissued.

There is at present no intention to issue any of the authorized but unissued share capital of our Company and, without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed herein and in the sub-sections headed “— 4. Resolutions of the Company's sole Shareholder passed on May 14, 2008” and “— 5. Reorganization” below, there has been no alteration in our Company's share capital since its incorporation.

3. Changes in share capital or registered capital of our subsidiaries

Our subsidiaries are listed in the accountants' report set out in Appendix I to this prospectus. The following alterations in the share or registered capital of our subsidiaries had taken place within the two years immediately preceding the date of this prospectus:

(a) *YY Sports Holdings Limited* (“YY Sports”)

YY Sports was incorporated in the British Virgin Islands with limited liability on October 31, 2006. On October 31, 2006, 1 ordinary share of US\$1.00 was issued and allotted to Manfield for a consideration of US\$1.00, which was settled in cash.

(b) *Richwin Management Limited* (“Richwin”)

Richwin was incorporated in the British Virgin Islands with limited liability on July 12, 2007. On September 21, 2007, 1 ordinary share of US\$1.00 was issued and allotted to Manfield for a consideration of US\$1.00, which was settled in cash.

(c) *Brightup Group Limited* (“Brightup”)

Brightup was incorporated in Hong Kong with limited liability on September 12, 2007. On September 12, 2007, 1 ordinary share of HK\$1.00 was subscribed by the initial subscriber, Harefield Limited. On September 24, 2007, the subscriber share was transferred to Richwin.

(d) *Treasure Chain International Limited* (“Treasure Chain”)

Treasure Chain was incorporated in the British Virgin Islands with limited liability on October 2, 2007. On November 8, 2007, 1 ordinary share of US\$1.00 was issued and allotted to YY Sports for a consideration of US\$1.00, which was settled in cash.

(e) *Dragonlight Group Limited* (“Dragonlight”)

Dragonlight was incorporated in the British Virgin Islands with limited liability on March 22, 2006. On April 18, 2006, 1 ordinary share of US\$1.00 was issued and allotted to Manfield for a consideration of US\$1.00, which was settled in cash.

(f) *A-Grade Holdings Limited* (“A-Grade”)

A-Grade was incorporated in the British Virgin Islands with limited liability on October 10, 2003.

On November 28, 2006, 630 new ordinary shares of US\$1.00 was issued and allotted to Manfield at a total consideration of US\$630, which was settled in cash. On December 4, 2006, 5,600 new ordinary shares of US\$1.00 each were issued and allotted to Manfield at a total consideration of US\$15,050,000, which was settled in cash.

On November 28, 2006, 135 new ordinary shares of US\$1.00 each were issued and allotted to Jollyard at a total consideration of US\$135, which was settled in cash. On December 4, 2006, 1,400 new ordinary shares of US\$1.00 each were issued and allotted to Jollyard at a total consideration of US\$3,762,500, which was settled in cash.

On November 28, 2006, 135 new ordinary shares of US\$1.00 each were issued and allotted to Sports Group at a total consideration of US\$135, which was settled in cash. On December 4, 2006, 1,000 new ordinary shares of US\$1.00 each were issued and allotted to Sports Group at a total consideration of US\$2,687,500, which was settled in cash.

(g) *Business Network Holdings Limited (“Business Network”)*

Business Network was incorporated in the British Virgin Islands with limited liability on October 8, 2003.

On November 28, 2006, 630 ordinary shares of US\$1.00 each were issued and allotted to Manfield at a total consideration of US\$630, which was settled in cash.

On November 28, 2006, 135 ordinary shares of US\$1.00 each were issued and allotted to Jollyard at a total consideration of US\$135, which was settled in cash.

On November 28, 2006, 135 ordinary shares of US\$1.00 each were issued and allotted to Sports Group at a total consideration of US\$135, which was settled in cash.

On November 15, 2007, Manfield, Jollyard and Sports Group transferred all of their respective shares to Gerossa Management Limited, which is an independent third party, at a total consideration of US\$1,000, which was settled in cash.

(h) *Dedicated Group Limited (“Dedicated Group”)*

Dedicated Group was incorporated in the British Virgin Islands with limited liability on November 28, 2001.

On November 28, 2006, 630 ordinary shares of US\$1.00 each was issued and allotted to Manfield at a total consideration of US\$630, which was settled in cash. On November 28, 2006, 135 new ordinary shares of US\$1.00 each were issued and allotted to Jollyard at a total consideration of US\$135, which was settled in cash.

On November 28, 2006, 135 ordinary shares of US\$1.00 each were issued and allotted to Sports Group at a total consideration of US\$135, which was settled in cash.

(i) *Favour Mark Holdings Limited (“Favour Mark”)*

Favour Mark was incorporated in Hong Kong with limited liability on August 17, 2007.

On August 17, 2007, one new ordinary share of HK\$1.00 was subscribed by the initial subscriber, Harefield Limited. On October 24, 2007, the subscriber share was transferred to A-Grade. On October 24, 2007, 199 ordinary shares of HK\$1.00 each was issued and allotted to A-Grade at a total consideration of HK\$199, which was settled in cash.

(j) *Rainbow Faith Investments Limited (“Rainbow Faith”)*

Rainbow Faith was incorporated in Hong Kong with limited liability on August 21, 2007.

On August 21, 2007, one new ordinary share of HK\$1.00 was subscribed by the initial subscriber, Harefield Limited. On October 24, 2007, the subscriber share was transferred to Wellmax. On October 24, 2007, 199 ordinary shares of HK\$1.00 each were issued and allotted to Wellmax at a total consideration of HK\$199, which was settled in cash.

(k) *Selangor Gold Limited (“Selangor Gold”)*

Selangor Gold was incorporated in the British Virgin Islands with limited liability on June 12, 1998.

On December 4, 2006, a total of 560 ordinary shares of US\$1.00 each were issued and allotted to Manfield at a total consideration of US\$1,050,000, which was settled in cash.

On December 4, 2006, a total of 140 ordinary shares of US\$1.00 each in Selangor Gold was issued and allotted to Jollyard at a total consideration of US\$262,500, which was settled in cash. On December 4, 2006, a total of 100 ordinary shares of US\$1.00 each in Selangor Gold were issued and allotted to Mr. Huang at a total consideration of US\$187,500, which was settled in cash.

(l) *Wellmax Business Group Limited (“Wellmax”)*

Wellmax was incorporated in the British Virgin Islands with limited liability on October 20, 2000.

On November 28, 2006, a total of 630 ordinary shares of US\$1.00 each in Wellmax were issued and allotted to Manfield at a total consideration of US\$630, which was settled in cash. On December 4, 2006, a total of 5,600 ordinary shares of US\$1.00 each in Wellmax were issued and allotted to Manfield at a total consideration of US\$14,700,000, which was settled in cash.

On November 28, 2006, a total of 135 ordinary shares of US\$1.00 each in Wellmax were issued and allotted to Sports Group at a total consideration of US\$135, which was settled in cash. On December 4, 2006, a total of 1,000 ordinary shares of US\$1.00 each in Wellmax were issued and allotted to Sports Group at a total consideration of US\$2,625,000, which was settled in cash.

On November 28, 2006, a total of 135 ordinary shares of US\$1.00 each in Wellmax were issued and allotted to Jollyard at a total consideration of US\$135, which was settled in cash. On December 4, 2006, a total of 1,400 ordinary shares of US\$1.00 each in Wellmax were issued and allotted to Jollyard at a total consideration of US\$3,675,000, which was settled in cash.

(m) *Nice Palace Investments Limited (“Nice Palace”)*

Nice Palace was incorporated in Hong Kong with limited liability on July 5, 2007.

On July 5, 2007, one ordinary share of HK\$1.00 was subscribed by the initial subscriber, Harefield Limited. On October 24, 2007, the subscriber share was transferred to Charming Technology. On October 24, 2007, a total of 199 ordinary shares of HK\$1.00 each in Nice Palace were issued and allotted to Charming Technology at a total consideration of HK\$199, which was settled in cash.

(n) *Hong Kong Dragonlight Limited*

Hong Kong Dragonlight Limited was incorporated in Hong Kong with limited liability on December 12, 2007.

On December 12, 2007, one ordinary share of HK\$1.00 was subscribed by the initial subscriber, Harefield Limited. On January 22, 2008, the subscriber share was transferred to Dragonlight Group Limited. On January 22, 2008, 99 ordinary shares of HK\$1.00 each were issued and allotted to Dragonlight Group Limited for a total consideration of HK\$99, which was settled in cash.

(o) *Shengdao (Hong Kong) Limited*

Shengdao (Hong Kong) Limited was incorporated in Hong Kong with limited liability on December 12, 2007.

On December 12, 2007, one ordinary share of HK\$1.00 was subscribed by the initial subscriber, Harefield Limited. On January 18, 2008, the subscriber share was transferred to YY Sports Holdings Limited. On January 18, 2008, 99 ordinary shares of HK\$1.00 each were issued and allotted to YY Sports Holdings Limited for a total consideration of HK\$99, which was settled in cash.

(p) *Diodite (Hong Kong) Limited*

Diodite (Hong Kong) Limited was incorporated in Hong Kong with limited liability on December 12, 2007.

On December 12, 2007, one ordinary share of HK\$1.00 was subscribed by the initial subscriber, Harefield Limited. On January 18, 2008, the subscriber share was transferred to Diodite Limited. On January 18, 2008, 99 ordinary shares of HK\$1.00 each was issued and allotted to Diodite Limited for a total consideration of HK\$99, which was settled in cash.

(q) *Pau Yuen Trading Corporation (寶原興業股份有限公司)*

Pau Yuen Trading Corporation (寶原興業股份有限公司) was established in Taiwan with limited liability on May 23, 2000.

As bonus issue, on August 22, 2006, 1,980,000 shares of NT\$10 each were issued and allotted to Selangor Gold Limited, 22,000 shares of NT\$10 each were issued and allotted to Son Li Wei (沈力為), 22,000 shares of NT\$10 each were issued and allotted to Yang Yueh Er (楊月娥), 22,000 shares of NT\$10 each were issued and allotted to Shih Chin Yun (施錦雲), 22,000 shares of NT\$10 each were issued and allotted to Shih Chin-Chu (施錦珠), 88,000 shares of NT\$10 each were issued and allotted to Lin Tien Te (林天德), 22,000 shares of NT\$10 each were issued and allotted to Cheng Chi Ming (鄭志明), 22,000 shares of NT\$10 each were issued and allotted to Lin Chi Cheng (林旗城).

(r) *Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉 (北京) 貿易有限公司)*

Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉 (北京) 貿易有限公司) was established in the PRC with limited liability on January 5, 2006 and whose entire equity interest is held by Wellmax. The total registered capital of Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉 (北京) 貿易有限公司) is US\$8,880,000 and is fully paid up.

(s) *Taiyuanshi Baoliwei Sports Goods Company Limited (太原市寶利威體育用品有限公司)*

Taiyuanshi Baoliwei Sports Goods Company Limited (太原市寶利威體育用品有限公司) was established in the PRC on March 17, 2008 with limited liability and whose entire equity interest is held by Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉(北京)貿易有限公司). The total registered capital of Taiyuanshi Baoliwei Sports Goods Company Limited (太原市寶利威體育用品有限公司) is RMB5,000,000 and is fully paid up.

(t) *Beijing Baozhe Sports Goods Company Limited (北京寶哲體育用品有限公司)*

Beijing Baozhe Sports Goods Company Limited (北京寶哲體育用品有限公司) was established in the PRC with limited liability on July 19, 2007 and whose entire equity interest is held by Zhejiang Baohong Sports Goods Company Limited (浙江寶宏體育用品有限公司). The total registered capital of Beijing Baozhe Sports Goods Company Limited (北京寶哲體育用品有限公司) is RMB20,000,000 and is fully paid up.

(u) *Tianjin Baozhe Sports Goods Company Limited* (天津寶哲體育用品有限公司)

Tianjin Baozhe Sports Goods Company Limited (天津寶哲體育用品有限公司) was established in the PRC with limited liability on August 6, 2007 and whose entire equity interest is held by Zhejiang Baohong Sports Goods Company Limited (浙江寶宏體育用品有限公司). The total registered capital of Tianjin Baozhe Sports Goods Company Limited (天津寶哲體育用品有限公司) is RMB20,000,000 and is fully paid up.

(v) *Shanghai Baohong Sports Goods Company Limited* (上海寶宏體育用品有限公司)

Shanghai Baohong Sports Goods Company Limited (上海寶宏體育用品有限公司) was established in the PRC with limited liability on September 17, 2007 and whose entire equity interest is held by Zhejiang Baohong Sports Goods Company Limited (浙江寶宏體育用品有限公司). The total registered capital of Shanghai Baohong Sports Goods Company Limited (上海寶宏體育用品有限公司) is RMB5,000,000 and is fully paid up.

(w) *Harbin Baosheng Sports Goods Company Limited* (哈爾濱寶勝體育用品有限公司)

Harbin Baosheng Sports Goods Company Limited (哈爾濱寶勝體育用品有限公司) was established in the PRC with limited liability on March 20, 2007 and whose entire equity interest is held by Baosheng Daoji (Beijing) Trading Company (寶盛道吉(北京)貿易有限公司). The initial total registered capital of Harbin Baosheng Sports Goods Company Limited (哈爾濱寶勝體育用品有限公司) was RMB2,000,000. On September 10, 2007, the total registered capital was increased to RMB5,000,000 and is fully paid up.

(x) *Dalian Baoshun Sports Goods Company Limited* (大連寶順體育用品有限公司)

Dalian Baoshun Sports Goods Company Limited (大連寶順體育用品有限公司) was established in the PRC with limited liability on July 6, 2007 and whose entire equity interest is held by Harbin Baosheng Sports Goods Company Limited (哈爾濱寶勝體育用品有限公司). The initial total registered capital of Dalian Baoshun Sports Goods Company Limited (大連寶順體育用品有限公司) was RMB1,000,000. On September 19, 2007, the total registered capital was increased to RMB2,000,000 and is fully paid up.

(y) *Beijing Baoxuan Sports Goods Company Limited* (北京寶渲體育用品有限公司)

Beijing Baoxuan Sports Goods Company Limited (北京寶渲體育用品有限公司) was established in the PRC with limited liability on December 6, 2007 and whose entire equity interest is held by Harbin Baosheng Sports Goods Company Limited (哈爾濱寶勝體育用品有限公司). The total registered capital of Beijing Baoxuan Sports Goods Company Limited (北京寶渲體育用品有限公司) is RMB2,000,000 and is fully paid up.

(z) *Tianjin Baoxin Sports Goods Company Limited* (天津寶信體育用品有限公司)

Tianjin Baoxin Sports Goods Company Limited (天津寶信體育用品有限公司) was established in the PRC with limited liability on December 7, 2007 and whose entire equity interest is held by Harbin Baosheng Sports Goods Company Limited (哈爾濱寶勝體育用品有限公司). The total registered capital of Tianjin Baoxin Sports Goods Company Limited (天津寶信體育用品有限公司) is RMB1,000,000 and is fully paid up.

(aa) *Shaanxi Baoxiang Sports Goods Company Limited* (陝西寶祥體育用品有限公司)

Shaanxi Baoxiang Sports Goods Company Limited (陝西寶祥體育用品有限公司) was established in the PRC with limited liability on April 11, 2007 and whose entire equity interest is held by Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉(北京)貿易有限公司). The total registered capital of Shaanxi Baoxiang Sports Goods Company Limited (陝西寶祥體育用品有限公司) is RMB2,000,000 and is fully paid up.

(bb) *Xian Baoqin Trading Company Limited* (西安寶秦貿易有限公司)

Xian Baoqin Trading Company Limited (西安寶秦貿易有限公司) was established in the PRC with limited liability on March 10, 2006 and whose entire equity interest was then held by Wellmax. The initial total registered capital Xian Baoqin Trading Company Limited (西安寶秦貿易有限公司) was US\$3,700,000. On May 24, 2007, the total registered capital was increased to US\$10,000,000 and is fully paid up.

(cc) *Xinjiang Baoxin Sports Goods Company Limited* (新疆寶新體育用品有限公司)

Xinjiang Baoxin Sports Goods Company Limited (新疆寶新體育用品有限公司) was established in the PRC on March 4, 2008 with limited liability and whose entire equity interest is held by Xian Baoqin Trading Company Limited (西安寶秦貿易有限公司). The total registered capital of Xinjiang Baoxin Sports Goods Company Limited (新疆寶新體育用品有限公司) is RMB5,000,000 and is fully paid up.

(dd) *Ningxia Baojia Sports Goods Company Limited* (寧夏寶佳體育用品有限公司)

Ningxia Baojia Sports Goods Company Limited (寧夏寶佳體育用品有限公司) was established in the PRC on January 17, 2008 with limited liability and whose entire equity interest is held by Xian Baoqin Trading Company Limited (西安寶秦貿易有限公司). The total registered capital of Ningxia Baojia Sports Goods Company Limited (寧夏寶佳體育用品有限公司) is RMB2,000,000 and is fully paid up.

- (ee) *Shaanxi Wuhuan Shengdao Sports Production Development Company Limited* (陝西五環勝道運動產業開發有限公司)

Shaanxi Wuhuan Shengdao Sports Production Development Company Limited (陝西五環勝道運動產業開發有限公司) was established in the PRC with limited liability on September 7, 2007 and which is owned as to 40% by Xian Baoqin Trading Company Limited (西安寶秦貿易有限公司) (RMB10,000,000) and as to 60% by Shaanxi Wuhuan Investment Management Company Limited (陝西五環投資管理有限公司) (RMB15,000,000). The total registered capital of Shaanxi Wuhuan Shengdao Sports Production Development Company Limited (陝西五環勝道運動產業開發有限公司) is RMB25,000,000 and is fully paid up.

- (ff) *Jinan Baoyue Sports Goods Company Limited* (濟南寶嶽體育用品有限公司)

Jinan Baoyue Sports Goods Company Limited (濟南寶嶽體育用品有限公司) was established in the PRC with limited liability on June 7, 2007 and whose entire equity interest is held by Qingdao Baoruina Sports Goods Company Limited (青島寶瑞納體育用品有限公司). The total registered capital of Jinan Baoyue Sports Goods Company Limited (濟南寶嶽體育用品有限公司) is RMB2,000,000 and is fully paid up.

- (gg) *Guiyang Baoxin Sports Goods Company Limited* (貴陽寶新體育用品有限公司)

Guiyang Baoxin Sports Goods Company Limited (貴陽寶新體育用品有限公司) was established in the PRC with limited liability on September 28, 2005 and whose entire equity interest was then held by A-Grade. The initial total registered capital of Guiyang Baoxin Sports Goods Company Limited (貴陽寶新體育用品有限公司) was US\$1,300,000. On October 8, 2006, the total registered capital was increased to US\$2,100,000 and is fully paid up.

- (hh) *Guiyang Baoshang Sports Goods Company Limited* (貴陽寶尚體育用品有限公司)

Guiyang Baoshang Sports Goods Company Limited (貴陽寶尚體育用品有限公司) was established in the PRC with limited liability on August 30, 2007 and whose equity interest is held as to 50% by Guiyang Baoxin Sports Goods Company Limited (貴陽寶新體育用品有限公司) (RMB5,500,000) and as to 50% by Guiyang Nanming Tengwei Trading Company Limited (貴陽南明騰威貿易有限公司) (RMB5,500,000). The total registered capital of Guiyang Baoshang Sports Goods Company Limited (貴陽寶尚體育用品有限公司) is RMB11,000,000 and is fully paid up.

- (ii) *Shanghai Baoyuan Sports Goods Trading Company Limited* (上海寶原體育用品商貿有限公司)

Shanghai Baoyuan Sports Goods Trading Company Limited (上海寶原體育用品商貿有限公司) was established in the PRC with limited liability on January 20, 2006 and whose entire equity interest was then held by A-Grade. The total registered capital of Shanghai Baoyuan Sports Goods Trading Company Limited (上海寶原體育用品商貿有限公司) is US\$10,000,000 and is fully paid up.

(jj) *Wenzhou Baofeng Trading Company Limited* (溫州寶豐商貿有限公司)

Wenzhou Baofeng Trading Company Limited (溫州寶豐商貿有限公司) was established in the PRC with limited liability on September 27, 2007 and whose equity interest is held as to 50% by Shanghai Baoyuan Sports Goods Trading Company Limited (上海寶原體育用品商貿有限公司) (RMB9,000,000) and as to 50% by Wenzhou City Yijia Sports Commercial Complex Company Limited (溫州市一家體育商城有限公司) (RMB9,000,000). The total registered capital of Wenzhou Baofeng Trading Company Limited (溫州寶豐商貿有限公司) is RMB18,000,000 and as at the Latest Practicable Date, RMB6,000,000 had been paid up.

(kk) *Hefei Baoxun Sports Goods Trading Company Limited* (合肥寶動體育用品商貿有限公司)

Hefei Baoxun Sports Goods Trading Company Limited (合肥寶動體育用品商貿有限公司) was established in the PRC with limited liability on September 18, 2007 and whose entire equity interest is held by Shanghai Baoyuan Sports Goods Trading Company Limited (上海寶原體育用品商貿有限公司). The total registered capital of Hefei Baoxun Sports Goods Trading Company Limited (合肥寶動體育用品商貿有限公司) is RMB1,000,000 and is fully paid up.

(ll) *Wuxi Baoyuan Sports Goods Trading Company Limited* (無錫寶原體育用品商貿有限公司)

Wuxi Baoyuan Sports Goods Trading Company Limited (無錫寶原體育用品商貿有限公司) was established in the PRC with limited liability on September 17, 2007 and whose entire equity interest is held by Shanghai Baoyuan Sports Goods Trading Company Limited (上海寶原體育用品商貿有限公司). The total registered capital of Wuxi Baoyuan Sports Goods Trading Company Limited (無錫寶原體育用品商貿有限公司) is RMB1,000,000 and is fully paid up.

(mm) *Baoyu (Chengdu) Trading Company Limited* (寶渝 (成都) 商貿有限公司)

Baoyu (Chengdu) Trading Company Limited (寶渝 (成都) 商貿有限公司) was established in the PRC with limited liability on March 27, 2006 and whose equity interest was then held as to 90% by A-Grade (US\$6,660,000) and as to 10% by Cheng Su Nan (鄭夙男) (US\$740,000). The total registered capital of Baoyu (Chengdu) Trading Company Limited (寶渝 (成都) 商貿有限公司) is US\$7,400,000 and is fully paid up.

(nn) *Fujian Baomin Sports Goods Company Limited* (福建寶閩體育用品有限公司)

Fujian Baomin Sports Goods Company Limited (福建寶閩體育用品有限公司) was established in the PRC with limited liability on May 23, 2006 and whose equity interest is held as to 90% by A-Grade (US\$4,050,000) and as to 10% by Glorious Win Developments Limited (US\$450,000), an independent third party. The total registered capital of Fujian Baomin Sports Goods Company Limited (福建寶閩體育用品有限公司) is US\$4,500,000 and is fully paid up.

(oo) *Baoxin (Chengdu) Trading Company Limited* (寶信 (成都) 商貿有限公司)

Baoxin (Chengdu) Trading Company Limited (寶信 (成都) 商貿有限公司) was established in the PRC with limited liability on September 6, 2006 and whose entire equity interest is held by Technico Business Group Limited. The total registered capital of Baoxin (Chengdu) Trading Company Limited (寶信 (成都) 商貿有限公司) is US\$5,000,000 and is fully paid up.

(pp) *Diodite (China) Sports Goods Company Limited* (笛亞泰 (中國) 體育用品有限公司)

Diodite (China) Sports Goods Company Limited (笛亞泰 (中國) 體育用品有限公司) was established in the PRC with limited liability on May 25, 2006 and whose entire equity interest is held by Diodite (formerly known as Powerbright Limited). The initial total registered capital of Diodite (China) Sports Goods Company Limited (笛亞泰 (中國) 體育用品有限公司) was US\$12,000,000. On March 18, 2008, the total registered capital was increased to US\$20,000,000 and is fully paid up.

(qq) *Dragonlight (China) Sports Goods Company Limited* (龍光 (中國) 體育用品有限公司)

Dragonlight (China) Sports Goods Company Limited (龍光 (中國) 體育用品有限公司) was established in the PRC with limited liability on November 15, 2006 and whose entire equity interest is held by Dragonlight. The initial total registered capital of Dragonlight (China) Sports Goods Company Limited (龍光 (中國) 體育用品有限公司) was US\$20,000,000. On April 29, 2007, the total registered capital of Dragonlight (China) Sports Goods Company Limited (龍光 (中國) 體育用品有限公司) was increased to US\$36,000,000 and is fully paid up.

(rr) *Zhejiang Jinguan Industrial Development Company Limited* (浙江金冠實業發展有限公司)

Zhejiang Jinguan Industrial Development Company Limited (浙江金冠實業發展有限公司) was established in the PRC with limited liability on September 7, 2007 and whose equity interest is held as to 50% by Zhejiang Jinguan Industrial Development Company Limited (浙江金冠體育用品有限公司) (RMB26,800,000) and as to 50% by Yangzhou Longsheng Sports Goods Company Limited (揚州龍勝體育用品有限公司) (RMB26,800,000). The total registered capital of Zhejiang Jinguan Industrial Development Company Limited (浙江金冠實業發展有限公司) is RMB53,600,000 and is fully paid up.

(ss) *Yunnan Orientalsport Economy Trade Company Limited* (雲南奧龍世博經貿有限公司)

Yunnan Orientalsport Economy Trade Company Limited (雲南奧龍世博經貿有限公司) was established in the PRC with limited liability on December 5, 2006 and whose entire equity interest is held by Profit Concept Group Limited. The total registered capital of Yunnan Orientalsport Economy Trade Company Limited (雲南奧龍世博經貿有限公司) is RMB56,100,000 and is fully paid up.

(tt) *Taicang Yusheng Moulding Company Limited* (太倉裕盛模具有限公司)

Taicang Yusheng Moulding Company Limited (太倉裕盛模具有限公司) was established in the PRC with limited liability on November 5, 2004 and whose entire equity interest is now held by Brightup. The initial total registered capital of Taicang Yusheng Moulding Company Limited (太倉裕盛模具有限公司) was US\$1,050,000. On February 23, 2006, the total registered capital was increased to US\$2,100,000 and is fully paid up.

(uu) *Shengdao (Yangzhou) Sports Goods Development Company Limited* (勝道(揚州)體育用品開發有限公司)

Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) was established in the PRC with limited liability on December 22, 2006 and whose entire equity interest is held by YY Sports. The initial total registered capital of Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) was US\$12,000,000. On June 18, 2007, the total registered capital was increased to US\$36,000,000 and is fully paid up.

(vv) *Shanghai Shengdao Sports Goods Company Limited* (上海勝道體育用品有限公司)

Shanghai Shengdao Sports Goods Company Limited (上海勝道體育用品有限公司) was established in the PRC with limited liability on May 25, 2007 and whose entire equity interest is held by Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司). The total registered capital of Shanghai Shengdao Sports Goods Company Limited (上海勝道體育用品有限公司) is RMB100,000 and is fully paid up.

(ww) *Guizhou Shengdao Sports Goods Development Company Limited* (貴州勝道體育用品開發有限公司)

Guizhou Shengdao Sports Goods Development Company Limited (貴州勝道體育用品開發有限公司) was established in the PRC with limited liability on June 20, 2007 and whose equity interest is held as to 60% by Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) (RMB10,500,000) and as to 40% by Guiyang Baoxin Sports Goods Company Limited (貴陽寶新體育用品有限公司) (RMB7,000,000). The total registered capital of Guizhou Shengdao Sports Goods Development Company Limited (貴州勝道體育用品開發有限公司) is RMB17,500,000 and is fully paid up.

(xx) *Hubei Shengdao Sports Goods Company Limited* (湖北勝道體育用品有限公司)

Hubei Shengdao Sports Goods Company Limited (湖北勝道體育用品有限公司) was established in the PRC with limited liability on July 2, 2007 and whose equity interest is held as to 60% by Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) (RMB30,000,000), as to 20% by Qiu Xiaojie (邱小杰) (RMB10,000,000) and as to 20% by Xu Feng (徐風) (RMB10,000,000). The total registered capital of Hubei Shengdao Sports Goods Company Limited (湖北勝道體育用品有限公司) is RMB50,000,000 and is fully paid up.

(yy) *Yunnan Shengdao Sports Goods Company Limited* (雲南勝道體育用品有限公司)

Yunnan Shengdao Sports Goods Company Limited (雲南勝道體育用品有限公司) was established in the PRC with limited liability on July 24, 2007 and whose equity interest is held as to 60% by Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) (RMB52,500,000), as to 16% by Lu Shan (廬山) (RMB14,000,000), as to 16% by Lu Li (盧力) (RMB14,000,000) and as to 8% by Lu Yi (盧毅) (RMB7,000,000). The total registered capital of Yunnan Shengdao Sports Goods Company Limited (雲南勝道體育用品有限公司) is RMB87,500,000 and is fully paid up.

(zz) *Chengdu Shengdao Sports Goods Company Limited* (成都勝道體育用品有限公司)

Chengdu Shengdao Sports Goods Company Limited (成都勝道體育用品有限公司) was established in the PRC with limited liability on December 13, 2007, and whose equity interest is held as to 60 % by Shengdao (Yangzhou) Sports Goods Company Development Limited (勝道(揚州)體育用品開發有限公司) and as to 40% by Shanghai Baoyuen Sports Goods Trading Company Limited (上海寶原體育用品商貿有限公司). The total registered capital of Chengdu Shengdao Sports Goods Company Limited (成都勝道體育用品有限公司) is RMB106,400,000 and is fully paid up.

(Aa) *Shanghai Haodong Trading Company Limited* (上海好動商貿有限公司)

Shanghai Haodong Trading Company Limited (上海好動商貿有限公司) was established in the PRC with limited liability on December 27, 2007 and whose equity interest is held as to 100% by Shengdao (Yangzhou) Sports Goods Company Development Limited (勝道(揚州)體育用品開發有限公司). The total registered capital of Shanghai Haodong Trading Company Limited (上海好動商貿有限公司) is RMB10,000,000 and is fully paid up.

(Ab) *Guangzhou Shengdao Sports Goods Company Limited* (廣州勝道體育用品有限公司)

Guangzhou Shengdao Sports Goods Company Limited (廣州勝道體育用品有限公司) was established in the PRC with limited liability on February 4, 2008 and whose equity interest is held as to 60% by Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) and 40% by Guangzhou

Baoyuan Trading Company Limited (廣州寶元貿易有限公司). The total registered capital of Guangzhou Shengdao Sports Goods Company Limited (廣州勝道體育用品有限公司) is RMB100,000,000. As at the Latest Practicable Date, RMB20,000,000 has been paid up.

(Ac) *Hangzhou Baohong Sports Goods Company Limited* (杭州寶宏體育用品有限公司)

Hangzhou Baohong Sports Goods Company Limited (杭州寶宏體育用品有限公司) was established in the PRC with limited liability on August 20, 2007 and whose equity interest was then held as to 50% by A-Grade (RMB7,100,000) and as to 50% by Shanghai Zeyou Trading Development Company Limited (上海澤友貿易發展有限公司) (RMB7,100,000). The total registered capital of Hangzhou Baohong Sports Goods Company Limited (杭州寶宏體育用品有限公司) is RMB14,200,000 and is fully paid up.

(Ad) *Yangzhou Longsheng Sports Goods Company Limited* (揚州龍勝體育用品有限公司)

Yangzhou Longsheng Sports Goods Company Limited (揚州龍勝體育用品有限公司) was established in the PRC with limited liability on August 27, 2007 and whose entire equity interest is held by Dragonlight (China) Sports Goods Company Limited (龍光(中國)體育用品有限公司). The total registered capital of Yangzhou Longsheng Sports Goods Company Limited (揚州龍勝體育用品有限公司) is RMB5,000,000 and is fully paid up.

(Ae) *Yucheng (Kunshan) Sports Goods Company Limited* (裕程(昆山)體育用品有限公司)

Yucheng (Kunshan) Sports Goods Company Limited (裕程(昆山)體育用品有限公司) was established in the PRC with limited liability on July 20, 2007 and whose entire equity interest is held by Selangor Gold Limited. The total registered capital of Yucheng (Kunshan) Sports Goods Company Limited (裕程(昆山)體育用品有限公司) was US\$10,000,000 and is fully paid up.

(Af) *Guangzhou Baojin Sports Goods Company Limited* (廣州寶晉體育用品有限公司)

Guangzhou Baojin Sports Goods Company Limited (廣州寶晉體育用品有限公司) was established in the PRC with limited liability on May 29, 2002 and whose equity interest was held as to 72% by Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司). Technic Holding Corporation, which owns 96.7% of Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司), held the equity interest in Guangzhou Baojin Sports Goods Company Limited (廣州寶晉體育用品有限公司) on trust for Dedicated Group Limited. Guangzhou Baojin Sports Goods Company Limited (廣州寶晉體育用品有限公司) was de-registered on September 29, 2006.

(Ag) *Fuzhou Baomin Trading Company Limited* (福州寶閩貿易有限公司)

Fuzhou Baomin Trading Company Limited (福州寶閩貿易有限公司) was established in the PRC with limited liability on August 25, 2004 and whose equity interest was held as to 70% by Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司). Fuzhou Baomin Trading Company Limited (福州寶閩貿易有限公司) was de-registered on November 27, 2007.

(Ah) *Chongqing Baoyu Industrial and Trading Company Limited* (重慶寶渝工貿有限公司)

Chongqing Baoyu Industrial and Trading Company Limited (重慶寶渝工貿有限公司) was established in the PRC with limited liability on February 12, 2004 and whose equity interest was held as to 75% by Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司) and 25% by Cheng Su Nan (鄭夙男) who is a substantial shareholder of our other non-wholly owned subsidiary, Baoyu (Chengdu) Trading Company Limited (寶渝(成都)商貿有限公司). Chongqing Baoyu Industrial and Trading Company Limited (重慶寶渝工貿有限公司) was de-registered on March 27, 2007.

(Ai) *Harbin Baojun Trading Company Limited* (哈爾濱寶駿貿易有限公司)

Harbin Baojun Trading Company Limited (哈爾濱寶駿貿易有限公司) was established in the PRC with limited liability on December 23, 2004 and whose entire equity interest was held by Beijing Baosheng Daoji Sports Goods Company Limited (北京寶盛道吉體育用品有限公司). Harbin Baojun Trading Company Limited (哈爾濱寶駿貿易有限公司) was de-registered on June 1, 2007.

4. Resolutions of the Company's sole Shareholder passed on May 14, 2008

Written resolutions were passed by our sole Shareholder on May 14, 2008 pursuant to which, among other matters:

- (a) we approved and adopted our current memorandum of association and the By-laws;
- (b) our authorized share capital was increased from HK\$100,000 to HK\$300,000,000 by the creation of 29,990,000,000 new Shares ranking *pari passu* in all respects with the then existing issued Shares;
- (c) conditional upon the Reorganization Agreement becoming unconditional, the following issue and allotment of new Shares on May 23, 2008 were approved:
 - (i) the issue and allotment of 75,492 new Shares credited as fully paid to Major Focus and credit as fully paid the one Share issued nil paid to Major Focus;

- (ii) the issue and allotment of 13,944 new Shares credited as fully paid to Jollyard; and
- (iii) the issue and allotment of 10,563 new Shares credited as fully paid to Sports Group.
- (d) conditional on (i) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalization Issue, the Offer Shares as mentioned in this prospectus (including any Shares that may be issued pursuant to the exercise of the Over-allotment Option), any Shares which may be issued to our Call Option JVs' partners and Share Swap JV's partner, any Shares which may be issued under the Pre-IPO Share Subscription Plan and any Shares which may be issued pursuant to the exercise of options which may be granted, or to satisfy the grant of share options, under the Share Option Scheme; (ii) the execution and delivery of the International Offering Agreement on or around the Price Determination Date; and the obligations of the Underwriters under each of the Hong Kong Underwriting Agreement and the International Offering Agreement having become unconditional and not have been terminated in accordance with the terms of the respective Underwriting Agreements,
- (i) the Global Offering of 823,378,000 new Shares was approved and the Directors were authorised to implement the Global Offering including but not limited to the issue and allotment of such Shares pursuant to the Global Offering;
- (ii) conditional on the share premium account of the Company being credited as a result of the issue of Shares pursuant to the Global Offering, the allotment and issue of 2,631,544,000 new Shares to the Shareholders of the Company whose names appear in the register of members of the Company at the close of business on the Price Determination Date (or as they may direct) in the following manner (the "Capitalization Issue") were approved:

<u>Name of Shareholder</u>	<u>Number of Shares to be allotted and issued pursuant to the Capitalization Issue</u>	<u>Resultant shareholding</u>
Major Focus	1,986,647,507	75.5%
Jollyard	366,931,056	13.9%
Sports Group	277,965,437	10.6%

, and the Directors were authorised to issue and allot such new Shares under the Capitalization Issue;

- (iii) the Share Option Scheme was approved, and the Directors, or any duly authorized committee of them, were authorized to grant Shares or options thereunder;
 - (iv) the Pre-IPO Share Subscription Plan was approved, and the Directors, or any duly authorized committee of them, were authorized to make invitations to subscribe thereunder; and
 - (v) the issue of Shares to each Call Option JVs' partners and Share Swap JV's partner was approved, and the Directors, or any duly authorised committee of them, were authorized to allot and issue such Shares;
- (d) a general unconditional mandate was given to the Directors to allot, issue and deal with, otherwise than by way of rights issue, the exercise of options granted under the Share Option Scheme, the issue of Shares under the Pre-IPO Share Subscription Plan, any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws or any adjustment of rights to subscribe for Shares under options or warrants or a specific authority granted by the shareholders of the Company or exercise of the subscription or conversion rights attaching to any warrants issued by the Company, Shares with an aggregate nominal amount not exceeding the sum of (i) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalization Issue (without taking into account any Shares to be issued pursuant to the exercise of the Over-allotment Option); and (ii) the aggregate nominal amount of the share capital of our Company which may be purchased or repurchased by our Company pursuant to the authority granted to the Directors as referred to in paragraph (e) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by any applicable law or the Bye-laws to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors, whichever occurs first;
- (e) a general unconditional mandate was given to the Directors authorizing them to exercise all powers of our Company to purchase or repurchase on the Stock Exchange or on any other stock exchange on which the Shares may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, in accordance with all applicable laws, Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalization Issue (without taking into account any Shares to be issued pursuant to the exercise of the Over-allotment Option), until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by any applicable law or the

Bye-laws to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors, whichever occurs first; and

- (f) the extension of the general mandate to allot, issue and deal with Shares to include the nominal amount of Shares which may be purchased or repurchased pursuant to paragraph (e) above.

5. Reorganization

The companies in the Group underwent the Reorganization in preparation for the listing of the Shares on the Stock Exchange which involved the following:

- (a) the transfer by Manfield to Treasure Chain of:
 - (i) 700 ordinary shares of US\$1.00 each in Selangor Gold;
 - (ii) 6,300 ordinary shares of US\$1.00 each in Wellmax;
 - (iii) 6,300 ordinary shares of US\$1.00 each in A-Grade;
 - (iv) 140 ordinary shares of US\$1.00 each in Charming Technology; and
 - (v) 700 ordinary shares of US\$1.00 each in Dedicated Group;
- (b) the transfer by Jollyard to Treasure Chain of:
 - (i) 175 ordinary shares of US\$1.00 each in Selangor Gold;
 - (ii) 1,575 ordinary shares of US\$1.00 each in Wellmax;
 - (iii) 1,575 ordinary shares of US\$1.00 each in A-Grade;
 - (iv) 35 ordinary shares of US\$1.00 each in Charming Technology; and
 - (v) 175 ordinary shares of US\$1.00 each in Dedicated Group;
- (c) the transfer by Sports Group to Treasure Chain of:
 - (i) 125 ordinary shares of US\$1.00 each in Selangor Gold;
 - (ii) 1,125 ordinary shares of US\$1.00 each in Wellmax;
 - (iii) 1,125 ordinary shares of US\$1.00 each in A-Grade;
 - (iv) 25 ordinary shares of US\$1.00 each in Charming Technology; and
 - (v) 125 ordinary shares of US\$1.00 each in Dedicated Group;

- (d) in consideration of the above transfers, the Company issued and allotted:
- (i) 75,492 new Shares credited as fully paid to Major Focus (at the direction of Manfield) and credit as fully paid the one Share issued nil paid to Major Focus;
 - (ii) 13,944 new Shares credited as fully paid to Jollyard; and
 - (iii) 10,563 new Shares credited as fully paid to Sports Group.

In addition to the above, the Group also underwent the following corporate restructuring:

- (a) on November 16, 2007, the transfer by Forearn Company Limited to Brightup of the entire equity interest in Taicang Yusheng Moulding Company Limited (太倉裕盛模具有限公司) at a total consideration of US\$2,740,822.00;
- (b) on November 28, 2007, the transfer by Pou Yuen Industrial (Holdings) Limited (寶元工業(集團)有限公司) to Brightup of the entire equity interest in Yusheng (Taicang) Footwear Company Limited (裕盛(太倉)鞋業有限公司) at a total consideration of US\$24,161,842.00;
- (c) on December 27, 2007, the transfer by Pou Yuen Industrial (Holdings) Limited (寶元工業(集團)有限公司) to Brightup of the entire equity interest in Taicang Yusheng Sports Goods Company Limited (太倉裕盛體育用品有限公司) at a total consideration of US\$11,837,604;
- (d) on December 31, 2007, the transfer by Manfield to YY Sports of 1 ordinary share of US\$1.00 in Diodite representing the entire issued share capital of Diodite at a total consideration of US\$1.00;
- (e) on December 31, 2007, the transfer by Manfield to YY Sports of 1 ordinary share of US\$1.00 in Dragonlight representing the entire issued share capital of Dragonlight at a total consideration of US\$10,731,764.00;
- (f) on December 31, 2007, the transfer by Manfield to YY Sports of 1 ordinary share of US\$1.00 in Richwin representing the entire issued share capital of Richwin at a total consideration of US\$1.00; and
- (g) on December 31, 2007, the transfer by Manfield to the Company of 1 ordinary share of US\$1.00 in YY Sports representing the entire issued share capital of YY Sports at a total consideration of US\$1.00.

6. Repurchase of the Company's Own Securities

This section includes information relating to the repurchase by us of our own securities, including information required by the Stock Exchange to be included in this prospectus concerning the repurchase.

(a) *Shareholders' approval*

All our proposed repurchases of Shares (which must be fully paid up) must be approved in advance by an ordinary resolution of our Shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to resolutions in writing passed by our sole Shareholder on May 14, 2008, a general unconditional mandate (the "Repurchase Mandate") was given to our Directors authorizing them to exercise all powers of our Company to purchase or repurchase our Shares on the Stock Exchange or on any other stock exchange on which our Shares may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, of not more than 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following the completion of the Global Offering and the Capitalization Issue (without taking into account any Shares to be issued pursuant to the exercise of the Over-allotment Option), such mandate to expire at the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by any applicable law or the Bye-laws to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to the Directors, whichever occurs first.

(b) *Number of Shares which may be repurchased*

The exercise in full of the Repurchase Mandate, on the basis of 3,550,000,000 Shares in issue immediately after completion of the Global Offering and the Capitalization Issue, could accordingly result in up to 355,000,000 Shares being repurchased by our Company during the period prior to (1) the conclusion of the next annual general meeting of our Company; (2) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Bye-laws to be held; or (3) the revocation or variation of the Repurchase Mandate by ordinary resolution of the Shareholders in a general meeting, whichever occurs first.

(c) *Reasons for repurchases*

Our Directors believe that it is in the best interests of our Company and the Shareholders for our Directors to have general authority from our Shareholders to enable us to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of our Company and our assets and/or our earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and the Shareholders.

(d) *Source of funds*

Repurchases by our Company must be funded out of funds legally available for such purpose in accordance with the Memorandum and the Bye-laws, the applicable laws and regulations of Bermuda and the Listing Rules. A listed company is prohibited from repurchasing its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Subject to the foregoing, any repurchases by our Company may be made out of our profits or out of the proceeds of a fresh issue of

Shares made for the purpose of the repurchase or, if authorized by the Bye-laws and subject to the Companies Act, out of capital and in the case of any premium payable on a repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company, or if authorized by the Bye-laws and subject to the Companies Act, out of capital.

(e) *Impact of repurchase*

On the basis of our current financial position as disclosed in this prospectus and taking into account our current working capital position, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or the gearing position as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

(f) *Directors' intention to sell shares*

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention, in the event that the Repurchase Mandate is exercised, to sell any Shares to us.

(g) *Directors' undertakings*

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of Bermuda.

(h) *Takeovers Code*

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of such Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

(i) *Share repurchase by our Company*

No repurchase of Shares has been made by our Company since its incorporation.

(j) *Connected parties*

No connected person of our Company has notified us that he has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS**1. Summary of material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us or our subsidiaries within the two years preceding the date of this prospectus and are or may be material:

- (a) Business Separation Deed;
- (b) an agreement dated April 29, 2008 entered into between Yue Yuen, Jollyard, Sports Group, Mr. Huang and the Company for the acquisition by Treasure Chain of the respective interests held by Manfield, Jollyard, Sports Group and Mr. Huang in Selangor Gold, Wellmax, A-Grade, Charming Technology and Dedicated Group (together the “Relevant Companies”), representing the entire issued share capital of the Relevant Companies, in consideration of which the Company agreed to credit as fully paid one nil paid Share issued and allotted to Major Focus and to issue and allot, credited as fully paid, of an aggregate of 99,999 new Shares as to 75,492 Shares to Major Focus (at the direction of Manfield), as to 13,944 Shares to Jollyard, as to 10,563 Shares to Sports Group;
- (c) a deed of indemnity dated May 23, 2008 executed by Yue Yuen, Jollyard, Sports Group and Mr. Huang in favor of the Company for itself and as trustee for our subsidiaries stated therein containing the indemnities in relation to certain taxation and property matters; and
- (d) Hong Kong Underwriting Agreement.












2. Our intellectual property rights

As of the Latest Practicable Date, we have registered or applied for the registration of, or were licensed to use, the following intellectual property rights which are or may be material in relation to our business.



A. Registered Trademarks

As at the Latest Practicable Date, we have registered the following trademarks:

<u>Trademark</u>	<u>Name of registered owner</u>	<u>Place of registration</u>	<u>Class</u>	<u>Registration number</u>	<u>Commencement date</u>	<u>Expiry date</u>
1. 	Yusheng (Kunshan) Sports Goods Company Limited (裕晟 (昆山) 體育用品有限公司)	PRC	35 ⁽¹⁾	3302905	June 14, 2004	June 13, 2014
2. 	Yusheng (Kunshan) Sports Goods Company Limited (裕晟 (昆山) 體育用品有限公司)	PRC	25 ⁽²⁾	3302906	May 28, 2004	May 27, 2014
3. SUV 4×4	Yusheng (Kunshan) Sports Goods Company Limited (裕晟 (昆山) 體育用品有限公司)	PRC	25 ⁽²⁾	3388175	September 7, 2004	September 6, 2014
4. <i>FOOT ZONE</i>	Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	18 ⁽³⁾	01189670	January 1, 2006	December 31, 2015
5. <i>FOOT ZONE</i>	Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	25 ⁽⁴⁾	01189989	January 1, 2006	December 31, 2015
6. <i>FOOT ZONE</i>	Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	35 ⁽⁵⁾	01212339	June 1, 2006	May 31, 2016
7. 	Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	35 ⁽⁵⁾	01212340	June 1, 2006	May 31, 2016
8. 	Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	18 ⁽³⁾	01202058	April 1, 2006	March 31, 2016



	Trademark	Name of registered owner	Place of registration	Registration		Commencement	
				Class	number	date	Expiry date
9.		Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	18 ⁽³⁾	01295211	January 1, 2008	December 31, 2017
10.		Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	25 ⁽⁴⁾	01295414	January 1, 2008	December 31, 2017
11.		Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	35 ⁽⁵⁾	01290968	December 1, 2007	November 30, 2017
12.		Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	18 ⁽³⁾	01183848	December 1, 2005	November 30, 2015
13.		Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	25 ⁽⁴⁾	01184094	December 1, 2005	November 30, 2015
14.		Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	35 ⁽⁶⁾	01202837	April 1, 2006	March 31, 2016
15.		Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	18 ⁽³⁾	01183847	December 1, 2005	November 30, 2015
16.		Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	25 ⁽⁴⁾	01184093	December 1, 2005	November 30, 2015
17.		Pau Yuen Trading Corporation (寶原興業股份有限公司)	Taiwan	35 ⁽⁷⁾	01202836	April 1, 2006	March 31, 2016
18.		Charming Technology Limited (魅力科技有限公司)	PRC	9 ⁽⁸⁾	4244555	January 28, 2007	January 27, 2017
19.		Charming Technology Limited (魅力科技有限公司)	PRC	9 ⁽⁸⁾	4244556	January 28, 2007	January 27, 2017

<u>Trademark</u>	<u>Name of registered owner</u>	<u>Place of registration</u>	<u>Class</u>	<u>Registration number</u>	<u>Commencement date</u>	<u>Expiry date</u>
20. FOOTZONE	Beijing Baosheng Daoji Sports Goods Company Limited (北京寶盛道吉體育用品有限公司) ³⁵	PRC	18 ⁽⁹⁾	737626	March 28, 2005	March 27, 2015
21. FOOTZONE	Beijing Baosheng Daoji Sports Goods Company Limited (北京寶盛道吉體育用品有限公司) ³⁵	PRC	25 ⁽¹⁰⁾	725290	January 14, 2005	January 13, 2015
22. FOOTZONE	Beijing Baosheng Daoji Sports Goods Company Limited (北京寶盛道吉體育用品有限公司) ³⁵	PRC	35 ⁽¹¹⁾	769022	October 7, 2004	October 6, 2014
23. FOOTZONE	Beijing Baosheng Daoji Sports Goods Company Limited (北京寶盛道吉體育用品有限公司) ³⁵	PRC	41 ⁽¹²⁾	776224	January 21, 2005	January 20, 2015
24. YYSPTS	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	HONG KONG	18, 25, 28, 35 ⁽¹³⁾	300948646	September 6, 2007	September 5, 2017
25. (A) 勝道 (B) 胜道	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	HONG KONG	18, 25, 28, 35 ⁽¹³⁾	300948655	September 6, 2007	September 5, 2017
26. 胜道	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	HONG KONG	18, 25, 28, 35 ⁽¹⁴⁾	300958023	September 20, 2007	September 19, 2017
27. YYSPTS	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	HONG KONG	18, 25, 28, 35 ⁽¹⁴⁾	300958032	September 20, 2007	September 19, 2017

Trademark	Name of registered owner	Place of registration	Registration		Commencement	
			Class	number	date	Expiry date
28. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	HONG KONG	18, 25, 28, 35 ⁽¹⁴⁾	300958041	September 20, 2007	September 19, 2017
29. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	HONG KONG	18, 25, 28, 35 ⁽¹⁴⁾	300958014	September 20, 2007	September 19, 2017










B. Application for Registration of Trademarks

As at the Latest Practicable Date, we have applied for registration of the following trademarks, but registration of which has not yet been granted:











Trademark	Name of applicant	Place of application	Class	Application	
				number/ Transfer application number	date/Transfer application date
1. 扬基	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	PRC	9 ⁽¹⁵⁾	4690785	May 31, 2005
2. 	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	PRC	9 ⁽¹⁵⁾	4690784	May 31, 2005
3. YANKEE	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	PRC	9 ⁽¹⁵⁾	4690803	May 31, 2005
4. 扬基	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	PRC	35 ⁽¹⁶⁾	4690788	May 31, 2005
5. YANKEE	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	PRC	35 ⁽¹⁶⁾	4690787	May 31, 2005
6. 	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	PRC	35 ⁽¹⁶⁾	4690786	May 31, 2005

<u>Trademark</u>	<u>Name of applicant</u>	<u>Place of application</u>	<u>Class</u>	<u>Application number/ Transfer application number</u>	<u>Application date/Transfer application date</u>
7. 扬基	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	PRC	42 ⁽¹⁷⁾	4690800	May 31, 2005
8. 	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	PRC	42 ⁽¹⁷⁾	4690801	May 31, 2005
9. YANKEE	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	PRC	42 ⁽¹⁷⁾	4690802	May 31, 2005
10. 胜道	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司) ³⁶	PRC	35 ⁽¹⁸⁾	5563270/ 200732569	August 25, 2006/ July 5, 2007
11. 胜道	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司) ³⁶	PRC	28 ⁽¹⁹⁾	5563269/ 200732568	August 25, 2006/ July 5, 2007
12. 胜道	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司) ³⁶	PRC	18 ⁽²⁰⁾	5571652/ 200732566	August 29, 2006/ July 5, 2007
13. 胜道	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司) ³⁶	PRC	25 ⁽²¹⁾	5571653/ 200732567	August 29, 2006/ July 5, 2007
14.  胜道	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司) ³⁶	PRC	35 ⁽¹⁸⁾	5706404/ 200732577	November 7, 2006/July 5, 2007
15.  胜道	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司) ³⁶	PRC	28 ⁽¹⁹⁾	5706406/ 200732576	November 7, 2006/July 5, 2007

	<u>Trademark</u>	<u>Name of applicant</u>	<u>Place of application</u>	<u>Class</u>	<u>Application number/ Transfer application number</u>	<u>Application date/Transfer application date</u>
16.		Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) ³⁶	PRC	25 ⁽²¹⁾	5706407/ 200732575	November 7, 2006/July 5, 2007
17.		Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) ³⁶	PRC	18 ⁽²⁰⁾	5706405/ 200732574	November 7, 2006/July 5, 2007
18.		Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) ³⁶	PRC	28 ⁽¹⁹⁾	5681965/ 200732572	October 26, 2006/July 5, 2007
19.		Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) ³⁶	PRC	35 ⁽¹⁸⁾	5681964/ 200732573	October 26, 2006/July 5, 2007
20.		Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) ³⁶	PRC	25 ⁽²¹⁾	5681966/ 200732571	October 26, 2006/July 5, 2007
21.		Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) ³⁶	PRC	18 ⁽²⁰⁾	5681963/ 200732570	October 26, 2006/July 5, 2007
22.		Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	PRC	28 ⁽²²⁾	6213699	August 10, 2007
23.		Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	PRC	18 ⁽²³⁾	In progress ⁽³⁸⁾	August 10, 2007
24.		Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	PRC	25 ⁽²⁴⁾	6213695	August 10, 2007

<u>Trademark</u>	<u>Name of applicant</u>	<u>Place of application</u>	<u>Class</u>	<u>Application number/ Transfer application number</u>	<u>Application date/Transfer application date</u>
25. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司)	PRC	35 ⁽²⁵⁾	6213694	August 10, 2007
26. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司)	PRC	28 ⁽²²⁾	6213697	August 10, 2007
27. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司)	PRC	18 ⁽²³⁾	In progress ⁽³⁸⁾	August 10, 2007
28. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司)	PRC	25 ⁽²⁴⁾	6213689	August 10, 2007
29. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司)	PRC	35 ⁽²⁵⁾	6213688	August 10, 2007
30. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司)	PRC	28 ⁽²²⁾	6213698	August 10, 2007
31. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司)	PRC	18 ⁽²³⁾	In progress ⁽³⁸⁾	August 10, 2007
32. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司)	PRC	25 ⁽²⁴⁾	6213692	August 10, 2007
33. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司)	PRC	35 ⁽²⁵⁾	6213691	August 10, 2007

<u>Trademark</u>	<u>Name of applicant</u>	<u>Place of application</u>	<u>Class</u>	<u>Application number/ Transfer application number</u>	<u>Application date/Transfer application date</u>
34. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	PRC	35 ⁽²⁶⁾	6353682	November 1, 2007
35. 	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	PRC	35 ⁽²⁶⁾	6353681	November 1, 2007
36. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	18 ⁽²⁷⁾	96032425	July 9, 2007
37. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	25 ⁽²⁸⁾	96032423	July 9, 2007
38. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	28 ⁽²⁹⁾	96032426	July 9, 2007
39. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	35 ⁽³⁰⁾	96032428	July 9, 2007
40. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	18 ⁽²⁷⁾	96032430	July 9, 2007
41. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	25 ⁽²⁸⁾	96032431	July 9, 2007
42. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	28 ⁽²⁹⁾	96032432	July 9, 2007
43. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	35 ⁽³⁰⁾	96032433	July 9, 2007
44. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	18 ⁽²⁷⁾	96032434	July 9, 2007
45. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	25 ⁽²⁸⁾	96032435	July 9, 2007
46. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	28 ⁽²⁹⁾	96032436	July 9, 2007
47. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	35 ⁽³⁰⁾	96032437	July 9, 2007
48. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	18 ⁽²⁷⁾	96032438	July 9, 2007
49. 	Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	25 ⁽²⁸⁾	96032439	July 9, 2007

	<u>Trademark</u>	<u>Name of applicant</u>	<u>Place of application</u>	<u>Class</u>	<u>Application number/ Transfer application number</u>	<u>Application date/Transfer application date</u>
50.		Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	28 ⁽²⁹⁾	96032441	July 9, 2007
51.		Pou Chen Corporation (寶成工業股份有限公司)	Taiwan	35 ⁽³⁰⁾	96032442	July 9, 2007
52.		Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司) ³⁷	PRC	35 ⁽³¹⁾	4649707	May 11, 2005
53.		Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司) ³⁷	PRC	18 ⁽³²⁾	4649704	May 11, 2005
54.		Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司) ³⁷	PRC	25 ⁽³³⁾	4649708	May 11, 2005
55.		Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司) ³⁷	PRC	35 ⁽³⁴⁾	4678641	May 25, 2005
56.		Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司) ³⁷	PRC	35 ⁽³⁴⁾	4678642	May 25, 2005
57.		Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司) ³⁷	PRC	35 ⁽³⁴⁾	4678643	May 25, 2005
58.		Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司) ³⁷	PRC	35 ⁽³⁴⁾	4678644	May 25, 2005
59.		Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司) ³⁷	PRC	35 ⁽³¹⁾	4631551	April 28, 2005

1. Goods/Services registered in Class 35:

Advertising; commercial information agencies; commercial or industrial management assistance; marketing studies; professional business consultancy; bid and tender price; organisation of exhibitions for commercial or advertising purposes; import-export agencies; auctioneering; sales promotion (for others).

2. Goods/Services registered in Class 25:

Clothing; bathing suits; waterproof clothing; football shoes; mountain climbing shoes; footwear; headgear for wear; hosiery; gloves (clothing); scarves.

3. *Goods/Services registered in Class 18:*

School satchels; valise; Garment bag for travel; suitcase; back packs for sporting purposes; bag for mountain climbing; bag for campers; umbrellas; baby carrier (straps).

4. *Goods/Services registered in Class 25:*

Clothes; clothes for sports; leisurewear; leotard; boots; shoes for sports; shoes for leisure; scarves; caps; earmuffs to protect against coldness; hosiery; gloves to protect against coldness and to use as accessories; belts; skidproof device for boots.

5. *Goods/Services registered in Class 35:*

Import and export agencies and agency for quotations of various products from factories in or outside of country and the provision of information about tender agencies; shopping via the internet; retail for clothing and accessories; retail for sportswear; retail for shoes and boots; retail for cultural and educational products; retail for ironware and household articles for daily use; purchasing services for others; department stores; supermarkets; convenience stores; shopping centres; mail order shopping; television shopping; retail for watches and clocks; retail for spectacles; auctioneering via the internet.

6. *Goods/Services registered in Class 35:*

Retail of clothing and accessories; retail of sports products; retail of shoes and boots; retail of educational materials; retail of ironware and daily household products; retail of watches and clocks; retail of spectacles; auctioneering via the internet.

7. *Goods/Services registered in Class 35:*

Shopping via the internet; retail of clothing and accessories; retail of sports products; retail of shoes and boots; retail of educational products; retail of ironware and daily household products; department stores; supermarkets; convenience stores, super stores; shopping centres; mail order shopping; television shopping, retail of watches and clocks; retail of spectacles; auctioneering via the internet.

8. *Goods/Services registered in Class 9:*

Recorded computer programmes; recorded computer operating programmes; recorded computer software; computer programmes (downloadable software); electronic publications (downloadable); computers; sighting telescopes for firearms; cash registers; printers for use with computers; fingerprint inspection machines.

9. *Goods/Services registered in Class 18:*

Pelts; leather cases; fur-skins; umbrellas; canes; whips.

10. *Goods/Services registered in Class 25:*

Clothing; tight clothing for ladies; clothing of leather; rainwear; theatrical costumes; bathing suits; shoes; shoes for sports; hats; hosiery; scarves.

11. *Goods/Services registered in Class 35:*

Operation management assistance; business enquiries; bill posting; outdoor advertising industry; import-export agencies; commercial information agencies; cost price analysis; accounting industry; commercial information agencies; Dissemination of advertising matter industry; photocopying industry; statistical information; employment agencies; office machine and equipment rental; Personnel management consultancy; typing industry; product information; direct mail advertising; auctioneering; distribution of samples; efficiency experts; document reproduction; marketing studies; business estimation; business

investigations; location of freight cars by computer; transcription; shop window dressing; opinion polling; relocation services for business; sales promotion industry; secretarial services; tax preparation; telephone answering; public relations; word processing; arranging newspaper subscriptions; publicity agency.

12. *Goods/Services registered in Class 41:*

Educational service industry; conducting and arranging of conferences; lending libraries; publication of books industry; movie studios; animal training; instruction service industry.

13. *Goods/Services applied for in Class 18:*

Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

Goods/Services applied for in Class 25:

Clothing, footwear, headgear.

Goods/Services applied for in Class 28:

Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees.

Goods/Services applied for in Class 35:

Advertising; business management; business administration; office functions

14. *Goods/Services applied for in Class 18:*

Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

Goods/Services applied for in Class 25:

Clothing, footwear, headgear.

Goods/Services applied for in Class 28:

Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees.

Goods/Services applied for in Class 35:

Advertising; business management; business administration; office functions; import, export, wholesale, retail, distribution and mail order services relating to leather and imitations of leather, and goods made of these materials, animal skins, hides, trunks and travelling bags, umbrellas, parasols and walking sticks, whips, harness and saddlery, clothing, footwear, headgear, games and playthings, gymnastic and sporting articles, decorations for Christmas trees.

15. *Goods/Services applied for in Class 9:*

Computers; recorded computer programmes; computer software (recorded); computer software (recorded-) downloadable electronic publications; processors (central processing units); computer programmes (downloadable software); readers (data processing equipment); counters; electronic noticeboards; optical communication instrument; sound recording carriers.

16. *Goods/Services applied for in Class 35:*

Advertising; online advertising on a computer network; commercial information agencies; import-export agencies; sales promotion (for others); personnel management consultancy; relocation services for businesses; word processing; auditing; rental of vending machines.

17. *Goods/Services applied for in Class 42:*

Technical research; creating and maintaining websites for others; computer programming; computer software design; consultancy in the field of compute hardware; maintenance of computer software; computer systems analysis; conversion of data or documents from physical to electronic media; hosting computer sites (websites); computer system design; data conversion of computer programmes and data (not physical conversion).

18. *Goods/Services applied for in Class 35:*

Direct mail advertising; distribution of samples; shop window dressing; opinion polling; import and export agencies; sales promotion (for others); procurement services for others (purchasing goods and services for other businesses); personnel recruitment; psychological testing (for the selection of personnel).

19. *Goods/Services applied for in Class 28:*

Balls for games; balls for sporting activities; playing balls; nets for sports; bats for games; bats for sporting activities; rackets; batting gloves (accessories for games); shin guards (sports articles); gloves for games; elbow guards (sports articles); knee guards (sports articles); cuff.

20. *Goods/Services applied for in Class 18:*

Purses; school bags; school satchels; back packs; shopping bags; handbags; travelling bags; haversacks; alpenstocks.

21. *Goods/Services applied for in Class 25:*

Trousers; outer clothing; knitwear (clothing); sports jerseys; tee-shirts; bathing caps; bathing drawers; bathing suits; sports shoes; boots for sports; hosiery; gloves (clothing); scarves; girdles.

22. *Goods/Services applied for in Class 28:*

Playing cards; playing cards; kites; baseballs; golf balls; tennis balls; table tennis balls; elbow-guards (sports articles); knee-guards (sports articles); playing balls.

23. *Goods/Services applied for in Class 18:*

Back packs; shopping bags; handbags; travelling bags; haversacks; leather, unworked or semi-worked; key cases (leatherware); cases used for golfing sports; beach bags; mountaineering bags; waist-bags; umbrella; parasols.

24. *Goods/Services applied for in Class 25:*

Coats; tee-shirts; shirts; thick sports jerseys; skirts; trousers; jackets (clothing); sports wear (not including diving suits); jackets for sports; sports hats; vests; tee-shirts for sports; shoes for sports; boots for sports.

25. *Goods/Services applied for in Class 35:*

Direct mail advertisement; distribution of samples; shop window dressing; opinion polling; personnel recruitment; advertising; dissemination of advertising matter; rental of advertising space; publication of publicity text; direct mailing advertising; advertisement planning; television advertising.

26. *Goods/Services applied for in Class 35:*

Bill posting; outdoor advertising; dissemination of advertising matter; demonstration of goods; direct mail advertising; distribution of samples; advertising; publicity; television advertising; television commercials; shop window dressing; rental of advertising space; on-line advertising on a computer network; advertisement plan; marketing studies; professional business consultancy; business information; organisation of trade fairs for commercial or advertising purposes; sales promotion (for others); compilation of information into computer databases; systemisation of information into computer databases.

27. *Goods/Services applied for in Class 18:*

Back packs; shopping bags; handbags; travelling bags; haversacks; leather, unworked or semi-worked; key cases (leatherware); back packs for sports use; beach bags; mountaineering bags; waist-bags; umbrella; parasols.

28. *Goods/Services applied for in Class 25:*

Clothing; tee-shirts; shirts; clothing for sports; skirts; trousers; jackets (clothing); sports hats; singlets; vests; shoes.

29. *Goods/Services applied for in Class 28:*

Playing cards; playing cards; kites; baseballs; golf balls; tennis balls; table tennis balls; elbow-guards (sports articles); knee-guards (sports articles); playing balls.

30. *Goods/Services applied for in Class 35:*

Advertisement planning; advertisement devising; advertisement production; advertising agencies; publicity; delivery of publicity materials; introduction to professions; market investigations; opinion investigation.

31. *Goods/Services applied for in Class 35:*

Advertising; demonstration of goods; business management assistance; import-export agencies; sales promotion (for others); personnel management consultancy; relocation services for businesses; word processing; auditing; rental of vending machines.

32. *Goods/Services applied for in Class 18:*

Pelts; purses; back packs; leather straps (non-clothing); keycases (leatherware); animal skins; umbrellas; canes; saddlery; gut for making sausages.

33. *Goods/Services applied for in Class 25:*

Clothing; layettes; bathing suits; waterproof clothing; masquerade costumes; shoes; caps (headwear); hosiery; gloves (clothing); belts (clothing).

34. *Goods/Services applied for in Class 35:*

Import-export agencies; auctioneering; sales promotion (for others); procurement services for others (purchasing goods and services for other businesses).

35. *Beijing Baosheng Daoji Sports Goods Company Limited (北京寶盛道吉體育用品有限公司) is one of the Relevant PRC Subsidiaries which we intend to put into liquidation by the end of 2008. Before Beijing Baosheng Daoji Sports Goods Company Limited (北京寶盛道吉體育用品有限公司) is deregistered, we propose to transfer the trademarks for which it is the registered owner to our other subsidiary, Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉(北京)貿易有限公司).*

36. *These trademarks were originally applied for by Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉(北京)貿易有限公司). Subsequently, Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉(北京)貿易有限公司) transferred the right of application to Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司).*
37. *Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司) is one of the Relevant PRC Subsidiaries which we intend to put into liquidation by the end of 2008. Before Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司) is deregistered, we propose to transfer the right of application for the trademarks for which it is the applicant to our other subsidiary, Guangzhou Baoyuan Trading Company Limited (廣州寶元貿易有限公司).*
38. *Applications have been submitted for registration of these trademarks. As at the Latest Practicable Date, no application number has yet been allocated by the relevant authority.*

C. Trade or service marks licensed to the Group to use

(i) *Converse*

Pursuant to an agreement made effective as of January 1, 2005 between Converse Inc. and Selangor Gold Limited, Selangor Gold Limited is licensed to use the logos and trademarks (numbered as 1 to 11 below) in Taiwan, Hong Kong and Macau during January 1, 2005 to December 31, 2007 subject to the terms therein. In accordance with the terms of the agreement, Selangor Gold Limited sublicensed the use of the relevant logos and trademarks to Pau Yuen Trading Corporation for the business in Taiwan and to Yue Ming International Limited for the business in Hong Kong. Upon expiry of this agreement, the following two agreements were entered into:

1. Pursuant to a manufacturing, distribution and trademark license agreement made effective as of January 1, 2008 between Converse Inc. and Selangor Gold Limited, Selangor Gold Limited is licensed to utilise the logos and trademarks (numbered as 12 to 21 below) in Hong Kong and Macau in connection with the manufacture, advertisement, promotion, distribution and sale of apparel and accessories licensed articles and in connection with the advertisement, promotion, distribution and sale of athletic and leisure footwear identical or substantially identical to the athletic and leisure footwear manufactured for Converse and sold by Converse in the U.S. and *Chuck Taylor All Star*, *Chuck Taylor* extensions, *Jack Purcell*, *Skid Grip*, and *One Star* footwear during January 1, 2008 to December 31, 2010 subject to the terms therein. Selangor Gold Limited may sublicense to Yue Ming International Limited under the terms of the agreement.
2. Pursuant to a manufacturing, distribution and trademark license agreement made effective as of January 1, 2008 between Converse Inc. and Selangor Gold Limited, Selangor Gold Limited is licensed to utilise the logos and trademarks (numbered as 12 to 21 below) in Taiwan in connection with the manufacture, advertisement, promotion, distribution and sale of apparel and accessories licensed articles and in

connection with the advertisement, promotion, distribution and sale of athletic and leisure footwear identical or substantially identical to the athletic and leisure footwear manufactured for Converse and sold by Converse in the U.S. and *Chuck Taylor All Star*, *Chuck Taylor* extensions, *Jack Purcell*, *Skid Grip*, and *One Star* footwear during January 1, 2008 to December 31, 2012 subject to the terms therein. Selangor Gold Limited may sublicense to Pau Yuen Trading Corporation under the terms of the agreement.

Pursuant to an agreement made effective as of January 1, 2003 between Converse Inc. and Technic Holdings Corporation and the amendments to the agreement made thereafter (in which the rights and obligations of Technic Holdings Corporation were novated to Selangor Gold Limited), Selangor Gold Limited is granted the exclusive right and license to utilise the logos and trademarks (numbered as 22 to 31 below) in connection with the manufacture, advertisement, promotion, distribution and sale of licensed articles to the retail and wholesale trade in the PRC during January 1, 2003 to December 31, 2008 subject to the terms contained therein. Effective from July 1, 2007, Selangor Gold Limited shall grant this right and license to Yue Cheng (Kunshan) Sports Co. Ltd. through the end of the contract period. Pursuant to a certificate of license dated July 1, 2007, Converse Inc. consented to Selangor Gold Limited's grant of rights to Yue Cheng (Kunshan) Sports Co. Ltd. as a non-exclusive sublicense of Selangor Gold Limited to conduct the above-mentioned business in the PRC until December 31, 2008.

Pursuant to a term sheet of key provisions of a proposed distributorship agreement between Converse Inc. and Selangor Gold Limited signed on June 14, 2007 between Converse Inc. and Selangor Gold Limited, the parties agreed on the key provisions of a proposed distributor agreement to be entered into covering the period from January 1, 2009 to December 31, 2011 for the sale of footwear products and apparel and accessory products of Converse in the PRC. By way of a letter from Converse to Selangor Gold Limited dated February 1, 2008, Converse confirmed that they are in the course of preparing a long form distribution agreement and expects it to be executed in March 2008.

(ii) *Hush Puppies*

Pursuant to an agreement made effective as of January 1, 2000 between Wolverine World Wide, Inc. and Pou Yuen Trading Corporation and the amendments to the agreement made thereafter, Pou Yuen Trading Corporation is licensed to use the trademarks (numbered as 32 to 36 below) in Taiwan in association with the advertising, promotion, sale and distribution of footwear products subject to the terms therein. Under the same agreement, Wolverine World Wide, Inc. also granted Pou Yuen Trading Corporation a non-exclusive license to manufacture footwear bearing one or more of the trademarks numbered as 32 to 36 below.

Pursuant to an agreement made effective as of October 1, 2002 between Wolverine World Wide, Inc. and Dedicated Group Limited and the amendments to the agreement made thereafter, Dedicated Group Limited is licensed exclusively to use the trademarks (numbered as 37 to 41 below) in the PRC, excluding Hong Kong and Macau in association with the advertising, promotion, sale and distribution of footwear and footwear care products subject to the terms therein. Under the same agreement, Wolverine World Wide, Inc. granted Dedicated Group Limited a non-exclusive license to manufacture footwear bearing one or more of the trademarks numbered as 37 to 41 below. Dedicated Group Limited is licensed to use the trademarks (numbered as 37 to 41 below) for footwear retail store services or separate departments for products in existing stores under the “HUSH PUPPIES” service mark subject to the terms therein. At various times, Wolverine World Wide, Inc. has authorised Dedicated Group Limited to sublicense its rights under the agreement to other companies within the Group.









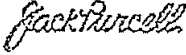









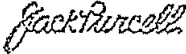







(iii) *Wolverine*

Pursuant to an agreement made effective as of November 1, 2004 between Wolverine World Wide, Inc. and Selangor Gold Limited and the amendments to the agreement made thereafter, Selangor Gold Limited is licensed to use the trademarks (numbered as 42 to 45 below) in the PRC, Hong Kong, Taiwan and Macau in association with the advertising, promotion, sale and distribution of footwear products. Under the same agreement, Wolverine World Wide, Inc. granted Selangor Gold Limited a non-exclusive license to manufacture footwear bearing one or more of the trademarks numbered as 42 to 45 below. At various times, Wolverine World Wide, Inc. has authorised Selangor Gold Limited to sublicense its rights under the Agreement to other companies within the Group.

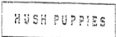



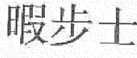

Trade/service marks

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Trade/service marks


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Trade/service marks

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39. **HPO2**
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41. 
42. WOLVERINE
43. WOLVERINE SINCE 1883
44. WOLVERINE BOOTS & SHOES SINCE 1883
45. 

D. Design Patents

As at the Latest Practicable Date, we have registered the following design patents:

<u>Design Patents</u>	<u>Name of applicant</u>	<u>Place of registration</u>	<u>Class</u>	<u>Registration number</u>	<u>Date of public announcement</u>
	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	PRC	20-03	ZL 2007 30075049.4	March 12, 2008

As at the Latest Practicable Date, we have applied for registration of the following design patents:

<u>Design Patents</u>	<u>Name of applicant</u>	<u>Place of application</u>	<u>Application number</u>	<u>Application date</u>
	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	PRC	200730075047.5	April 26, 2007
	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司)	PRC	200730075048.X	April 26, 2007

E. *Domain name*

As at the Latest Practicable Date, we have registered the following domain names:

<u>Domain Name</u>	<u>Name of Registrant</u>	<u>Expiry Date of Registration</u>
poushen.com. . . .	廣州市揚基信息科技有限公司	December 10, 2008
pousheng.com. . . .	廣州市揚基信息科技有限公司	December 10, 2008
胜道. 公司.	寶盛道吉(北京)貿易有限公司	December 26, 2008
yy-sports.cn	寶盛道吉(北京)貿易有限公司	December 26, 2008
yy-sports.com	寶盛道吉(北京)貿易有限公司	December 26, 2008
sd-sports.cn	寶盛道吉(北京)貿易有限公司	December 26, 2008
sd-sports.com.cn	寶盛道吉(北京)貿易有限公司	December 26, 2008
pouyuen.com.cn	廣州寶元工貿有限公司 ⁽¹⁾	June 27, 2010
yue-cheng.com.cn	裕晟(昆山)體育用品有限公司 ⁽²⁾	July 4, 2009
yue-ming.com	Yue Ming International Limited	February 3, 2009
yankee.com.cn	揚基訊息科技有限公司 ⁽³⁾	June 4, 2008
pouxin.cn	廣州寶元工貿有限公司 ⁽¹⁾	July 15, 2008
pouqin.com.cn	廣州寶元工貿有限公司 ⁽⁴⁾	August 12, 2008
宝盛道吉. 中国.	北京寶盛道吉體育用品有限公司 ⁽⁴⁾	July 12, 2008
bsdj-sports.com.cn	北京寶盛道吉體育用品有限公司 ⁽⁴⁾	July 24, 2008
bsdj-sports.ln.cn	北京寶盛道吉體育用品有限公司 ⁽⁴⁾	November 11, 2008
pouguan.com.cn	廣西寶冠體育用品有限公司 ⁽¹⁾	December 1, 2008
wolverine.com.cn	廣州寶旭貿易有限公司 ⁽⁵⁾	January 5, 2009
footzone.com.cn	北京寶盛道吉體育用品有限公司 ⁽⁴⁾	December 31, 2008
胜道	寶盛道吉(北京)貿易有限公司 ⁽⁴⁾	December 26, 2008
yuenshen.com.cn	裕晟(昆山)體育用品有限公司 ⁽³⁾	January 15, 2009
pouxue.com.cn	廣州寶元工貿有限公司 ⁽⁵⁾	March 19, 2009
宝盛国际. com	廣州市揚基信息科技有限公司	April 11, 2009
宝盛国际. 公司. . . .	廣州市揚基信息科技有限公司	April 9, 2009

Notes:

1. We will transfer the ownership of these domain names to 上海寶原體育用品商貿有限公司.
2. We will transfer the ownership of this domain name to 裕程(昆山)體育用品有限公司.
3. We will transfer the ownership of these domain names to 廣州市揚基信息科技有限公司.
4. We will transfer the ownership of these domain names to 寶盛道吉(北京)貿易有限公司.
5. We will transfer the ownership of these domain names to 寶信(成都)商貿有限公司.

Pursuant to an authorisation letter dated January 1, 2008, Converse Inc. granted Selangor Gold Limited and its sublicensee Yue Cheng (Kunshan) Sports Co. Ltd. the right to use the domain name “converse.com.cn” in the PRC until December 31, 2008.

F. Computer software copyright

As at the Latest Practicable Date, we have registered the following computer software copyrights:

<u>No.</u>	<u>Name of software</u>	<u>Registration number</u>	<u>Copyright owner</u>	<u>Date of initial publication</u>
1.	Yuansheng Jinxiaocun Software System V2.0 (元盛進銷存軟件系統 V2.0)	2005SR00073	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	November 16, 2004
2.	Yuansheng Jinxiaocun Software System V3.0 (元盛進銷存軟件系統 V3.0)	2006SR01506	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	March 1, 2005
3.	Yuansheng Finance Software System V2.0 (元盛財務軟件系統 V2.0)	2006SR11938	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	January 1, 2006

As at the Latest Practicable Date, we have applied for registration of the copyrights in the following computer software:

<u>No.</u>	<u>Name of software</u>	<u>Application number</u>	<u>Applicant</u>	<u>Application date</u>
1.	Yuansheng Human Resources Management System V2.0 (元盛人力資源管理系統 V2.0)	2007111777	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	August 8, 2007
2.	Yuansheng Shopping Malls Management System V2.0 (元盛商場管理系統 V2.0)	2007111778	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	August 8, 2007
3.	Yuansheng Members Management System V2.0 (元盛會員管理系統 V2.0)	2007111779	Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)	August 8, 2007

Save as aforesaid, there are no other trade or service marks, design patents, registered computer software copyrights, or other intellectual or industrial property rights which are material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR ESTABLISHMENTS IN THE PRC

The Group has more than 50% equity interests in the registered capital of the following enterprises in the PRC. A summary of the corporate information of each of the enterprises as at the Latest Practicable Date is set out as follow (The attributable interest to the Group of each enterprise below assumes completion of the Reorganization):

1. Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉 (北京) 貿易有限公司)

(i) Name of the enterprise:	Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉 (北京) 貿易有限公司)
(ii) Economic nature:	Wholly foreign owned enterprise
(iii) Registered owner:	Wellmax Business Group Limited (100%)
(iv) Total investment:	US\$22,190,000
(v) Registered capital:	US\$8,880,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	20 years commencing from January 5, 2006 to January 4, 2026
(viii) Scope of business	Retail sales and wholesale of sports goods, sports equipment, sports apparel, including sports shoes, casual shoes, backpacks, machines and accessories (goods subject to quota license or special regulations shall be dealt with according to the relevant state requirements).

2. Harbin Baosheng Sports Goods Company Limited (哈爾濱寶勝體育用品有限公司)

(i) Name of the enterprise:	Harbin Baosheng Sports Goods Company Limited (哈爾濱寶勝體育用品有限公司)
(ii) Economic nature:	PRC domestic company with limited liability
(iii) Registered owner:	Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉(北京)貿易有限公司) (100%)
(iv) Total investment:	N/A
(v) Registered capital:	RMB5,000,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	20 years commencing from March 20, 2007 to March 19, 2027
(viii) Scope of business	General trading items: sales of sports goods, apparel, shoes and hats, sports equipment; counters leasing.

3. Dalian Baoshun Sports Goods Company Limited (大連寶順體育用品有限公司)

(i) Name of the enterprise:	Dalian Baoshun Sports Goods Company Limited (大連寶順體育用品有限公司)
(ii) Economic nature:	PRC domestic company with limited liability
(iii) Registered owner:	Harbin Baosheng Sports Goods Company Limited (哈爾濱寶勝體育用品有限公司) (100%)
(iv) Total investment:	N/A
(v) Registered capital:	RMB2,000,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	10 years commencing from July 6, 2007 to July 5, 2017
(viii) Scope of business	Sales of sports goods, apparel, shoes and hats, sports equipment.

4. Beijing Baoxuan Sports Goods Company Limited (北京寶渲體育用品有限公司)

- (i) Name of the enterprise: Beijing Baoxuan Sports Goods Company Limited (北京寶渲體育用品有限公司)
- (ii) Economic nature: PRC domestic company with limited liability
- (iii) Register owner: Harbin Baosheng Sports Goods Company Limited (哈爾濱寶勝體育用品有限公司) (100%)
- (iv) Total investment: N/A
- (v) Registered capital: RMB2,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: 20 years commencing from December 6, 2007 to December 5, 2027
- (viii) Scope of business: Sales of sports goods, apparel, shoes and hats, and sports equipment

5. Tianjin Baoxin Sports Goods Company Limited (天津寶信體育用品有限公司)

- (i) Name of the enterprise: Tianjin Baoxin Sports Goods Company Limited (天津寶信體育用品有限公司)
- (ii) Economic nature: PRC domestic company with limited liability
- (iii) Register owner: Harbin Baosheng Sports Goods Company Limited (哈爾濱寶勝體育用品有限公司) (100%)
- (iv) Total investment: N/A
- (v) Registered capital: RMB1,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: 20 years commencing from December 7, 2007 to December 6, 2027
- (viii) Scope of business: Sales of sports goods, apparel, shoes and hats, and sports equipment; leasing of counters (items subject to state operation regulations shall operate accordingly)

- 6. Shaanxi Baoxiang Sports Goods Company Limited (陝西寶祥體育用品有限公司)**
- (i) Name of the enterprise: Shaanxi Baoxiang Sports Goods Company Limited (陝西寶祥體育用品有限公司)
- (ii) Economic nature: PRC domestic company with limited liability
- (iii) Registered owner: Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉(北京)貿易有限公司) (100%)
- (iv) Total investment: N/A
- (v) Registered capital: RMB2,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: 20 years commencing from April 11, 2007 to April 10, 2027
- (viii) Scope of business: Retail sales and wholesale of sports goods, sports equipment, sports apparel, sports shoes, casual shoes, backpacks, machines and accessories (goods subject to quota license and special regulations shall be dealt with according to the relevant state requirements).
- 7. Taiyuanshi Baoliwei Sports Goods Company Limited (太原市寶利威體育用品有限公司)**
- (i) Name of the enterprise: Taiyuanshi Baoliwei Sports Goods Company Limited (太原市寶利威體育用品有限公司)
- (ii) Economic nature: PRC domestic company with limited liability
- (iii) Registered owner: Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉(北京)貿易有限公司) (100%)
- (iv) Total investment: N/A
- (v) Registered capital: RMB5,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: From March 17, 2008 to October 27, 2009
- (viii) Scope of business: Sale of sports goods, apparel, shoes and hats, backpacks and accessories products, sports equipment (items prohibited by laws and regulations shall not be operated, items which require approval shall not be operated before obtaining the approval, items requiring permits shall operate within the terms specified in the permit)

8. Zhejiang Baohong Sports Goods Company Limited (浙江寶宏體育用品有限公司)

- (i) Name of the enterprise: Zhejiang Baohong Sports Goods Company Limited (浙江寶宏體育用品有限公司)
- (ii) Economic nature: PRC domestic company with limited liability
- (iii) Registered owner: Baosheng Daoji (Beijing) Trading Company Limited (寶盛道吉(北京)貿易有限公司) (49%)
Gao Zhen Geng (高振庚) (51%)
- (iv) Total investment: N/A
- (v) Registered capital: RMB60,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 49%
- (vii) Term: 20 years commencing from June 5, 2007 to June 20, 2027
- (viii) Scope of business: General trading items: retail sales and wholesale of sports goods, sports equipment, sports apparel, including sports shoes, casual shoes, backpacks, machines and accessories (goods and technology subject to quota license and special regulations shall be dealt with according to the relevant state requirements).

9. Beijing Baozhe Sports Goods Company Limited (北京寶哲體育用品有限公司)

- (i) Name of the enterprise: Beijing Baozhe Sports Goods Company Limited (北京寶哲體育用品有限公司)
- (ii) Economic nature: PRC domestic company with limited liability
- (iii) Registered owner: Zhejiang Baohong Sports Goods Company Limited (浙江寶宏體育用品有限公司) (100%)
- (iv) Total investment: N/A
- (v) Registered capital: RMB20,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 49%
- (vii) Term: 20 years commencing from July 19, 2007 to July 18, 2027
- (viii) Scope of business: Sales of cultural sports goods, apparel, shoes and hats, backpacks, sports equipment and accessories (except items not authorized by administrations in the scope of business).

10. Tianjin Baozhe Sports Goods Company Limited (天津寶哲體育用品有限公司)

(i) Name of the enterprise:	Tianjin Baozhe Sports Goods Company Limited (天津寶哲體育用品有限公司)
(ii) Economic nature:	PRC domestic company with limited liability
(iii) Registered owner:	Zhejiang Baohong Sports Goods Company Limited (浙江寶宏體育用品有限公司) (100%)
(iv) Total investment:	N/A
(v) Registered capital:	RMB20,000,000 (fully paid up)
(vi) Attributable interest to the Group	49%
(vii) Term:	20 years commencing from August 6, 2007 to August 5, 2027
(viii) Scope of business	Retail sales and wholesale of sports goods, sports equipment and accessories, sports apparel, sports shoes, casual shoes, backpacks (items subject to exclusive operation as required by the state shall be dealt with according to the requirements).

11. Shanghai Baohong Sports Goods Company Limited (上海寶宏體育用品有限公司)

(i) Name of the enterprise:	Shanghai Baohong Sports Goods Company Limited (上海寶宏體育用品有限公司)
(ii) Economic nature:	PRC domestic company with limited liability
(iii) Registered owner:	Zhejiang Baohong Sports Goods Company Limited (浙江寶宏體育用品有限公司) (100%)
(iv) Total investment:	N/A
(v) Registered capital:	RMB5,000,000 (fully paid up)
(vi) Attributable interest to the Group	49%
(vii) Term:	20 years commencing from September 17, 2007 to September 16, 2027
(viii) Scope of business	Sales of sports goods, apparel, shoes and hats, leather goods (items subject to administrative license shall operate according to the license).

12. Xian Baoqin Trading Company Limited (西安寶秦貿易有限公司)

(i) Name of the enterprise:	Xian Baoqin Trading Company Limited (西安寶秦貿易有限公司)
(ii) Economic nature:	Wholly foreign owned enterprise
(iii) Registered owner:	Rainbow Faith Investments Limited (100%)
(iv) Total investment:	US\$17,400,000
(v) Registered capital:	US\$10,000,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	20 years commencing from March 10, 2006 to March 9, 2026
(viii) Scope of business	Retail sales, wholesale, import and export of sports goods, sports equipment and accessories (including sports shoes, sports apparel, casual shoes, casual wear, backpacks) (import and export goods involving quota license shall be dealt with according to the relevant state requirements).

13. Xinjiang Baoxin Sports Goods Company Limited (新疆寶新體育用品有限公司)

(i) Name of the enterprise:	Xinjiang Baoxin Sports Goods Company Limited (新疆寶新體育用品有限公司)
(ii) Economic nature:	PRC domestic company with limited liability
(iii) Registered owner:	Xian Baoqin Trading Company Limited (西安寶秦貿易有限公司) (100%)
(iv) Total investment:	N/A
(v) Registered capital:	RMB5,000,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	From March 4, 2008 to February 28, 2028
(viii) Scope of business:	Retail sales and wholesale of sports goods, sports equipment, sports shoes, casual shoes, casual wear, backpack; counter leasing, general operating items (excluding items subject to special approval pursuant to state laws and administrative regulations. Items subject to special regulations shall be operated after obtaining approval documents, licence and quality certificate from the relevant authorities. The operating items and terms specified on the approval documents, licence and quality certificate issued shall be final.)

14. Ningxia Baojia Sports Goods Company Limited (寧夏寶佳體育用品有限公司)

(i) Name of the enterprise:	Ningxia Baojia Sports Goods Company Limited (寧夏寶佳體育用品有限公司)
(ii) Economic nature:	PRC domestic company with limited liability
(iii) Registered owner:	Xian Baoqin Trading Company Limited (西安寶秦貿易有限公司) (100%)
(iv) Total investment:	N/A
(v) Registered capital:	RMB2,000,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	From January 17, 2008 to January 20, 2028
(viii) Scope of business:	Sales of sports goods, apparel, shoes and hats, sports equipment, counters leasing

15. Shaanxi Wuhuan Shengdao Sports Production Development Company Limited (陝西五環勝道運動產業開發有限公司)

(i) Name of the enterprise:	Shaanxi Wuhuan Shengdao Sports Production Development Company Limited (陝西五環勝道運動產業開發有限公司)
(ii) Economic nature:	PRC domestic company with limited liability
(iii) Registered owner:	Xian Baoqin Trading Company Limited (西安寶秦貿易有限公司) (40%) Shaanxi Wuhuan Investment Management Company Limited (陝西五環投資管理有限公司) (60%)
(iv) Total investment:	N/A
(v) Registered capital:	RMB25,000,000 (fully paid up)
(vi) Attributable interest to the Group	40%
(vii) Term:	Long term
(viii) Scope of business	Sales of apparel, shoes and hats, sports goods, sports equipment, office items, daily goods; counters leasing, investment and planning in large and medium sized sports-related activities; investment in, production and development of the sports industry and related products (items which, according to state laws, administrative regulations and decisions of the State Council, are subject to reporting and approval, shall operate with the relevant license within the effective term).

16. Qingdao Baoruina Sports Goods Company Limited (青島寶瑞納體育用品有限公司)

(i) Name of the enterprise:	Qingdao Baoruina Sports Goods Company Limited (青島寶瑞納體育用品有限公司)
(ii) Economic nature:	Sino-foreign equity joint venture
(iii) Registered owner:	Wellmax Business Group Limited (72%) Weifang Liwei Economic and Trading Company Limited (維坊力威經貿有限公司) (28%)
(iv) Total investment:	RMB30,000,000
(v) Registered capital:	RMB20,000,000 (fully paid up)
(vi) Attributable interest to the Group	72%
(vii) Term:	20 years commencing from September 14, 2005 to September 14, 2025
(viii) Scope of business	Wholesale and retail sales: sports and casual shoes, apparel, socks, hats, backpacks, accessory parts, equipment (items subject to quota license and exclusive operation shall be dealt with according to the relevant state requirements) (operations of the above items which are subject to license shall operate according to the license).

17. Jinan Baoyue Sports Goods Company Limited (濟南寶嶽體育用品有限公司)

(i) Name of the enterprise:	Jinan Baoyue Sports Goods Company Limited (濟南寶嶽體育用品有限公司)
(ii) Economic nature:	PRC domestic company with limited liability
(iii) Registered owner:	Qingdao Baoruina Sports Goods Company Limited (青島寶瑞納體育用品有限公司) (100%)
(iv) Total investment:	N/A
(v) Registered capital:	RMB2,000,000 (fully paid up)
(vi) Attributable interest to the Group	72%
(vii) Term:	No definite term
(viii) Scope of business	Wholesale, retail sales: cultural and sports goods, general goods, daily products, apparel, shoes and hats, textile goods, cases and bags (except goods for which special license has not been obtained).

18. Guangzhou Baoyuan Trading Company Limited (廣州寶元貿易有限公司)

(i) Name of the enterprise:	Guangzhou Baoyuan Trading Company Limited (廣州寶元貿易有限公司)
(ii) Economic nature:	Wholly foreign owned enterprise
(iii) Registered owner:	A-Grade Holdings Limited (100%)
(iv) Total investment:	US\$4,930,000
(v) Registered capital:	US\$2,470,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	20 years commencing from December 23, 2005 to December 23, 2025
(viii) Scope of business	Retail sales of sports goods, sports equipment, sports apparel and related accessories.

19. Guangzhou Shengdao Sports Goods Company Limited (廣州勝道體育用品有限公司)

Name of the enterprise:	Guangzhou Shengdao Sports Goods Company Limited (廣州勝道體育用品有限公司)
Economic nature:	PRC domestic company with limited liability
Registered owner:	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) (60%) Guangzhou Baoyuan Trading Company Limited (廣州寶元貿易有限公司) (40%)
Total investment:	N/A
Registered capital:	RMB100,000,000 (as at the Latest Practicable Date, RMB20,000,000 had been paid up)
Attributable interest the Group:	100%
Terms:	Commencing from February 4, 2008 to June 30, 2008
Scope of business:	Retail sales of sports goods, sports equipment, general goods; leasing and management of properties; investment consultation.

20. Guiyang Baoxin Sports Goods Company Limited (貴陽寶新體育用品有限公司)

(ix) Name of the enterprise:	Guiyang Baoxin Sports Goods Company Limited (貴陽寶新體育用品有限公司)
(x) Economic nature:	Wholly foreign owned enterprise
(xi) Registered owner:	Favour Mark Holdings Limited (100%)
(xii) Total investment:	US\$3,100,000
(xiii) Registered capital:	US\$2,100,000 (fully paid up)
(xiv) Attributable interest to the Group	100%
(xv) Term:	10 years commencing from September 28, 2005 to September 27, 2015
(xvi) Scope of business	<ol style="list-style-type: none"> Wholesale and retail sales: sports and casual female apparel, shoes, socks, hats, backpacks, outdoor sports goods, competition equipment, fitness equipment. Importing and exporting self-operated goods.

21. Guiyang Baoshang Sports Goods Company Limited (貴陽寶尚體育用品有限公司)

(i) Name of the enterprise:	Guiyang Baoshang Sports Goods Company Limited (貴陽寶尚體育用品有限公司)
(ii) Economic nature:	PRC domestic company with limited liability
(iii) Registered owner:	<p>Guiyang Baoxin Sports Goods Company Limited (貴陽寶新體育用品有限公司) (50%)</p> <p>Guiyang Nanming Tengwei Trading Company Limited (貴陽南明滕威貿易有限公司) (50%)</p>
(iv) Total investment:	N/A
(v) Registered capital:	RMB11,000,000 (fully paid up)
(vi) Attributable interest to the Group	50%
(vii) Term:	20 years commencing from August 30, 2007 to August 29, 2027
(viii) Scope of business	Sales of apparel, shoes and hats, leather bags, cases (excluding items subject to prior authorization), cultural and sports goods; premises leasing.

22. Nanning Baoguan Sports Goods Company Limited (南寧寶冠體育用品有限公司)

(i) Name of the enterprise:	Nanning Baoguan Sports Goods Company Limited (南寧寶冠體育用品有限公司)
(ii) Economic nature:	Wholly foreign owned enterprise
(iii) Registered owner:	A-Grade Holdings Limited (100%)
(iv) Total investment:	US\$1,850,000
(v) Registered capital:	US\$1,300,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	20 years commencing from October 27, 2005 to October 27, 2025
(viii) Scope of business	Retail sales of sports goods, apparel (sports apparel), sports shoes, casual shoes, backpacks, sports equipment and accessories.

23. Shanghai Baoyuan Sports Goods Trading Company Limited (上海寶原體育用品商貿有限公司)

(i) Name of the enterprise:	Shanghai Baoyuan Sports Goods Trading Company Limited (上海寶原體育用品商貿有限公司)
(ii) Economic nature:	Wholly foreign owned enterprise
(iii) Registered owner:	Favour Mark Holdings Limited (100%)
(iv) Total investment:	US\$20,960,000
(v) Registered capital:	US\$10,000,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	30 years commencing from January 20, 2006 to January 19, 2036
(viii) Scope of business	Retail sales, wholesale and commission-based agency (excluding auction), import and export of sports goods, sports equipment, sports apparel, including sports shoes, casual shoes, apparel, backpacks, machines and accessories and provision of related ancillary services (goods subject to quota, license and special regulations shall be dealt with according to the relevant state requirements) (items involving administration license shall be operated according to the license).

24. Wenzhou Baofeng Trading Company Limited (溫州寶豐商貿有限公司)

- (i) Name of the enterprise: Wenzhou Baofeng Trading Company Limited (溫州寶豐商貿有限公司)
- (ii) Economic nature: PRC domestic company with limited liability
- (iii) Registered owner: Shanghai Baoyuan Sports Goods Trading Company Limited (上海寶原體育用品商貿有限公司) (50%)
Wenzhou City Yijia Sports Commercial Complex Company Limited (溫州市一家體育商城有限公司) (50%)
- (iv) Total investment: N/A
- (v) Registered capital: RMB18,000,000. (As at the Latest Practicable Date, RMB6,000,000 had been paid up)
- (vi) Attributable interest to the Group: 50%
- (vii) Term: 10 years commencing from September 27, 2007 to September 26, 2017
- (viii) Scope of business: Manufacture, sales of sports goods (excluding shooting goods, bows and arrows), apparel, shoes and hats.

25. Hefei Baoxun Sports Goods Trading Company Limited (合肥寶勳體育用品商貿有限公司)

- (i) Name of the enterprise: Hefei Baoxun Sports Goods Trading Company Limited (合肥寶勳體育用品商貿有限公司)
- (ii) Economic nature: PRC domestic company with limited liability
- (iii) Registered owner: Shanghai Baoyuan Sports Goods Trading Company Limited (上海寶原體育用品商貿有限公司) (100%)
- (iv) Total investment: N/A
- (v) Registered capital: RMB1,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: 30 years commencing from September 18, 2007 to September 16, 2037
- (viii) Scope of business: Sales of sports goods, counters leasing.

26. Wuxi Baoyuan Sports Goods Trading Company Limited (無錫寶原體育用品商貿有限公司)

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| (i) Name of the enterprise: | Wuxi Baoyuan Sports Goods Trading Company Limited (無錫寶原體育用品商貿有限公司) |
| (ii) Economic nature: | PRC domestic company with limited liability |
| (iii) Registered owner: | Shanghai Baoyuan Sports Goods Trading Company Limited (上海寶原體育用品商貿有限公司) (100%) |
| (iv) Total investment: | N/A |
| (v) Registered capital: | RMB1,000,000 (fully paid up) |
| (vi) Attributable interest to the Group | 100% |
| (vii) Term: | 30 years commencing from September 17, 2007 to September 16, 2037 |
| (viii) Scope of business | Sales of sports goods. |

27. Baoyu (Chengdu) Trading Company Limited (寶渝 (成都) 商貿有限公司)

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| (i) Name of the enterprise: | Baoyu (Chengdu) Trading Company Limited (寶渝 (成都) 商貿有限公司) |
| (ii) Economic nature: | Wholly foreign owned enterprise |
| (iii) Registered owner: | Favour Mark Holdings Limited (90%)
Nice Well Investments Limited (10%) |
| (iv) Total investment: | US\$14,800,000 |
| (v) Registered capital: | US\$7,400,000 (fully paid up) |
| (vi) Attributable interest to the Group | 90% |
| (vii) Term: | 20 years commencing from March 27, 2006 to March 26, 2026 |
| (viii) Scope of business | Wholesale, retail sales and chain operation of sports goods, sports equipment, sports apparel and accessories, leasing of self-owned properties and provision of related ancillary services (items involving state exclusive operation requirements shall follow such requirements). |

28. Fujian Baomin Sports Goods Company Limited (福建寶閩體育用品有限公司)

(i) Name of the enterprise:	Fujian Baomin Sports Goods Company Limited (福建寶閩體育用品有限公司)
(ii) Economic nature:	Wholly foreign owned enterprise
(iii) Registered owner:	A-Grade Holdings Limited (90%) Glorious Win Developments Limited (10%)
(iv) Total investment:	US\$7,500,000
(v) Registered capital:	US\$4,500,000 (fully paid up)
(vi) Attributable interest to the Group	90%
(vii) Term:	10 years commencing from May 23, 2006 to May 22, 2016
(viii) Scope of business	Retail sales, wholesale of cultural and sports goods, apparel, shoes and hats, daily goods, daily sundries, cases and bags, artistic articles, office items and advising on business information (items involving approval license shall only be produced and operated within the scope of such license and effective term).

29. Baoxin (Chengdu) Trading Company Limited (寶信 (成都) 商貿有限公司)

(i) Name of the enterprise:	Baoxin (Chengdu) Trading Company Limited (寶信 (成都) 商貿有限公司)
(ii) Economic nature:	Wholly foreign owned enterprise
(iii) Registered owner:	Technico Business Group Limited (100%)
(iv) Total investment:	US\$10,000,000
(v) Registered capital:	US\$5,000,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	10 years commencing from September 6, 2006 to September 5, 2016
(viii) Scope of business	Wholesale, retail sales of shoes, apparel, packing and related products; import and export of the aforementioned products and provision of related ancillary services (items involving state exclusive operation requirements shall follow such requirements).

30. Hangzhou Baohong Sports Goods Company Limited (杭州寶宏體育用品有限公司)

- (i) Name of the enterprise: Hangzhou Baohong Sports Goods Company Limited (杭州寶宏體育用品有限公司)
- (ii) Economic nature: Sino-foreign equity joint venture
- (iii) Registered owner: Favour Mark Holdings Limited (50%)
Shanghai Zeyou Trading Development Company Limited (上海澤友貿易發展有限公司) (50%)
- (iv) Total investment: RMB14,200,000
- (v) Registered capital: RMB14,200,000 (fully paid up)
- (vi) Attributable interest to the Group: 50%
- (vii) Term: From August 20, 2007 to September 16, 2008
- (viii) Scope of business: Design, development of sports goods, sports equipment, sports apparel, sports shoes and accessories; production, processing; sports apparel (branch office is separately set up in the production premises).

31. Diodite (China) Sports Goods Company Limited (笛亞泰 (中國) 體育用品有限公司)

- (i) Name of the enterprise: Diodite (China) Sports Goods Company Limited (笛亞泰 (中國) 體育用品有限公司)
- (ii) Economic nature: Wholly foreign owned enterprise
- (iii) Registered owner: Diodite Limited (100%)
- (iv) Total investment: US\$36,000,000
- (v) Registered capital: US\$20,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: 30 years commencing from May 25, 2006 to May 25, 2036
- (viii) Scope of business: Retail sales, wholesale, import and export of sports goods, sports equipment, accessories and sports apparel (import and export goods subject to quota license shall be dealt with according to relevant state requirements). Production of goods sold by the company, including sports shoes, sports apparel, casual wear, backpacks, hats, packing and glasses etc.

32. Dragonlight (China) Sports Goods Company Limited (龍光(中國)體育用品有限公司)

- (i) Name of the enterprise: Dragonlight (China) Sports Goods Company Limited (龍光(中國)體育用品有限公司)
- (ii) Economic nature: Wholly foreign owned enterprise
- (iii) Registered owner: Dragonlight Group Limited (100%)
- (iv) Total investment: US\$68,000,000
- (v) Registered capital: US\$36,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: 50 years commencing from November 15, 2006 to November 14, 2056
- (viii) Scope of business: Production of knit and tating apparel, shoes, garments, hats, handbags, tents, sleeping bags, sales of self-manufactured products of the company; retail sales, wholesale and import and export of apparel, shoes, hats, daily goods, textile goods, office items, sports goods, sports equipment and accessories, sports apparel (including sports shoes, sports apparel, casual shoes, casual wears, backpacks, hats, packing and glasses), education and entertainment products; rock-climbing services; property management; development and operation of sport goods complex; development and operation of multi-brand stores (items subject to administrative license shall operate according to the license).

- 33. Yangzhou Longsheng Sports Goods Company Limited (揚州龍勝體育用品有限公司)**
- (i) Name of the enterprise: Yangzhou Longsheng Sports Goods Company Limited (揚州龍勝體育用品有限公司)
- (ii) Economic nature: PRC domestic company with limited liability
- (iii) Registered owner: Dragonlight (China) Sports Goods Company Limited (龍光(中國)體育用品有限公司) (100%)
- (iv) Total investment: N/A
- (v) Registered capital: RMB5,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: 20 years commencing from August 27, 2007 to August 27, 2027
- (viii) Scope of business: Wholesale and retail sales of knitting and shuttle-woven clothing, shoes, garment, hats, bags, tents, sleeping bags, general merchandise, textile, office items, sports equipment and accessories, sports apparel (including sports shoes, sports apparel, casual shoes, casual wear, backpacks, hats and glasses), educational and entertainment products, self-operation or agency of import and export business for various goods and technology (except goods and technology which are restricted by the state to be operated by certain enterprise or prohibited by the state to be imported and exported). (Items with business scope for which the government has specific regulations shall be executed according to the specific regulations)

34. Yusheng (Taicang) Footwear Company Limited (裕盛 (太倉) 鞋業有限公司)

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| (i) Name of the enterprise: | Yusheng (Taicang) Footwear Company Limited (裕盛 (太倉) 鞋業有限公司) |
| (ii) Economic nature: | Wholly foreign owned enterprise |
| (iii) Registered owner: | Brightup Group Limited (100%) |
| (iv) Total investment: | US\$32,500,000 |
| (v) Registered capital: | US\$15,000,000 (fully paid up) |
| (vi) Attributable interest to the Group | 100% |
| (vii) Term: | 50 years commencing from January 31, 2002 to January 30, 2052 |
| (viii) Scope of business | Production and processing of shoes products, semi-finished goods, moulds and sports-related goods, sales of self-manufactured goods. |

35. Taicang Yusheng Moulding Company Limited (太倉裕盛模具有限公司)

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| (i) Name of the enterprise: | Taicang Yusheng Moulding Company Limited (太倉裕盛模具有限公司) |
| (ii) Economic nature: | Wholly foreign owned enterprise |
| (iii) Registered owner: | Brightup Group Limited (100%) |
| (iv) Total investment: | US\$3,000,000 |
| (v) Registered capital: | US\$2,100,000 (fully paid up) |
| (vi) Attributable interest to the Group | 100% |
| (vii) Term: | 50 years commencing from November 5, 2004 to November 4, 2054 |
| (viii) Scope of business | Design and manufacture of non-metallic product moulds, accurate cavity mould, mould mark accessories, sales of self-manufactured goods of the company (operation and production of items which are subject to administrative license shall be conducted according to the license). |

36. Taicang Yusheng Sports Goods Company Limited (太倉裕盛體育用品有限公司)

(i) Name of the enterprise:	Taicang Yusheng Sports Goods Company Limited (太倉裕盛體育用品有限公司)
(ii) Economic nature:	Wholly foreign owned enterprise
(iii) Registered owner:	Brightup Group Limited (100%)
(iv) Total investment:	US\$28,950,000
(v) Registered capital:	US\$12,000,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	50 years commencing from January 8, 2004 to January 7, 2054
(viii) Scope of business	Manufacturing and processing footwear products, apparel and related sports goods, sales of self-manufactured products (the abovementioned items subject to authorization shall operate according to the authorization).

37. Yusheng (Kunshan) Sports Goods Company Limited (裕晟 (昆山) 體育用品有限公司)

(i) Name of the enterprise:	Yusheng (Kunshan) Sports Goods Company Limited (裕晟 (昆山) 體育用品有限公司)
(ii) Economic nature:	Wholly foreign owned enterprise
(iii) Registered owner:	Selangor Gold Limited (100%)
(iv) Total investment:	US\$7,200,000
(v) Registered capital:	US\$4,200,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	50 years commencing from December 29, 2001 to December 28, 2051
(viii) Scope of business	Production, processing and sales of shoes, apparel, hats, packing, balls, glasses, stop watches, sports goods and accessories, sports equipment, and sales of goods authorized to process, and provision of after-sales services.

38. Yucheng (Kunshan) Sports Goods Company Limited (裕程 (昆山) 體育用品有限公司)

- (i) Name of the enterprise: Yucheng (Kunshan) Sports Goods Company Limited (裕程 (昆山) 體育用品有限公司)
- (ii) Economic nature: Wholly foreign owned enterprise
- (iii) Registered owner: Selangor Gold Limited (100%)
- (iv) Total investment: US\$25,000,000
- (v) Registered capital: US\$10,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: 30 years commencing from July 20, 2007 to July 19, 2037
- (viii) Scope of business: Wholesale of shoes, apparel, hats, bags, balls, sports goods, sports equipment and accessories, as well as after-sales services; the import and exports of the above goods, excluding goods that are subject to restrictions of the state in respect of operation and import and export. (items with design licence shall operate with the license)

39. Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司)

- (i) Name of the enterprise: Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道 (揚州) 體育用品開發有限公司)
- (ii) Economic nature: Wholly foreign owned enterprise
- (iii) Registered owner: YY Sports Holdings Limited (100%)
- (iv) Total investment: US\$99,800,000
- (v) Registered capital: US\$36,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: From December 22, 2006 to December 20, 2036
- (viii) Scope of business: Operation of sports department stores (including retail and chain operation), joint development of commercial real estate, leasing and property management, provision of consultation services of business information (except items subject to special regulations).

40. Shanghai Shengdao Sports Goods Company Limited (上海勝道體育用品有限公司)

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| (i) Name of the enterprise: | Shanghai Shengdao Sports Goods Company Limited (上海勝道體育用品有限公司) |
| (ii) Economic nature: | PRC domestic company with limited liability |
| (iii) Registered owner: | Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) (100%) |
| (iv) Total investment: | N/A |
| (v) Registered capital: | RMB100,000 (fully paid up) |
| (vi) Attributable interest to the Group | 100% |
| (vii) Term: | 10 years commencing from May 25, 2007 to May 24, 2017 |
| (viii) Scope of business | Retail sales of sports goods, apparel, shoes and hats, daily goods, business consultation (items involving administrative license shall be operated according to the license). |

41. Guizhou Shengdao Sports Goods Development Company Limited (貴州勝道體育用品開發有限公司)

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| (i) Name of the enterprise: | Guizhou Shengdao Sports Goods Development Company Limited (貴州勝道體育用品開發有限公司) |
| (ii) Economic nature: | PRC domestic company with limited liability |
| (iii) Registered owner: | Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) (60%)
Guiyang Baoxin Sports Goods Company Limited (貴陽寶新體育用品有限公司) (40%) |
| (iv) Total investment: | N/A |
| (v) Registered capital: | RMB17,500,000 (fully paid up) |
| (vi) Attributable interest to the Group | 100% |
| (vii) Term: | 10 years commencing from June 20, 2007 to June 19, 2017 |
| (viii) Scope of business | Sales of daily goods, sports goods, apparel, shoes and hats, socks, backpacks, sports goods, competition equipment, fitness equipment; development and sales of real estate, property management, information consultation services (except items subject to prior authorization). |

42. Hubei Shengdao Sports Goods Company Limited (湖北勝道體育用品有限公司)

(i) Name of the enterprise:	Hubei Shengdao Sports Goods Company Limited (湖北勝道體育用品有限公司)
(ii) Economic nature:	PRC domestic company with limited liability
(iii) Registered owner:	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) (60%) Qiu Xiaojie (邱小杰) (20%) Xu Feng (徐風) (20%)
(iv) Total investment:	N/A
(v) Registered capital:	RMB50,000,000 (fully paid up)
(vi) Attributable interest to the Group	60%
(vii) Term:	From July 2, 2007 to June 27, 2017
(viii) Scope of business	Operation of department stores of daily and sports goods (including retail, leasing of commercial real estate, sales and chain operation business and property management, provision of consultation services of business information).

- 43. Yunnan Shengdao Sports Goods Company Limited (雲南勝道體育用品有限公司)**
- (i) Name of the enterprise: Yunnan Shengdao Sports Goods Company Limited (雲南勝道體育用品有限公司)
- (ii) Economic nature: PRC domestic company with limited liability
- (iii) Registered owner: Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) (60%)
Lu Shan (廬山) (16%)
Lu Li (廬力) (16%)
Lu Yi (廬毅) (8%)
- (iv) Total investment: N/A
- (v) Registered capital: RMB87,500,000 (fully paid up)
- (vi) Attributable interest to the Group: 60%
- (vii) Term: 10 years commencing from July 24, 2007 to July 24, 2017
- (viii) Scope of business: Sales of general merchandise, sports apparel and equipment, fitness equipment, property management, business information advisory (items requiring the government's special approval shall operate with valid licenses and qualification certificates.) (Items requiring special approval pursuant to the state laws and administrative regulations, shall begin operation pursuant to the approved items and terms)

44. Chengdu Shengdao Sports Goods Company Limited (成都勝道體育用品有限公司)

(i) Name of the enterprise:	Chengdu Shengdao Sports Goods Company Limited (成都勝道體育用品有限公司)
(ii) Economic nature:	PRC domestic company with limited liability
(iii) Registered owner:	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) (60%) Shanghai Baoyuan Sports Goods Trading Company Limited (上海寶原體育用品商貿有限公司) (40%)
(iv) Total investment:	RMB106,400,000
(v) Registered capital:	RMB106,400,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	20 years commencing from December 13, 2007 to December 12, 2027
(viii) Scope of business	Sale of apparel footwear and hats, sports goods and equipment; retail sale of general goods (except items limited or prohibited by state laws and regulations)

45. Shanghai Haodong Trading Company Limited (上海好動商貿有限公司)

(i) Name of the enterprise:	Shanghai Haodong Trading Company Limited (上海好動商貿有限公司)
(ii) Economic nature:	PRC domestic company with limited liability
(iii) Registered owner:	Shengdao (Yangzhou) Sports Goods Development Company Limited (勝道(揚州)體育用品開發有限公司) (100%)
(iv) Total investment:	N/A
(v) Registered capital:	RMB10,000,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	20 years commencing from December 27, 2007 to December 26, 2027
(viii) Scope of business:	Wholesale of sports goods and equipment, general goods; investment consultation (items subject to administrative authorisation shall operate in accordance with the authorisation)

46. Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)

- (i) Name of the enterprise: Guangzhou Yangji Information Technology Company Limited (廣州市揚基信息科技有限公司)
- (ii) Economic nature: Wholly foreign owned enterprise
- (iii) Registered owner: Charming Technology Limited (100%)
- (iv) Total investment: HK\$3,000,000
- (v) Registered capital: HK\$3,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: 15 years commencing from September 7, 2004 to August 27, 2019
- (viii) Scope of business: Development of computer software and hardware, maintenance of software system, provision of data analysis services, provision of automatic implementation of information services and technical consultation services, sales of products of the enterprise.

47. Yunnan Orientalsport Economy Trade Company Limited (雲南奧龍世博經貿有限公司)

- (i) Name of the enterprise: Yunnan Orientalsport Economy Trade Company Limited (雲南奧龍世博經貿有限公司)
- (ii) Economic nature: Wholly foreign owned enterprise
- (iii) Registered owner: Profit Concept Group Limited (100%)
- (iv) Total investment: RMB112,200,000
- (v) Registered capital: RMB56,100,000 (fully paid up)
- (vi) Attributable interest to the Group: 51%
- (vii) Term: 20 years commencing from December 5, 2006 to December 4, 2026
- (viii) Scope of business: Retail sales and wholesale, commission-based agency (except auction) of sports goods, daily goods, apparel, shoes and hats, artistic articles; operation of relevant ancillary services (items subject to state laws, administrative regulations and special approvals shall begin operation activities according to the subject and time limit of the approval).

- 48. Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限責任公司)**
- (i) Name of the enterprise: Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限責任公司)
- (ii) Economic nature: PRC domestic company with limited liability
- (iii) Registered owner: Dongguan Baoyuan Footwear Company Limited (東莞寶元鞋業有限公司) (96.7%) (Technic Holdings Corporation, which wholly owns Dongguan Baoyuan Footwear Company Limited (東莞寶元鞋業有限公司), holds the equity interest in Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司) on trust for Selangor Gold Limited.)
Haixia Advertisement Company Limited (海峽廣告有限責任公司) (3.3%)
- (iv) Total investment: N/A
- (v) Registered capital: RMB6,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: No definite term
- (viii) Scope of business: Manufacturing and retail sale of shoes, hats, hair bands, bags, wrist guard, knee guard, apparel, socks, balls (manufactured by subsidiaries). Sales of sports goods, general goods. Consultation of trading goods, trading information. Self operating and operating as an agent the import and export of various goods and technologies, except goods and technologies the operating or importing and exporting of which are prohibited by the state.

49. Xiamen Baohui Industrial and Trading Company Limited (廈門寶暉工貿有限公司)

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| (i) Name of the enterprise: | Xiamen Baohui Industrial and Trading Company Limited (廈門寶暉工貿有限公司) |
| (ii) Economic nature: | PRC domestic company with limited liability |
| (iii) Registered owner: | Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限責任公司) (85%)
Du Zhi Hong (杜志鴻) (7.5%)
Gong Xi (龔璽) (7.5%) |
| (iv) Total investment: | N/A |
| (v) Registered capital: | RMB5,000,000 (fully paid up) |
| (vi) Attributable interest to the Group | 85% |
| (vii) Term: | 10 years commencing from September 16, 2004 to September 16, 2014 |
| (viii) Scope of business: | It shall not engage in any business which is not allowed by the laws or regulations of the state or required prior approval. The company is allowed to choose the business it is to operate and when to begin such operation. (Business which can only be commenced after obtaining approval pursuant to the state laws and regulations shall only begin operations after obtaining the approval.) |

50. Guangzhou Baoxu Trading Company Limited (廣州寶旭貿易有限公司)

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| (i) Name of the enterprise: | Guangzhou Baoxu Trading Company Limited (廣州寶旭貿易有限公司) |
| (ii) Economic nature: | PRC domestic company with limited liability |
| (iii) Registered owner: | Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限責任公司) (90%) (Technic Holdings Corporation, which owns 96.7% of Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司), holds the equity interest in Guangzhou Baoxu Trading Company Limited (廣州寶旭貿易有限公司) on trust for Dedicated Group Limited.)
Cheng Chi Ming (鄭志明) (10%) (holding on trust for Dedicated Group Limited) |
| (iv) Total investment: | N/A |
| (v) Registered capital: | RMB1,000,000 (fully paid up) |
| (vi) Attributable interest to the Group | 100% |
| (vii) Term: | No definite term |
| (viii) Scope of business: | Wholesale and retail sales trading (except goods subject to state special franchise and control); consultation on goods information |

51. Beijing Baosheng Daoji Sports Goods Company Limited (北京寶盛道吉體育用品有限公司)

- (i) Name of the enterprise: Beijing Baosheng Daoji Sports Goods Company Limited (北京寶盛道吉體育用品有限公司)
- (ii) Economic nature: PRC domestic company with limited liability
- (iii) Registered owner: Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限責任公司) (99%) (Technic Holdings Corporation, which owns 96.7% of Guangzhou Baoyuan Industrial and Trading Company Limited (廣州寶元工貿有限公司), holds the equity interest in Beijing Baosheng Daoji Sports Goods Company Limited (北京寶盛道吉體育用品有限公司) on trust for Dedicated Group Limited.)
Wang Ming Fen (王明芬) (1%) (holding on trust for Dedicated Group Limited)
- (iv) Total investment: N/A
- (v) Registered capital: RMB5,000,000 (fully paid up)
- (vi) Attributable interest to the Group: 100%
- (vii) Term: No definite term
- (viii) Scope of business: Sale of sports goods, cultural goods, general daily goods, apparel, shoes and hats, leather goods, sports equipment; e-commerce (except items without specific approval); leasing of counters.

52. Shaanxi Baoqin Sports Goods Company Limited (陝西寶秦體育用品有限公司)

(i) Name of the enterprise:	Shaanxi Baoqin Sports Goods Company Limited (陝西寶秦體育用品有限公司)
(ii) Economic nature:	PRC domestic company (有限責任公司)
(iii) Registered owner:	Beijing Baosheng Daoji Sports Goods Company Limited (北京寶盛道吉體育用品有限公司) (100%)
(iv) Total investment:	N/A
(v) Registered capital:	RMB2,000,000 (fully paid up)
(vi) Attributable interest to the Group	100%
(vii) Term:	No definite term
(viii) Scope of business:	Sale of sports goods, cultural goods, general daily goods, apparel, shoes and hats, leather goods, construction equipment; leasing of counters.

D. FURTHER INFORMATION ABOUT OUR DIRECTORS**1. Particulars of Directors' service agreements**

Each of our Directors (except for the non-executive Directors and the independent non-executive Directors) has entered into a service agreement with our Company pursuant to which they agreed to act as a Director for an initial term of three years commencing from June 6, 2008 to June 5, 2011. Each of these service agreements may be terminated by either party by giving to the other party at least six month's prior notice in writing.

Save as disclosed above, none of our Directors has or is proposed to have entered into any service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

(a) Remuneration of Directors

Remuneration and benefits in kind of approximately US\$340,000, US\$409,000, US\$600,000 and US\$134,000 in aggregate were paid and granted by the Group to the Directors in respect of the three financial years in the Track Record Period and the three months ended December 31, 2007.

Under the arrangements currently in force, the Directors will be entitled to receive remuneration and benefits in kind which, for the financial year ending September 30, 2008, is expected to be no more than US\$2.5 million.

(b) Remuneration Policies

Our Company's policy concerning the remuneration of the executive Directors is that the amount of remuneration is determined on the basis of the relevant Director's experience, responsibility and the time devoted to the business of the Group.

Save as disclosed in this prospectus, no other emoluments have been paid or are payable, in respect of the three years in the Track Record Period and the three months ended December 31, 2007 by our Company to the Directors.

2. Disclosure of interests

(a) *Interests and/or short positions of the Directors and chief executives in the share capital of our Company and its associated corporations following the Global Offering and the Capitalization Issue*

Immediately following completion of the Global Offering and the Capitalization Issue (but taking no account of any Shares to be issued pursuant to the exercise of the Over-allotment Option), the interests and/or short positions of our Directors and chief executives of our Company in the Shares, underlying Shares or debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once the Shares are listed, will be as follows:

Long position in the Shares and underlying Shares of our Company

<u>Name</u>	<u>Capacity/Nature of interest</u>	<u>Number of shares</u>	<u>Approximate percentage of shareholding</u>
Lee Chung Wen	Beneficial Interest	18,638,000 Shares ⁽¹⁾	0.525%
Huang Chun Hua	Beneficial Interest	12,425,000 Shares ⁽¹⁾	0.350%
Chang Karen Yi-Fen	Beneficial Interest	14,910,000 Shares ⁽¹⁾	0.420%
Mr. Huang . . .	Interest of a controlled corporation	277,976,000 Shares ⁽²⁾	7.830%

(1) *These represent the aggregate number of Shares which may be allotted and issued to such Directors pursuant to the Pre-IPO Share Subscription Plan.*

(2) *These 277,976,000 Shares are held by Sports Group which is wholly-owned by Mr. Huang, our executive Director. Mr. Huang is therefore deemed to be interested in these Shares.*

(b) *Interests and/or short positions of the Substantial Shareholders in the Shares which are discloseable under Divisions 2 and 3 of Part XV of the SFO*

Immediately following completion of the Global Offering, the issuance of Shares to the joint venture partners and the Capitalization Issue (but taking no account of any Shares to be issued pursuant to exercise of the Over-allotment Option), so far as the Directors are aware, the following persons (not being a Director or a chief executive of our Company) will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

(a) *Interest in the Shares and underlying Shares*

<u>Name of Shareholder</u>	<u>Nature of Interest</u>	<u>Number and class of securities⁽¹⁾</u>	<u>Approximate percentage of interest in our Company immediately after the Global Offering⁽²⁾</u>
Yue Yuen.	Interest of a controlled corporation ⁽³⁾	1,986,723,000 Shares (L)	56.0%
		123,506,000 Shares (S) ⁽⁴⁾	3.5%
Pou Chen Corporation	Interest of a controlled corporation ⁽⁵⁾	1,986,723,000 Shares (L)	56.0%
		123,506,000 Shares (S) ⁽⁴⁾	3.5%
Sitori Trading Limited	Interest of a controlled corporation	366,945,000 Shares (L) ⁽⁶⁾	10.3%
Shih Ching I.	Interest of a controlled corporation	366,945,000 Shares (L) ⁽⁶⁾	10.3%
Chiang Lin-Lin ⁽⁷⁾ . . .	Spousal Interest	277,976,000 Shares (L)	7.8%
Sports Group ⁽⁸⁾	Beneficial Interest	277,976,000 Shares (L)	7.8%

(1) *The letters “L” and “S” denote the person’s long position and short position in such Shares, respectively.*

(2) *Assuming the over-allotment option is not exercised.*

(3) *These Shares are held by Major Focus. Major Focus is a wholly owned subsidiary of Yue Yuen.*

(4) *These Shares will be the subject of the stock borrowing agreement as explained in the section headed “Structure of the Global Offering — Stock Borrowing Arrangement” in this prospectus.*

- (5) *Pou Chen Corporation is deemed to be interested in these Shares under the SFO by virtue of its interests in more than one third of the voting shares in Wealthplus Holdings Limited, which in turn is deemed to be interested in these Shares under the SFO by virtue of its interests in more than one third of the voting shares in Yue Yuen. Wealthplus Holdings Limited is wholly owned by Pou Chen Corporation and is interested in 46.15% of the issued share capital of Yue Yuen.*
- (6) *These shares are held by Jollyard. Jollyard is wholly owned by Sitori Trading Limited, which is in turn wholly-owned by Ms. Shih Ching I.*
- (7) *These 277,976,000 Shares are held by Mr. Huang, our executive Director. Ms. Chiang Lin-Lin is a spouse of Mr. Huang and is therefore deemed to be interested in these Shares as Mr. Huang is also interested in more than 5% of the issued share capital of the Company.*
- (8) *Sports Group is wholly-owned by Mr. Huang, our executive Director. Mr. Huang is therefore deemed to be interested in these 277,976,000 Shares.*
- (b) *Substantial Shareholders of other members of the Group*

Name of entities or person holding 10% or more interest in a member of the Group	Nature of interest	Interest in relevant company	Name of the subsidiary
Weifang Liwei Economic and Trading Company Limited (濰坊力威經貿有限公司)	Beneficial	28%	Qingdao Baoruina Sports Goods Company Limited (青島寶瑞納體育用品有限公司)
Glorious Win Developments Limited	Beneficial	10%	Fujian Baomin Sports Goods Company Limited (福建寶閩體育用品有限公司)
Qiu Xiao Jie (邱小杰)	Beneficial	20%	Hubei Shengdao Sports Goods Company Limited (湖北勝道體育用品有限公司)
Xu Feng (徐風)	Beneficial	20%	Hubei Shengdao Sports Goods Company Limited (湖北勝道體育用品有限公司)
Lu Shan (盧山)	Beneficial	16%	Yunnan Shengdao Sports Goods Company Limited (雲南勝道體育用品有限公司)
Lu Li (盧力)	Beneficial	16%	Yunnan Shengdao Sports Goods Company Limited (雲南勝道體育用品有限公司)
Parfeuri Investments Limited	Beneficial	49%	Profit Concept Group Limited

3. Agency fees or commission

Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries.

4. Related party transactions

During the Track Record Period and for the three months ended December 31, 2007, we have engaged in dealings with certain Directors and their associates as described in note 27 to the “Notes to the Financial Information” section of the accountants’ report set out in Appendix I to this prospectus.

5. Disclaimers

Save as disclosed in this prospectus:

- (a) our Directors are not aware of any person (not being a Director or chief executive of our Company) who will, immediately after completion of the Global Offering, the issuance of Shares to our Call Option JVs’ partners and Share Swap JV’s partner and the Capitalization Issue have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (b) none of our Directors nor any chief executive of our Company has any interest or a short position in the Shares, underlying Shares or debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short position in which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, in each case once the Shares are listed;
- (c) none of the Directors nor any of the parties whose names are listed in the paragraph headed “Qualification of experts” in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

- (d) none of the Directors nor any of the parties whose names are listed in the paragraph headed “Qualification of experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our Company’s business;
- (e) save in connection with the Underwriting Agreement, none of the parties listed in the paragraph “Qualification of experts” in this Appendix:
 - (i) is interested legally or beneficially in any securities of any member of the Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (f) save as referred to above, there are no existing or proposed service contracts (excluding contracts expiring or terminable by the employer within one year without payment of compensation other than statutory compensations) between our Company or our Company’s subsidiaries and any other Directors; and
- (g) none of our Directors or their associates or any shareholders of our Company who to the knowledge of the Directors owns more than 5% of our issued share capital has any interest in our five largest suppliers or our top five business customers.

E. SHARE-BASED REMUNERATION SCHEMES

We believe in incentivising, retaining and rewarding employees, and attracting new talent, through share-based incentives which will align their interests with that of our Company. To this end, we currently have two share-based remuneration schemes, of which grants of options may continue after the Listing under the Share Option Scheme while no further invitation to subscribe for Shares will be made under the Pre-IPO Share Subscription Plan.

1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme (the “Scheme”), conditionally approved by a written resolution of the sole Shareholder passed on May 14, 2008 and approved by resolution of the shareholders of Yue Yuen on May 22, 2008 and conditionally adopted by a resolution of the Board on May 14, 2008. The terms of the Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

Definitions:

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| “Adoption Date” | the date on which this Scheme was conditionally adopted by resolution of the Company and which is subject to the approval of the shareholders of Yue Yuen; |
| “Date of Grant” | in respect of any particular Option, the date on which the Board resolves to make an Offer to a Participant; |

“Grantee”	any Participant who accepts an Offer in accordance with the terms of the Scheme, or (where the context so permits) any person who is entitled to any such Option in consequence of the death of the original Grantee or the legal personal representative of such person;
“Offer”	the offer of the grant of an Option made in accordance with the terms of the Scheme;
“Option”	an option to subscribe for Shares pursuant to the Scheme;
“Option Period”	a period to be notified by the Board to each Participant and in any event the period shall not be more than ten (10) years from the Date of Grant during which an Option can be exercised;
“Participant”	directors (including executive directors, non-executive directors and independent non-executive directors) and full time employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, or service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the development and growth of the Group;
“Subscription Price”	the price per Share at which a Grantee may subscribe for shares on the exercise of an Option in accordance with the terms of the Scheme;
“Trustee”	such persons as the Company may from time to time appoint as the trustee of any employee trust; and
“Vest” or “Vesting”	in relation to an Option, means an Option becoming exercisable.

(a) Purpose of the Scheme

The purpose of the Scheme is to attract and retain personnel, to provide incentives to Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its shareholders as a whole.

(b) *Who may join and basis of eligibility*

The Board may, at its discretion and on such terms as it may think fit, grant any Participant an Option as it may determine in accordance with the terms of the Scheme.

The basis of eligibility of any Participant to the grant of any Option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

(c) *Duration and Administration*

The Scheme will be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Options will be offered or granted. The Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all parties. The Board shall, subject to the rules of the Scheme and the Listing Rules, have the right and at its discretion and based on such factors as it shall consider relevant to:

- (i) interpret and construe the provisions of the Scheme and Options made under it;
- (ii) determine the eligibility of persons who will be granted Options under the Scheme;
- (iii) determine the date of the grant of Option;
- (iv) determine the number of Shares to be subject to the Option;
- (v) determine the terms and conditions of the Option including:
 - (a) the Subscription Price (if relevant);
 - (b) the minimum period, if any, for which the Option must be held before it Vests;
 - (c) performance targets and other criteria, if any, to be satisfied before the Option can Vest;
 - (d) the amount, if any, payable on application or acceptance of the Option and the period within which payments or calls must or may be made or loans for such purposes must be repaid;
 - (e) the period, if any, during which Shares allotted and issued or transferred upon Vesting of the Option shall be subject to restrictions on dealings, and the terms of such restrictions;

- (f) the notification period, if any, to be given to the Company of any intended sale of Shares allotted and issued or transferred upon Vesting of the Option; and
 - (g) Option Period (if relevant).
- (vi) approve the form of Option agreements;
 - (vii) prescribe, amend and rescind rules and regulations relating to the Scheme;
 - (viii) subject to the other provisions of the Scheme, make appropriate and equitable adjustments to the terms and conditions of any Option agreement, including extending the Option Period (provided that it shall not be greater than the period (if any) prescribed by the Listing Rules from time to time (which is, at the Adoption Date, not more than 10 years from the Commencement Date) and waiving or amending (in whole or in part) any conditions to which Options are subject; and
 - (ix) to make such other decisions or determinations as it shall deem appropriate in the administration of the Scheme.

(d) *Options to be offered within 10 Years*

The Board will be entitled at any time within ten (10) years after the Adoption Date and subject to such conditions as the Board may think fit make an Offer to any Participant as the Board may in its absolute discretion select.

(e) *Terms and Conditions*

The Board may grant Options on such terms and subject to such conditions as it thinks fit. The Board may, in its absolute discretion, determine that Options will be subject to performance targets that must be achieved before Vesting.

(f) *Offer and Acceptance*

An offer of an Option must be accepted within twenty-eight (28) days from the Date of Grant. Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within the prescribed time period, it will be deemed to have been irrevocably declined.

(g) *Offers made to Directors, chief executive, and substantial shareholders and their respective Associates*

Insofar as the Listing Rules require and subject to the terms of the Scheme, where any Offer proposed to be made to a Director or a chief executive or a substantial shareholder of the Company or any of his, her or its associates (as defined

by the Listing Rules) must be approved by all the independent non-executive Directors (excluding an independent non-executive Director who is the proposed grantee of Options in question).

(h) *Subscription Price for Options*

The Subscription Price payable on the exercise of an Option shall be a price determined by the Board at its absolute discretion and notified to a Participant and shall be no less than the greatest of:

- (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant;
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) business days immediately preceding the Date of Grant; or
- (iii) the nominal value of the Shares.

(i) *Transfer*

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any Option, unless under the circumstances permitted by the Scheme.

(j) *Vesting of Options*

The Board will determine the minimum period, if any, for which a Share Option must be held before it vests and any other conditions in relation to dealing with Shares on vesting. In particular:

- (i) in the event of the Grantee ceasing to be a Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment as specified in paragraph (l)(v) having arisen, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within the period of 12 months following his death;
- (ii) in the event of a Grantee who is an employee or a Director of the Company or another member of the Group ceasing to be a Participant for any reason other than his death or the termination of his employment or directorship on one or more of the grounds specified in paragraph (l)(v), the Option (to the extent not already exercised) shall lapse on the date of cessation or termination of such employment and shall on that day cease to be exercisable;

- (iii) in the event of a Grantee who is not an employee or a director of the Company or another member of the Group ceasing to be a Participant (which shall be as and when determined by the Board by resolution) for any reason other than his death the Board may by written notice to such Grantee within one month from (and including) the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such cessation and if the Board does not serve such a written notice within that one month period, the Option shall remain exercisable at any time during the original Option Period;
- (iv) in the event of the Grantee ceasing to be a Participant by reason of the termination of his employment or directorship on one or more of the grounds specified in paragraph (l)(v), his Option shall lapse automatically (to the extent not already exercised) and shall not be exercisable on or after the date of termination of his employment and to the extent the Grantee has exercised the Option in whole or in part pursuant to the Scheme, but Shares have not been allotted to him, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;
- (v) if a general offer by way of takeover (other than by way of scheme of arrangement pursuant to paragraph (j)(vi) below) is made to all the holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or, where appropriate, his or her personal representatives) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by the Company at any time within such period as shall be notified by the Company;
- (vi) if a general offer by way of scheme of arrangement is made to all the holders of Shares with the Scheme having been approved by the necessary number of holders of Shares at the requisite meetings, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or his or her personal representatives) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent specified in such notice;
- (vii) in the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or his or her personal representatives) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option

to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued; and

- (viii) other than a scheme of arrangement contemplated in paragraph (j)(vi) above, in the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with the scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such compromise or arrangement, and the Grantee (or his or her personal representatives) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent specified in such notice, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on exercise of such Option.

(k) *Consequences of Vesting*

(i) *Options*

On Vesting, an Option becomes exercisable to the extent that it Vests. An Option shall be exercised in whole or in part by the Grantee to the extent it has Vested, by giving notice in writing to the Company in a prescribed form. Any partial exercise of an Option shall be in respect of such number of Shares as from time to time constitutes a board lot for the purposes of trading Shares on the Stock Exchange or an integral multiple thereof.

(ii) *Allotment and Issue of Shares*

Within twenty-eight (28) days after receipt of the notice and, where appropriate, other necessary documentations, and subject to the accompanying remittance having been honored in full, the Company shall allot and issue the relevant Shares to the Grantee credited as fully paid and shall instruct the Share registrar to issue to the Grantee a share certificate in respect of the Shares so allotted and issued.

(iii) *Rights*

A Grantee shall not be entitled to vote, to receive dividends or to have any other rights, including those arising on the liquidation of the Company.

(iv) *Ranking of Shares*

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Memorandum and the Bye-laws of the Company for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue as from the date when the name of Grantee is registered on the register of members of the Company.

(l) *Lapse of Options*

An Option shall lapse automatically (to the extent not already Vested or in the case of an Option, to the extent not already exercised) on the earliest of:

- (i) in the case of an Option and subject to the terms of the Scheme, the expiry of the Option Period;
- (ii) the expiry of the periods referred to in paragraph (k);
- (iii) the expiry of the period referred to in paragraph (j)(v) provided that if any court of competent jurisdiction makes an order the effect of which is to prevent the offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised, shall not begin to run until the discharge of the order in question or unless the Offer lapses or is withdrawn before that date;
- (iv) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (j)(vi);
- (v) where the Grantee is an employee or Director, the date on which the Grantee ceases to be a Participant by reason of the termination of his or her employment or directorship on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect being able to pay debts or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or any ground on which an employer would be entitled to terminate his or her employment summarily;
- (vi) the date of the commencement of the winding-up of the Company;
- (vii) the date on which the Grantee commits a breach of paragraph (i); and
- (viii) subject to paragraph (j)(ii) the date the Grantee ceases to be a Participant for any other reason.

(m) *Cancellation of Options*

Any Options granted but not exercised may be cancelled if the Grantee so agrees with or without new Options being granted to the Grantee provided that any new Options granted shall fall within the limits prescribed by the terms of this Scheme (excluding the cancelled Options), and are otherwise granted in accordance with the terms of this Scheme.

(n) *Maximum Number of Shares Available for Subscription*

(i) *Overriding Limit (the “Overriding Limit”)*

Subject to the Listing Rules, the overall limit on the number of Shares subject to Options from time to time under the Scheme and any other schemes must not, in aggregate, exceed 10 per cent of the Shares in issue from time to time. No Options may be granted under the Scheme or any other schemes if this will result in this overriding limit being exceeded.

(ii) *Mandate Limit (the “Mandate Limit”)*

Subject to the Overriding Limit and to paragraphs (o)(iii) and (o)(iv) below, the total number of Shares available for issue or transfer in satisfaction of all Options which may be granted under the Scheme and any other schemes of the Company must not, in aggregate, exceed 355,000,000 Shares, representing 10 per cent of the Shares in issue on the Listing Date and Shares which may be allotted and issued under the Over-allotment Option, subject to an annual cap, renewable by shareholders of the Company and Yue Yuen (if and for so long as the Company is a subsidiary of Yue Yuen). Options lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating the Mandate Limit.

(iii) *Refreshing of the Mandate Limit*

Subject to the Overriding Limit and to paragraph (n)(iv), the Company may refresh the Mandate Limit at any time subject to approval by the shareholders of the Company and Yue Yuen (if and for so long as the Company is a subsidiary of Yue Yuen). However, the Mandate Limit as refreshed must not exceed 10 per cent of the Shares in issue at the date of the aforesaid Shareholders' approval (the “Refreshed Limit”) or such other limits imposed by the Stock Exchange. Options previously granted or to be granted under the Scheme and any other schemes of the Company (including those outstanding, canceled, exercised or lapsed in accordance with such schemes) will not be counted for the purpose of calculating the Refreshed Limit.

(iv) *Grant of Options Limit*

Subject to the Overriding Limit, the Company may also seek separate approval by the shareholders of the Company and Yue Yuen (if and for so long as the Company is a subsidiary of Yue Yuen) for granting Options beyond the Mandate Limit provided that the Options in excess of the Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought.

(v) *Limit for each Participant*

The total number of Shares issued and to be issued upon exercise of Options granted and to be granted to each Grantee (including exercised and outstanding Options) in any twelve (12)-month period shall not exceed 1 per cent of the Shares in issue for the time being (the “Individual Limit”). Any further grant of Options in excess of the Individual Limit must be subject to approval by the shareholders of the Company and Yue Yuen (if and for so long as the Company is a subsidiary of Yue Yuen) with such Participant and his, her or its associates abstaining from voting. The number and terms (including the Subscription Price (if relevant)) of the Options to be granted to such Participant must be fixed before the date of the relevant shareholders’ meeting.

(o) *Grant to substantial Shareholders and independent non-executive Director*

Where any Offer proposed to be made to a substantial Shareholder or an independent non-executive Director of the Company or any of his, her or its associates would result in the total number of Shares issued and to be issued to satisfy Options already granted and to be granted to such person in the twelve (12) month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1 per cent. of the Shares in issue at the date of such grant; and
- (ii) having an aggregate value, based on the closing price of the Shares at the Date of Grant, in excess of HK\$5 million,

then such Offer and any acceptance thereof must be subject to approval of the Shareholders taken on a poll.

(p) *Reorganization of Capital Structure*

(i) In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalization issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company or otherwise howsoever, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, such corresponding alterations (if any) shall be made to:

(a) the number of nominal amount of Shares subject to outstanding Options; and/or

(b) the subscription price of each outstanding Option; and/or

(c) the method of exercise of the Option, and/or

(d) the Shares to which the Option relates

or any combination thereof as the Company's independent financial adviser or the Auditors shall certify in writing to the Board to be in their opinion to be fair and reasonable, provided that no such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value or which would change the proportion of the equity share capital for which any Grantee is entitled on Vesting of his Options and/or to subscribe pursuant to the Options held by him or her before such alteration.

(ii) In respect of any such alterations, other than any made under a capitalization issue, the Company's independent financial adviser or the auditors shall also confirm to the Board in writing that such alterations satisfy the requirements of Rule 17.03(13) of the Listing Rules and the note thereto.

(iii) The capacity of the Company's independent financial adviser or the Auditors in this paragraph (p) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees.

(q) *Alteration of the Scheme*

The Scheme may subject to the Listing Rules be altered in any respect by resolution of the Board except that those specific provisions of the Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Participants and changes to the authority of the Board in relation to any alteration of the terms of this Scheme shall not be made, in either case, without the prior approval of shareholders of the Company and of Yue Yuen (if and for so long as the Company is a subsidiary of Yue Yuen) and provided further that any alteration to the terms and conditions of the Scheme which are of a material nature or any change to the terms of Options granted must be approved by the shareholders of the Company and of Yue Yuen (if and for so long as the Company is a subsidiary of Yue Yuen) at a general meeting, except where such alterations take effect automatically under the existing terms of the Scheme. The Scheme so altered must comply with Chapter 17 of the Listing Rules, the supplemental guidance issued on September 5, 2005 by the Stock Exchange entitled “Supplemental Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the note immediately after the Rule” and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

(r) *Termination*

The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Scheme and in such event no further Options will be offered or granted and all offers of options then outstanding and not accepted shall ipso facto lapse but in all other respects the provisions of the Scheme shall remain in full force and effect. Options which are granted during the life of the Scheme and remain unexpired immediately prior to the termination of the operation of the Scheme shall remain valid in accordance with their terms of issue after the termination of the Scheme.

(s) *Present Status of the Scheme*

As at the date of this prospectus, no option has been granted or agreed to be granted pursuant to the Scheme.

2. Pre-IPO Share Subscription Plan

In addition to the Share Option Scheme, the Company has also in place the Pre-IPO Share Subscription Plan under which invitations have been made to Eligible Persons (as defined below) to invite them to subscribe for Shares at a discount of 30% to the Final Offer Price (as defined below) subject to fulfilment of the relevant vesting conditions. No invitation will be made after the date of this Prospectus. The Pre-IPO Share Subscription Plan shall terminate on the earlier of the lapse of the last invitation made and accepted or the subscription of all Shares under the last invitation made and accepted.

The following is a summary of the principal terms of the Pre-IPO Share Subscription Plan (the “Plan”) which was conditionally approved by resolution of the sole Shareholder on May 14, 2008 and approved by resolution of the shareholders of Yue Yuen on May 22, 2008 and conditionally adopted by resolution of the Board on May 14, 2008.

Definitions:

- “Adoption Date” means May 14, 2008, the date on which the Plan was conditionally adopted by resolution of the Board;
- “Eligible Persons” means any employee (whether full time or part time), executive or officer, of a Group Company or any Invested Entity and any consultant, adviser or agent of any Group Company or any Invested Entity, who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of the Group or any Invested Entity;
- “Invested Entity” means any entity in which the Group holds an equity interest;
- “Final Offer Price” means the final price at which Shares are issued at Listing;
- “Subscription Price” means the price payable by an Eligible Person for a subscription of Shares pursuant to an invitation to subscribe under the Plan, determined in accordance with the terms of the Plan;

(a) Purpose of the Plan

The purpose of the Plan is to recognize contributions of Eligible Persons, to seek to retain them for the continued operation and development of the Group and to attract suitable personnel for the further development of the Group.

(b) Duration and Administration

The Plan took effect from and including the Adoption Date. It is a one-off and close-end scheme.

The Plan is in all respects administered under the directions of the Board or a commission of the Board, including but not limited to matters relating to variation of terms of invitations made or cancellation thereof. The Board’s decision, in the absence of manifest error, shall be final and binding upon all parties. The Board (without the necessity of obtaining the prior or subsequent consent of Shareholders or of any Eligible Person or participant) may from time to time amend (including the power to revoke, add to or vary) all or any of the conditions as to vesting or exercise specified in any invitation before or at any time an invitation has been accepted and the provisions of the Plan rules in any respect whatsoever.

(c) Invitation to Eligible Persons

The Board, in its sole discretion, may make invitations to certain Eligible Persons (details of the Eligible Persons who have accepted the invitation are listed below) to participate in the Plan in accordance with the terms of the Plan, and determine the number of Shares to be subscribed for by reference to, amongst other things, their past or potential contributions to the growth and development of the Group.

When invitations are made and accepted, the relevant Eligible Persons must, after satisfaction or waiver of the vesting conditions in relation to service period, subscribe for the number of Shares (but not less) stated in the relevant invitation letter, at the Subscription Price which represents a discount of 30% to the Final Offer Price and shall not in any event be less than the par value of the Share.

Same discount has been offered to all selected Eligible Persons.

All invitations which the Company intended to make under the Plan have been made and accepted as at the date of this prospectus and no further invitation will be made. The following Directors and members of the senior management have accepted invitations to subscribe for Shares set out next to each of them representing a total of approximately 2.13% of the total issued share capital of the Company immediately after completion of the Global Offering, the Capitalization Issue and issuance of Shares to our Call Option JVs' partners and Share Swap JV's partner, assuming that the Over-allotment Option is not exercised:

<u>Name</u>	<u>Title/Position</u>	<u>Number of Shares accepted to subscribe</u>	<u>Percentage of total issued share capital of the Company (%)</u>
Lee Chung Wen	Executive Director	18,638,000	0.525
Huang Chun Hua. . . .	Executive Director	12,425,000	0.350
Chang Karen Yi-Fen . .	Executive Director	14,910,000	0.420
Lu Ning	General Manager	15,975,000	0.450
Ku Wen Hao	General Manager	13,668,000	0.385

In addition, there are a total of six other employees of the Group who have been extended invitations and accepted to subscribe for a total of 48,636,000 Shares representing approximately 1.37% of the total issued share capital of the Company immediately after completion of the Global Offering, the Capitalization Issue and issuance of Shares to joint venture partners, assuming that the Over-allotment Option is not exercised.

<u>Name</u>	<u>Title/Position</u>	<u>Number of Shares accepted to subscribe</u>	<u>Percentage of total issued share capital of the Company (%)</u>
Luke Chu	Investor Relations Manager and Investment Associate director	5,325,000	0.150
Phil Yang	Head of Internal Audit	8,875,000	0.250
Hu Jia He	Special Assistant to Chairman and Non-executive Directors	13,135,000	0.370
Judy Shih	Special Assistant to chief executive officer	6,213,000	0.175
George Zhang	Head of Retail South Region Management Team	9,763,000	0.275
Chen Jian Zhi	Head of information technology	5,325,000	0.150

No further invitations will be made under the Plan save as disclosed in this Prospectus.

As at the date of this prospectus, invitations under the Pre-IPO Share Subscription Plan involving a total of 75,616,000 Shares have been made to three Directors and two directors of subsidiaries of the Company (Mr. Lu Ning and Mr. Ku Wen Hao) who are connected persons of the Company representing approximately 2.13% of the total issued share capital of the Company immediately after completion of the Global Offering, the Capitalization Issue and issuance of Shares to our Call Option JVs' partners and Share Swap JV's partner, assuming that the Over-allotment Option is not exercised. The subscription of Shares by the Directors and connected persons of the Company after the relevant vesting conditions are fulfilled would therefore constitute connected transactions of the Company requiring announcement, reporting and independent shareholders' approval were the Company listed at the relevant time. Given that such invitations have been approved by the shareholders of

our controlling shareholder, Yue Yuen, in a special general meeting in which, amongst other matters, the Spin-off was approved, there will not be re-compliance with the announcement, reporting and independent shareholders requirements.

(d) *Listing of the Shares*

If the Board resolves that Listing shall not proceed, no Shares shall be issued under the Plan and any subscription monies paid shall forthwith be returned to the participant that paid them.

(e) *Plan limit*

The overall limit on the number of Shares which may be issued to any Eligible Person under the Plan shall not exceed 124,252,000 Shares, being approximately 3.5 percent of the total issued share capital of the Company immediately after the completion of the Global Offering, the Capitalization Issue and issue of Shares to our Call Option JVs' partners and Share Swap JV's partner, but taking no account of any Shares which may be issued pursuant to an exercise of the Over-allotment Option.

The Shares will be issued under the authority granted by the sole shareholder of the Company on May 14, 2008. Assuming all the Eligible Persons subscribe for their entitlement after the fulfilment or waiver of the vesting conditions, a total of 124,252,000 Shares will be issued representing approximately 3.5% of the total issued share capital of the Company immediately after the completion of the Global Offering, the Capitalization Issue and issue of Shares to our Call Option JVs' partners and Share Swap JV's partner, but taking no account of any Shares which may be issued pursuant to an exercise of the Over-allotment Option.

Similar to share option schemes, the invitations made under the Pre-IPO Share Subscription Plan are treated as "share based payments" for the purpose of the Hong Kong Financial Reporting Standards. The relevant invitations made will be recognised as expense items in the financial statements of the Company over the vesting period. Once a subscription of Shares is made under an invitation, the fair value of the Shares will be credited towards the share premium account of the Company. If an invitation lapses, the amount of the previously recognised expenses will be credited towards the retained profits of the Company.

(f) *Vesting conditions and time of subscription*

After accepting an invitation to subscribe under the Plan, the Eligible Person is obliged to subscribe for such number of Shares in respect of which he or she has accepted an invitation to subscribe after satisfaction or waiver of the vesting conditions in relation to service period. In particular, a portion of the invitations (representing approximately 2% of the total issued share capital of the Company immediately after the completion of the Global Offering, Capitalization Issue and issue of Shares to our Call Option JVs' partners and Share Swap JV's partner, but taking no account of any Shares which may be issued pursuant to an exercise of the Over-allotment Option) impose a condition of a vesting period of five years with the first vesting beginning

from the first anniversary date of the relevant invitation and one-fifth of the Shares under the relevant invitation vesting annually. The remaining portion (representing approximately 1.5% of the total issued share capital of the Company immediately after the completion of the Global Offering, Capitalization issue and issue of Shares to our Call Option JVs' partners and Share Swap JV's partner, but taking no account of any Shares which may be issued pursuant to an exercise of the Over-allotment Option) of the invitations impose a vesting period of ten years with the first vesting beginning from the first anniversary date of the relevant invitation and one-tenth of the Shares under the relevant invitation vesting annually. The Eligible Person must subscribe for his respective number of Shares within the period specified in the invitation.

If the specified conditions were not satisfied or waived, the relevant Eligible Person would not qualify to subscribe for the Shares even though he or she may have had accepted the relevant invitation.

No subscription monies has been paid by the Eligible Persons as at the Latest Practicable Date. The amount of subscription monies to be paid by each Eligible Persons at the time of subscription shall be equal to the product of the number of Shares issued to the Eligible Person under the Plan and the Subscription Price.

No shares will be issued prior to listing or within six months after listing.

(g) *Termination*

No invitations will be made except as disclosed in this prospectus. The Plan is therefore in essence closed after Listing but for the purpose of administration of invitations already made, it will continue to operate and will terminate on the earlier of the date on which all Shares under the last accepted invitation are subscribed for or the lapse of the last accepted invitation. Before that, the Board may suspend or terminate the Plan at any time. The Company shall not make any further invitations under the Plan during the suspended or terminated period, but shall otherwise continue to administer the Plan in accordance with the terms of the Plan.

F. OTHER INFORMATION

1. Tax and other indemnities

We have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries in Hong Kong, Bermuda or the PRC.

Under a deed of indemnity, each of Yue Yuen, Jollyard, Sports Group and Mr. Huang (the "Indemnifiers") has, conditional on the fulfilment of the conditions to the Global Offering, given indemnities, on a joint and several basis, to our Group in relation to taxation which might be payable by any member of our Group in respect of any income, profits or gains earned, accrued or received on or before the date on which the conditions to the Global Offering are fulfilled ("Effective Date").

The deed of indemnity does not cover any claim and the Indemnifiers shall be under no liability under the deed in respect of any taxation:

- (a) to the extent that provision has been made for such taxation in the audited accounts of any member of our Group up to September 30, 2007 for the three months ended December 31, 2007, for those members that have a financial year end of September 30, and for the years ended December 31, 2007, for all other members;
- (b) to the extent that such taxation arises as a result of any retrospective change in the law or the interpretation or practice thereof by any relevant authority (whether in Hong Kong or the PRC or any other part of the world) coming into force after the Effective Date or to the extent such taxation arises or is increased by an increases in rates of taxation with retrospective effect;
- (c) to the extent of any provision or reserve made for taxation in the relevant accounts which is an over-provision or an excessive reserve in which case the Indemnifiers' liability shall be reduced accordingly;
- (d) relating to Hong Kong profits tax falling on any Group Member in respect of any transaction after the Effective Date unless that liability would not have arisen but for some act or omission of, or transaction entered into by, any Group Member otherwise than in the course of normal day to day operations on or before the Effective Date;

In addition, the Indemnifiers have also agreed in the Deed of Indemnity to provide indemnities on a joint and several basis in connection with:

- (a) any losses, damages, liabilities, costs or expenses suffered or incurred by any member of the Group whereby any member of the Group is prohibited from using or occupying or being evicted from any one or more of the properties currently leased and/or occupied by any member of the Group in the PRC whether by the landlord or any third party whosoever (including without limitation any government authorities or other competent authorities in the PRC) on the grounds that the relevant lease is invalid or unenforceable or has been breached (other than a breach occurred on or prior to the date on which the Global Offering becomes unconditional as a result of any action or inaction of any member of the Group) or the relevant landlord has not obtained the requisite licences, permits and/or title certificates or any requisite procedure (including but not limited to registration or filing with the relevant government authorities in the PRC) has not been completed; and
- (b) any relocation costs and expenses, operating and business losses, liabilities and damages suffered or incurred by any member of the Group as a result of or in connection with, whether directly or indirectly, the events referred to in (a) above.

2. Litigation

Save as disclosed in this prospectus, no member of our Group is engaged in any material litigation, arbitration, claim of material importance or administrative proceedings. So far as our Directors are aware, no such litigation, arbitration or administrative proceedings are pending or threatened or against us, that would have a material adverse effect on our results of operations or financial condition.

3. Preliminary expenses

The estimated preliminary expenses are approximately HK\$50,000 and are payable by our Company.

4. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalization Issue, the Offer Shares (including any Offer Shares which may be issued pursuant to the exercise of the Over-allotment Option) any Shares which may be issued to our Call Option JVs' partners and Share Swap JV's partner, any Shares which may be issued under the Pre-IPO Share Subscription Plan and any Shares which may be issued pursuant to the exercise of options to be granted, or to satisfy the grant of share options, under the Share Option Scheme (up to 10% of the Shares in issue on the Listing Date (without taking into account the Shares that may be issued upon the exercise of the Over-allotment Option)).

5. No material adverse change

Save as disclosed in this prospectus, the Directors confirm that there has been no material adverse change in the Group's financial or trading position or prospects since December 31, 2007 (being the date on which the latest audited combined financial statements of the Group was made up).

6. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

7. Miscellaneous

- (a) Save as disclosed in this prospectus:
 - (i) within the two years immediately preceding the date of this prospectus, no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) within the two years immediately preceding the date of this prospectus, no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) neither we nor any of our subsidiaries have issued or agreed to issue any founder shares, management shares or deferred shares;
 - (iv) none of our equity or debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
 - (v) we have no convertible debt securities or debentures outstanding;
 - (vi) within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerages fee or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
 - (vii) within the two years preceding the date of this prospectus, no commission has been paid or payable (except commissions to underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares in our Company or any of our subsidiaries.
- (b) All necessary arrangements have been made enabling the Shares to be admitted into CCASS.
- (c) Save as disclosed in the accountants report in Appendix I to this prospectus, we have no material mortgage or charge.
- (d) Our promoter is Major Focus. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no amount or benefit has been paid, allotted or given or are proposed to be paid, allotted or given to the promoter named above in connection with the Global Offering and the related transactions described in this prospectus.

8. Qualification of experts

The qualifications of the experts who have given opinions in this prospectus are as follows:

<u>Name of Expert</u>	<u>Qualification</u>
Merrill Lynch Far East Limited	Licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance
Morgan Stanley Asia Limited	Licensed to conduct Type 1 (dealing in securities), Type 4 (advising in securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance
Frost & Sullivan	Market consultant
Savills Valuation and Professional Services Limited.	Property valuers
Deloitte Touche Tohmatsu	Certified public accountants
Conyers Dill & Pearman.	Bermuda Attorneys-at-law
Commerce & Finance Law Offices.	Registered law firm in the PRC

9. Consents

Each of the experts referred to above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its reports and/or letters and/or valuation certificates (as the case may be) and/or the references to its name included herein in the form and context in which they are respectively included.

10. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).