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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)**

**SUPPLEMENTAL INFORMATION  
TO  
POSITIVE PROFIT ALERT ANNOUNCEMENT**

Reference is made to the announcement of China Dongxiang (Group) Co., Ltd. (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) dated 15 December 2014 in relation to the positive profit alert for the year ended 31 December 2014 (the “**Announcement**”).

The board of directors (the “**Board**”) of the Company wishes to provide additional information to the shareholders of the Company and potential investors that the Group is expected to record a substantial increase of approximately 350% to 380% in net profit for the year ending 31 December 2014 as compared with the net profit recorded by the Group for the year ended 31 December 2013.

The Board considered the substantial increase in the net profit of the Group is mainly attributable to the substantial increase in investment income arising from the distribution from Yunfeng e-Commerce A Fund, L.P. and Yunfeng e-Commerce B Fund, L.P. (the “**Yunfeng Funds**”) of their disposal of 30% of the Yunfeng Funds’ investments in the shares of Alibaba Group Holding Limited (NYSE: BABA) (the “**Distribution**”). After the Distribution, the Group remains as the limited partner of the Yunfeng Funds. For more details of our investment in the Yunfeng Funds, please refer to the announcement of the Company dated 22 September 2011. 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**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*

16 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.*