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PORTS DESIGN LIMITED

寶姿時裝有限公司*

(於百慕達註冊成立的有限公司)

(Incorporated in Bermuda with limited liability)

(Stock code: 589)

LR13.51(A)

CLARIFICATION ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTION

MASTER CONCESSIONAIRE AGREEMENT

Reference is made to the announcement of the Company dated 16 July 2010 (the **Announcement**) in relation to, *inter alia*, the master concessionaire agreement entered into between the Company and PCD dated 29 November 2009 (the **Master Concessionaire Agreement**), and the annual caps set by the Company in relation thereto.

It was disclosed in the Announcement that it is expected that the fees to be paid by the Group to PCD Group pursuant to the Master Concessionaire Agreement for the two financial years ended 31 December 2011 will not exceed RMB40.8 million and RMB63.0 million, respectively (the **Original Annual Caps**).

Based on calculations made by the Company, the applicable percentage ratios under the Listing Rules of the Original Annual Caps are less than 5%, but larger than 2.5%. The Listing Rules applicable at the time the Master Concessionaire Agreement was entered into, require transactions with applicable percentage ratios larger than 2.5% to be subject to notification, publication and independent shareholders' approval requirements. In order to ensure that the Company is in compliance with the Listing Rules, the Company would like to revise the Original Annual Caps to RMB26.5 million and RMB33.9 million, respectively (the **Revised Annual Caps**).

The Revised Annual Caps were determined by reference to the similar factors stated in the Announcement, and such amounts represent an applicable percentage ratio of less than 2.5%, thus not triggering independent shareholders' approval requirements under the then-applicable Listing Rules.

The Company would comply with the relevant requirements under the Listing Rules if and when the Revised Annual Caps were exceeded.

By Order of the Board
Alfred Chan Kai Tai
Director

Hong Kong, 27 July 2010

As at the date of this announcement, the Directors are:

LR 2.14

Edward Han-Kiat TAN

Alfred Kai Tai CHAN

Pierre Frank BOURQUE

Julie Ann ENFIELD[^]

Rodney Ray CONE[#]

Valarie Wei Lynn FONG[#]

Peter Nickolaus BROMBERGER[#]

[^]Non-executive Director

[#]Independent Non-executive Director