MEIKE INTERNATIONAL HOLDINGS LIMITED
美克國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00953)

ANNOUNCEMENT OF THE UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2011

The board (the "Board") of directors (the "Directors") of Meike International Holdings Limited (the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (collectively, the "Group") for the six months ended June 30, 2011 as follow:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

		Six months ended 30 June	
		2011	2010
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*5*	**404,154**	307,176
Cost of sales		**(254,149)**	(202,354)
Gross profit		**150,005**	104,822
Other income		**9,183**	3,699
Selling and distribution costs		**(19,418)**	(17,506)
Administrative expenses		**(17,248)**	(18,292)
Other operating expenses		**(5,746)**	(6,372)
Finance costs	*7*	**(6,135)**	(6,203)
Profit before tax		**110,641**	60,148
Income tax expense	*8*	**(22,618)**	(10,625)
Profit for the period attributable to owners of the Company	*9*	**88,023**	49,523

		Six months ended 30 June	
		2011	2010
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Other comprehensive income:			
Exchange differences arising on translation		**–**	(532)
Total comprehensive income for the period attributable to owners of the Company		**88,023**	48,991
Earnings per share			
Basic and diluted (RMB)	*11*	**0.074**	0.050

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

	Notes	**30 June 2011** *RMB'000* **(Unaudited)**	31 December 2010 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**155,096**	140,492
Prepaid lease payments		**48,719**	49,260
		203,815	189,752
Current assets			
Inventories		**169,747**	77,713
Trade and other receivables	*12*	**676,857**	510,678
Prepaid lease payments		**1,097**	1,097
Pledged bank deposit		**52,777**	53,906
Short-term bank deposit		**–**	35,000
Cash and bank balances		**185,473**	402,439
		1,085,951	1,080,833
Current liabilities			
Trade and other payables	*13*	**93,332**	93,121
Amount due to a related company		**320**	535
Bank borrowings		**186,400**	227,900
Derivative financial instruments		**1,578**	7,837
Income tax payable		**14,208**	12,401
		295,838	341,794
Net current assets		**790,113**	739,039
Total assets less current liabilities		**993,928**	928,791

	30 June 2011	31 December 2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Capital and reserves		
Share capital	**10,446**	10,446
Reserves	**976,289**	916,152
Total equity	**986,735**	926,598
Non-current liability		
Deferred tax liabilities	**7,193**	2,193
	993,928	928,791

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2011

1. GENERAL

Meike International Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 23 June 2009. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 1 February 2010.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical costs basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except as described below.

In the current interim period, the Group has applied, for the first time, the following new or revised standards and interpretations ("new or revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issues
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the above new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]

1 Effective for annual periods beginning on or after 1 July 2012.

2 Effective for annual periods beginning on or after 1 January 2013.

The five new or revised standards on consolidation, joint arrangements and disclosures were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of the five new or revised standards are applied early at the same time. The directors of the Company anticipate that these new or revised standards will be applied in the Group's consolidated financial statements for financial year ending 31 December 2013 and the potential impact is described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. Under HKFRS 10, there is only one basis for consolidation, that is control. In addition, HKFRS 10 includes a new definition of control that contains three elements; (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgement. The application of HKFRS 10 might result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated.

The amendments to HKAS 1 have been issued to improve the presentation of other comprehensive income. The amendments require entities to group together the items of other comprehensive income that may be reclassified to profit or loss in the future by presenting them separately from those that would never be reclassified to profit or loss.

Other than disclosed above, the directors of the Company anticipate that the application of the new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

4. SEASONALITY OF OPERATIONS

Due to the seasonal nature of the sports goods products, higher revenues and operating profits are usually expected in the second half of the year than in the first six months. Higher sales during the second half of the year are mainly attributed to the sale of winter clothing which generally has higher unit prices.

5. REVENUE

Revenue represents the amount received and receivable for sale of sporting goods, including footwear, apparel and accessories, net of sales related taxes. Revenue is analysed as follows:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Footwear	**257,366**	208,900
Apparel	**127,887**	78,928
Accessories and shoe sole	**18,901**	19,348
	404,154	307,176

6. SEGMENT INFORMATION

Operating segments, and the amounts of each segment item reported in the condensed consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group is organised into a single operating segment as selling sporting goods products primarily in the PRC and all revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to this single segment. Accordingly, no segment analysis by business and geographical information is presented.

7. FINANCE COSTS

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank loans wholly repayable within five years	**6,135**	6,203

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax	**17,618**	12,375
Deferred tax	**5,000**	(1,750)
	22,618	10,625

9. PROFIT FOR THE PERIOD

Profit for the period has been arrived after charging (crediting):

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation and amortisation	**4,626**	4,454
Gain from changes in fair value of derivative financial instruments	**(6,259)**	–
Loss on disposal of property, plant and equipment	**24**	1,149
Net foreign exchange losses	**578**	152
Research and development cost (included in other operating expenses) *(Note)*	**4,842**	4,952

Note:

Research and development costs included staff costs and depreciation of property, plant and equipment for the purpose of research and development activities.

10. DIVIDENDS

During the current interim period, a final dividend of HK$0.03 per share in respect of the year ended 31 December 2010 (2010: HK$0.034 per share in respect of the year ended 31 December 2009) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the current interim period amounted to approximately HK$35,850,000 (equivalent to approximately RMB29,814,000) (2010: HK$35,275,000 (equivalent to approximately RMB30,915,000)).

In addition, on 4 January 2010, the Company declared and paid dividends of approximately RMB15,620,000. The dividend was declared prior to the listing of the Company and the rate of dividend per share is not presented as it is not indicative of the rate at which future dividends will be declared.

Subsequent to the end of the interim period, the directors of the Company have determined that an interim dividend of HK$0.025 per share (2010: HK$0.022 per share in respect of the six months ended 30 June 2010) will be paid to the owners of the Company whose names appear in the register of members of the Company on 20 September 2011.

11. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share (Profit for the period attributable to the owners of the Company)	**88,023**	49,523
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,195,000**	984,530

For the six months ended 30 June 2010, the weighted average number of ordinary shares for the purpose of basic and diluted earnings per share has been adjusted for share capitalisation and share issue that took place in February 2010.

The computation of the diluted earnings per share does not assume the exercise of the Company's options and warrants because the exercise prices of those options and warrants were higher than the average market price for shares for the six months ended 30 June 2011.

The diluted earnings per share for the six months ended 30 June 2010 is the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the period.

12. TRADE RECEIVABLES

The Group generally allows an average credit period of 90 to 180 days to its trade customers, except for new customers, where payment in advance is normally required.

The following is an aged analysis of trade receivables by age, presented based on the invoice date:

	30 June 2011	31 December 2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 90 days	**225,039**	251,212
91 – 180 days	**175,099**	165,564
181 – 365 days	**237,532**	53,528
	637,670	470,304

13. TRADE PAYABLES

The following is an analysis of trade payables by age, presented based on the invoice date:

	30 June 2011	31 December 2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 90 days	**52,510**	26,804
91 – 180 days	**12,339**	19,512
181 – 365 days	**3,818**	949
Over 365 days	**3,596**	2,840
	72,263	50,105

14. OPERATING LEASES COMMITMENT

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	30 June 2011	31 December 2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within one year	**1,397**	1,468
In the second to fifth years, inclusive	**904**	1,600
	2,301	3,068

15. CAPITAL COMMITMENTS

Capital commitments in respect of construction in progress at the end of the reporting period were as follows:

	30 June 2011	31 December 2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contracted but not provided for in the condensed consolidated financial statements	**1,104**	4,347

16. RELATED PARTY TRANSACTIONS

The Group has the following significant related party transactions:

(i) During the six months ended 30 June 2011, the Group leased certain interest in leasehold land held for own use under operating leases and buildings from a related company, Hengqiang (China) Co., Ltd. at total rental expenses of approximately RMB395,000 (six months ended 30 June 2010: RMB305,000). Mr. Ding Siqiang, a director of the Company, is holding 80% of Hengqiang (International) Co., Ltd., which is the ultimate holding company of Hengqiang (China) Co., Ltd.

(ii) The remuneration of directors of the Company and other members of key management during the period was as follows:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Short-term benefits	**1,156**	1,133
Post-employment benefits	**22**	19
Share-based payments	**511**	–
	1,689	1,152

17. EVENTS AFTER THE END OF THE INTERIM PERIOD

(i) In July 2011, the Company repurchased its own 10,390,000 ordinary shares on the Stock Exchange in total consideration of approximately HK$14,153,000. The repurchased shares were subsequently cancelled and accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. For further details, please refer to the next day disclosure returns of the Company dated 8, 13, 14, 15, 18, 19, 20 and 27 July 2011.

(ii) On 14 July 2011, Quanzhou Meike Sports Goods Co., Ltd. (泉州市美克體育用品有限公司) ("Quanzhou Meike"), a wholly-owned subsidiary of the Company, entered into a co-operation agreement with International Weightlifting Federation ("IWF") (Beijing Office) pursuant to which, Quanzhou Meike has agreed to construct a base (the "Base") for holding tournaments, training and rehabilitation activities, and meetings of IWF and IWF has agreed to grant the Group full on-site promotion and advertisement rights in any tournament or training activities organised by IWF at the Base. Details of which are set out in the Company's announcement issued on 14 July 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

The continuous stimulus package with a pro-active fiscal policy carried out by the Chinese Government has continuously improved the country's economy and helped boost the domestic consumption power, especially consumers located in the second- and third-tier cities, even though development of the global economy remains uncertain.

China's sportswear industry is still under intensive competition, new entrants and new brands are entering into the industry due to the continuing increase in demand of sportswear. Meanwhile, some of the major industry participants are undergoing transformation through improvement of product qualities and functionalities, enhancement of brand awareness and marketing strategies, more effective cost control and inventory control, instead of concentrating on the fast expansion of numbers of retail outlets. We believe, eventually the development of the industry will become more healthy.

Business Review

During the six months ended June 30, 2011 (the "Period"), the Group has terminated the distributorship of two individual distributors and engaged one new corporate distributor. As at June 30, 2011, the Group had 22 distributors, overseeing 2,016 outlets which comprised 866 Meike distributor outlets and 1,150 Meike retailer outlets. These outlets, together with the outlets owned and operated by the Group (the "Self-operated Meike Outlets") cover 25 provinces, autonomous regions and municipalities and more than 521 districts, counties and county-level cities in the PRC. During the Period, the number of outlets expanded by 151 outlets over 1,865 outlets as at December 31, 2010. The Group will continue to expand and optimize its retail network through cooperation with distributors and utilization of their local resources and business network and at the same time, devote more resources to improve the product qualities and functionalities and enhance brand awareness in order to deliver greater value to the customers.

Through the export companies, the Group's export products were ultimately sold to 37 overseas countries, including Germany, the Netherlands, the United States, Switzerland, Turkey, Argentina, France, South Africa and Poland. As many of the local export company customers and overseas customers have long term relationship with the Group, the Group believes that such customers have been and will continue to be loyal to it. The Group will continue to enhance its product design capacity, better control its product costs and maintain the high quality of its products to meet the requirements of the export company customers and overseas customers.

Product Development and Design

Currently, each of the footwear and apparel segments has its own dedicated in-house design team to design products that meet the tastes and preferences of the Group's target consumers. The core members of the Group's design teams have extensive experience in the design industry and graduated from design or art schools in the PRC. The majority of the Group's design team members graduated from college in the PRC and have design or art related diploma. Most of the Group's design team members have more than 5 years design related experience after joining the Group. To maintain an international perspective to the Group's designs, each product design team from time to time visited the leading fashion stores, shopping centers and fashion shows in South Korea, North America and Europe, which in the Group's belief, have been, and will continue to be, influential in setting the fashion trends in the PRC. The Group believes that this practice enables the design team to cater for the latest fashion trends while echoing thematic elements from the Group's integrated marketing campaigns to establish a consistent image for the Group's brand and products.

As at June 30, 2011, the Group had a total of 52 full-time employees in its design and development department.

Financial Review

Revenue by product category

	Six months ended June 30,			**Six months ended June 30,**	
	2011	2010		**2011**	2010
	RMB'000	*RMB'000*	*Change (%)*	*% of total revenue*	
Footwear					
Domestic	**181,501**	158,055	14.8%	**44.9**	51.5
Export	**75,865**	50,845	49.2%	**18.8**	16.5
	257,366	208,900	23.2%	**63.7**	68.0
Apparel	**127,887**	78,928	62.0%	**31.6**	25.7
Accessories and shoe soles	**18,901**	19,348	-2.3%	**4.7**	6.3
Total	**404,154**	307,176	31.6%	**100**	100
Gross profit margin (%)	**37.1**	34.1			

For the Period, the revenue of the Group increased by 31.6% to RMB404,154,000 (six months ended June 30, 2010: RMB307,176,000) and the gross profit margin rose by 8.8% to 37.1% (six months ended June 30, 2010: 34.1%).

Revenue from domestic sales of footwear products grew by 14.8% from RMB158,055,000 for the six months ended June 30, 2010 to RMB181,501,000 for the Period, mainly as a result of continuous expansion of the Group's retail network, successful promotion and marketing strategies, product design upgrade and diversification of product mix. In addition, the increase in domestic sales was also attributable to the growth in market demand for sportswear products in China.

Revenue from export sales grew by 49.2% from RMB50,845,000 for the six months ended June 30, 2010 to RMB75,865,000 for the Period, as we are able to cater for the needs of the overseas customers by providing high quality and upgraded product design.

Revenue from the sales of the Group's apparel products increased by 62.0% from RMB78,928,000 for the six months ended June 30, 2010 to RMB127,887,000 for the Period, primarily attributable to the upgrade of product design, and quality and diversification of product mix, which enhanced the market acceptance of the Group's apparel products and increased the sales volume of the Group's apparel products.

Cost of Sales

Cost of sales increased by 25.6% to RMB254,149,000 for the Period (six months ended June 30, 2010: RMB202,354,000), primarily as a result of increase in sales of the Group's products.

Selling and Distribution Costs

Selling and distribution costs increased by 10.9% from RMB17,506,000 for the corresponding period in 2010 to RMB19,418,000 for the Period, primarily as a result of increase in the market expenses and staff salaries.

Administrative Expenses

Administrative expenses decreased by 5.7% from RMB18,292,000 for the corresponding period in 2010 to RMB17,248,000 for the Period, primarily due to the one-off listing expenses for the listing of the Company incurred in early 2010 and did not re-occur in 2011.

Income Tax Expense

The income tax expense of the Group for the Period was RMB22,618,000 (six months ended June 30, 2010: RMB10,625,000) calculated at the effective tax rate of 20.4%.

Provision for Inventories

As at June 30, 2011, the Group did not make any provision for inventories.

Provision for Doubtful Debts

Although account receivables increased by 35.6% from RMB470.3 million as at December 31, 2010 to RMB637.7 million as at June 30, 2011 and with a balance of RMB241.8 million which were past due, the Group did not make any provision for doubtful debts. The Board has conducted meetings with each distributor and the Board believes that no provision is necessary as there has not been a significant change in credit quality of the distributors. Besides, 64.7% or RMB156.5 million of the past due amount has been received by the Group up to the date of this announcement.

Liquidity and Financial Resources

During the Period, net cash outflow from operating activities of the Group amounted to RMB158,079,000 (2010: net cash outflow of RMB44,884,000). As at June 30, 2011, cash and cash equivalents, including bank deposits and cash in hand, and short-term bank deposits with original maturities not exceeding three months, amounted to RMB185,473,000, representing a net decreased of RMB251,966,000 as compared to the position as at December 31, 2010.

Pledge of Assets

As at June 30, 2011, the Group secured its bank borrowings by prepaid land lease payments and building held for own uses with a carrying amount of RMB55.8 million (December 31, 2010: RMB62.6 million), trade receivables of RMB26.7 million (December 31, 2010: RMB30.7 million) and bank deposits of RMB52.8 million (December 31, 2010: RMB53.9 million).

Capital Commitments and Contingent Liabilities

Details of the capital commitments as at June 30, 2011 are set out in note 15 to the condensed consolidated interim financial statements of this announcement. As at June 30, 2011, the Group did not have any material contingent liabilities.

Profit Attributable to Shareholders and Net Profit Margin

For the Period, profit attributable to the owner of the Company amounted to RMB88,023,000, representing an increase of 77.7% over that in the same period of 2010 (six months ended June 30, 2010: RMB49,523,000). Net profit margin of the Group also rose by 35.4% to 21.8% (2010: 16.1%).

Foreign Exchange Risk

The Group mainly operates in the PRC with most of its transactions settled in Renminbi. Part of the Group's cash and bank deposits are denominated in Hong Kong Dollars.

During the Period, the Group did not hedge any exposure in foreign currency risk. Any substantial exchange rate fluctuation of foreign currencies against Renminbi may cause financial impacts on the Group.

Gearing Ratio

As at June 30, 2011, the gearing ratio of the Group was approximately 14.5% (December 31, 2010: 17.9%), which was derived by dividing interest-bearing debt incurred in the ordinary course of business by total assets.

Interest-bearing Bank Loans

As at June 30, 2011, the Group's bank loans balance amounted to RMB186,400,000, bearing interest rates from 4.78% to 6.12%, which are all due within one year.

Human Resources

As at June 30, 2011, the Group had a total of 2,375 employees (December 31, 2010: 2,372 employees).

Material Acquisition and Disposal

The Group did not have any material acquisition and disposal of subsidiaries and associated companies in the first half of 2011.

Events After the End of the Period

Details of the events after the end of the Period are set out in note 17 to the condensed consolidated interim financial statement of this announcement.

Use of Net Proceeds from the Share Offering

The shares of the Company were listed on the main board of the Stock Exchange on February 1, 2010 (the "Listing Date") with net proceeds from the share offering and the exercise of the over-allotment option received by the Company of approximately HK$335.4 million (approximately RMB295.2 million) and HK$46.3 million (approximately RMB40.7 million) respectively (after deducting underwriting commission and related expenses). The following table sets out the use of net proceeds up to June 30, 2011:

Use of Net Proceeds (RMB million)	Available to utilise	Utilised (as at June 30, 2011)	Unutilised (as at June 30, 2011)
Expansion of production capacity	102.1	62.8	39.3
Expansion of the sales network and market penetration	102.4	20.7	81.7
Develop and increase brand awareness	80.0	29.8	50.2
Enhancement of research and development capabilities	26.9	16.0	10.9
Working capital	24.5	24.5	–
	335.9	153.8	182.1

Future Prospects

As China is one of the fastest growing economies worldwide, coupled with the ongoing economic stimulus plans implemented by the PRC government to drive domestic demand, the Group believes that the gross domestic product in the PRC will continue to grow and the sportswear market in China will maintain steady growth.

Looking forward, the Group will focus on the development of "Meike" brand by continuing to enhance the research and development capabilities, expanding the sales network and market penetration and increasing product diversification, for example, continue to develop kid's sports shoe and apparel.

Besides, the Group will continue to enhance the brand recognition and awareness. On July 14, 2011, Quanzhou Meike, a wholly-owned subsidiary of the Company, has entered into an agreement with IWF (Beijing Office) pursuant to which, Quanzhou Meike has agreed to construct the Base at the production base of the Group at Shanxia Town, Huian, Fujian, the PRC, which will comprise a stadium, a four-stars hotel and a swimming pool for holding tournaments, training and rehabilitation activities, and meeting of IWF.

The Group will be responsible for the construction fees of the Base in the amount of RMB36 million and the relevant expenses of IWF in respect of the activities to be held at the Base. The funding for the aforesaid fees and expenses will be from the fund generated from operation of the Group. In return, IWF has agreed, among other matters, to grant the Group full on-site promotion and advertisement rights in any tournaments or training activities organized by IWF at the Base for a term of 15 years commencing on January 1, 2013, the date on which the construction of the Base is scheduled to be completed.

The Group expected that the long term co-operation with IWF will enhance the Group's brand image by the on-site promotion and advertisements through the international weightlifting tournaments held at the Base or any tournament held by IWF in the PRC, on which is expected to capture enormous worldwide attention and thus increase the Group's media exposure and hence, enhance the brand recognition and awareness.

OTHER INFORMATION

Interim Dividend

The Board has resolved the payment of an interim dividend of HK$0.025 per share (2010: HK$0.022 per share). The interim dividend will be distributed on or around October 17, 2011 to shareholders whose names appear on the register of members of the Company as at the close of business on September 20, 2011.

Closure of Register of Members

The register of members of the Company will be closed from September 21, 2011 to September 26, 2011, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share register in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong before 4:30 p.m. on September 20, 2011.

Purchase, Sales or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2011.

On 8, 13, 14, 15, 18, 19 and 20 July 2011, the Company repurchased 10,390,000 Shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). On July 27, 2011, the Company cancelled 10,390,000 repurchased Shares. For further details, please refer to the next day disclosure returns of the Company dated 8, 13, 14, 15, 18, 19, 20 and 27 July 2011, respectively.

Code on Corporate Governance

Save as disclosed below, during the Period, the Company complied with the Code of Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have any officer with the title of ''chief executive officer''. This deviated from the code provision A.2.1 of the CG Code.

Mr. Ding Siqiang, who acts as the chairman and the president of the Company, is also responsible for overseeing the general operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The roles of the respective executive Directors and the member of the senior management, which are in charge of different functions, complement the roles of the chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership enabling the Group to operate efficiently.

The Company understands the importance to comply with the code provision A.2.1 of the CG Code and will continue to consider the feasibility to fully comply with it. If compliance is determined, appropriate persons will be nominated to assume the different roles of chairman and chief executive officer.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the code of conduct and the required standard set out in the Model Code throughout the Period.

Audit Committee

The Company has an audit committee with terms of reference aligned with the provision of the CG Code as set out in Appendix 14 to the Listing Rules for the purpose of reviewing and providing supervision on the financial reporting process and internal controls of the Group. The audit committee comprises three members, all being independent non-executive Directors.

During the Period, the audit committee reviewed the accounting principles and practices adopted by the Group. The Audit Committee has received the unaudited condensed consolidated interim financial statements of the Group for the Period and discussed auditing, internal control and financial reporting matters. The audit committee has reviewed this announcement and has provided advice and comments thereon to the Board. The audit committee is of the opinion that this announcement complied with applicable accounting standards, the Listing Rules, and that adequate disclosures have been made.

By Order of the Board
Meike International Holdings Limited
Ding Siqiang
Chairman

PRC, August 25, 2011

As at the date of this announcement, the Board comprises Mr. Ding Siqiang (Chairman), Ms. Ding Xueleng, Ms. Ding Jinzhu, Mr. Lin Yangshan, Mr. Li Dongxing and Mr. Ding Minglang as Executive Directors; and Mr. Yang Chengjie, Mr. Xie Weichun and Mr. Lin Jiwu, as Independent Non-Executive Directors.