
NOTICE OF THE EGM

DONGXIANG
China Dongxiang (Group) Co., Ltd.
中國動向(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3818)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of the shareholders of China Dongxiang (Group) Co., Ltd. (the “**Company**”) will be held at Island Ballroom A, Level 5, Island Shangri-la, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 25 September 2009 at 10:00 a.m. to consider as special business and, if thought fit, passing (with or without amendments) the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

“THAT

- a) the execution of the agreement (the “Cooperation Agreement”) entered into between 上海嘉班納體育用品有限公司 (Shanghai Gabanna Sporting Goods Co., Limited*) (“Shanghai Gabanna”) and Mr. Chen Yiliang, Mr. Chen Yiyong, Mr. Chen Yizhong, 北京動感競技經貿有限公司 (Dong Gan Jing Ji Company Limited*) and 北京動感九六體育用品有限責任公司 (Dong Gan Jiu Liu Sportswear Company Limited*) on 24 August 2009, pursuant to which, among others, Shanghai Gabanna agreed to subscribe for 30% equity interest in the joint venture company, namely 上海億博韜厲經貿有限公司 (Shanghai Yi Bo Tu Li Company Limited*), (a copy of the Cooperation Agreement has been produced to the meeting marked “A” and has been initialled by the chairman of the meeting for the purpose of identification), the terms thereof, the execution and delivery thereof by the Company and the performance and implementation of the transactions contemplated thereunder be and are hereby confirmed, approved and ratified;
- b) the new framework agreement (the “New Framework Agreement”) to be entered into between the Company, 北京動感競技經貿有限公司 (Dong Gan Jing Ji Company Limited*) and 翰博嘉業(北京)貿易有限公司 (Han Bo Jia Ye (Beijing) Company Limited*), (a copy of the New Framework Agreement has been produced to the meeting marked “B” and has been initialled by the chairman of the meeting for the purpose of identification), the terms thereof, the execution and delivery thereof by the Company and the performance and implementation of the transactions contemplated thereunder be and are hereby confirmed and approved;

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- c) the annual caps of the Company under the New Framework Agreement in the amount of RMB455,000,000, RMB591,000,000 and RMB769,000,000 for the three years ending 31 December 2010, 2011 and 2012 be confirmed and approved; and
- d) any one director of the Company be and is hereby authorised for and on behalf of the Company to do all acts and things and to approve, execute and deliver all notices, documents, instruments or agreements as may be necessary, desirable or expedient to carry out to give effect to any or all transactions contemplated under the Cooperation Agreement and the New Framework Agreement and to agree such variations, amendments or waivers thereof as are, in the opinion of such Director, in the interests of the Company. If the use of common seal is required under the Cooperation Agreement and the New Framework Agreement, any two directors or any one director and the company secretary of the Company are authorised to sign and use the common seal.

By Order of the Board
China Dongxiang (Group) Co., Ltd.
Qin Dazhong
Director

Hong Kong, 7 September 2009

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint more than one proxy to attend and, vote instead of him. A proxy need not be a member of the Company. A form of proxy for use at the meeting is enclosed herewith.
- (2) Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting if he so wishes. In the event of a member who has lodged a form of proxy attending the meeting, his form of proxy will be deemed to have been revoked.
- (3) In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notary certified copy of such power of attorney or authority, must be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806–1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time of the meeting or any adjournment thereof.

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- (4) In the case of joint holders of a share, any one of such holders may vote at the meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto but if more than one of such joint holders be present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
- (5) The votes to be taken at the meeting shall be by way of poll.