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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the margin of net profit attributable to shareholders of the Company for the year ending 31 December 2014 is expected to record a substantial increase to approximately 70.0% as compared with that of 14.9% for the year ended 31 December 2013.

The information contained in this announcement is a preliminary assessment made by the Board based on, among others, the unaudited consolidated management accounts of the Group for 11 months ended 30 November 2014, and other information currently available to the Board, and is subject to audit by the Company's auditors.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Dongxiang (Group) Co., Ltd. (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that the margin of net profit attributable to shareholders of the Company for the year ending 31 December 2014 is expected to record a substantial increase to approximately 70.0% as compared with that of 14.9% for the year ended 31 December 2013.

The Board considered the substantial increase in the margin of net profit attributable to the shareholders of the Company is mainly attributable to the substantial gain from the disposal of 30% interests in the Group's investment in the shares of Alibaba Group Holding Limited (NYSE: BABA), which is held through Yunfeng e-Commerce A Fund, L.P. and Yunfeng

e-Commerce B Fund, L.P.. The performance of the Group's core sportswear sale business for the year ending 31 December 2014 is expected to remain stable as compared with that for the year ended 31 December 2013.

The Group is in the process of finalising the consolidated final results for the year ending 31 December 2014. Hence, the information contained in this announcement is a preliminary assessment made by the Board based on, among others, the unaudited consolidated management accounts of the Group for 11 months ended 30 November 2014, and other information currently available to the Board. The audited consolidated final results of the Group may be subject to adjustments following further review by the Board, discussions with the auditors of the Company and completion of the required auditing procedures.

The Board expects that the announcement of the audited consolidated result of the Group for the year ending 31 December 2014 will be published by the end of March 2015 in compliance with the requirements of the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Dongxiang (Group) Co., Ltd.
Chen Yihong
Chairman

15 December 2014

As at the date of this announcement, the executive directors of the Company are Mr. Chen Yihong and Ms. Chen Chen, and the independent non-executive directors of the Company are Mr. Gao Yu, Dr. Xiang Bing and Mr. Xu Yudi.