

Fila Business in the PRC

The FILA brand is a well-known global sportswear brand targeting the high end market segment. It is a good opportunity for us to expand our coverage to the high end sportswear market in the PRC. The operation of FILA stores in Hong Kong and Macao is strategically important for extending the brand's reputation to the PRC market.

In order to raise the brand awareness and impact on the younger elite groups in the PRC high-end sportswear market, the Group is planning to rejuvenate and reposition the FILA brand in China by launching a series of rebranding and marketing campaign to boost the brand recognition.

FILA stores with smart and refreshing display layout will be rolled out to impress trendy consumers in the first and second tier cities. As at 30 June 2011, the Group's distributors have been operating nearly 200 FILA stores in major cities of the PRC and the Group has nearly 10 FILA stores in Hong Kong and Macao.



Since the acquisition of the Fila business in the PRC in 2009, the Group has integrated the PRC team and the Hong Kong team who have deep understanding of the FILA brand together with Fila's worldwide resources and designers to form a strong product development team. In addition, the Group has also introduced OEM with extensive experience in serving international brands and high-end customer markets to strengthen Fila's supply chain.

Through innovative design, luxurious materials, and attention to detail, the Group will mix the heritage of Fila products' design with the fashion elements taking into account the preferences and physical characteristics of Chinese consumers to offer a new look of Fila products to the PRC market.

With the above branding and product strategies and the strong management team, we believe that the Fila business in the PRC will become another growth driver for the Group.