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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)

**RESIGNATION AND APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR, MEMBER
AND CHAIRMAN OF AUDIT COMMITTEE**

The Board announces the resignation of Mr. Mak Kin Kwong as an independent non-executive director and the chairman of the audit committee of the Company, and the appointment of Mr. Jin Zhi Guo as the independent non-executive director and a member of the audit committee of the Company with effect from 1 July 2010.

The Board further announces that Mr. Xu Yudi, an existing independent non-executive director and a member of the audit committee of the Company, has been appointed to act as the chairman of the audit committee of the Company to replace Mr. Mak Kin Kwong with effect from 1 July 2010.

The board of directors (the “Board”) of China Dongxiang (Group) Co., Ltd. (the “Company”) announces that Mr. Mak Kin Kwong (“Mr. Mak”) has resigned as an independent non-executive director and the chairman of the audit committee of the Company with effect from 1 July 2010. On the same date, Mr. Jin Zhi Guo (“Mr. Jin”) has been appointed as an independent non-executive director and a member of the audit committee of the Company, and Mr. Xu Yudi (“Mr. Xu”), an existing independent non-executive director of the Company has been appointed as the chairman of the audit committee of the Company to fill the vacancy caused by the resignation of Mr. Mak.

RESIGNATION OF DIRECTOR

Mr. Mak tendered his resignation as an independent non-executive director and the chairman of the audit committee of the Company with effect from 1 July 2010 as Mr. Mak is endeavor to avoid any potential conflicts of interests due to his current appointments as an independent non-executive director of 361 Degrees International Limited, a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 1361), and Pou Sheng International (Holdings) Limited, a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 3813), both are PRC sportswear enterprises engage in the similar line of business with the Company. Mr. Mak has confirmed that he has no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of holders of securities of the Company.

The Board would like to express its sincere gratitude to Mr. Mak for his contributions to the Company during his tenure of service.

APPOINTMENT OF DIRECTOR AND MEMBER OF AUDIT COMMITTEE

Mr. Jin Zhi Guo, aged 53, a senior economist with EMBA at China Europe International Business School and Ph.D at Qingdao University. Since 1975, Mr. Jin had served in various positions including head of power department of Tsingtao Brewery Factory, assistant to plant manager of Tsingtao Brewery No. 1 in 1994, general manager of Tsingtao Brewery (Xi'an) Company Limited in 1996, general manager of Tsingtao Brewery North Office, assistant to general manager and general manager of Tsingtao Brewery Co., Ltd. between 2000 and 2001. Mr. Jin was promoted as president and vice-chairman of Tsingtao Brewery Co., Ltd. in 2002. Since 2008, Mr. Jin was elected as the chairman of Tsingtao Brewery Co., Ltd. (青島啤酒股份有限公司), a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 00168) and The Shanghai Stock Exchange (Stock Code: 600600). Mr. Jin is also the chairman and the CEO of Tsingtao Brewery Group Company Limited. Mr. Jin has extensive experience in strategic management, sales and marketing management and capital operations. In 2008, Mr. Jin was awarded "2007 CCTV Top 10 Economic-Figures". He is the national representative of the 10th and 11th National People's Congress.

Mr. Jin is a current director of QKL Stores Inc., a company listed on the NASDAQ (Ticker Symbol: QKLS) since September 2009, save as disclosed, he has not held any directorships in any listed public companies in the three years prior to the date of this announcement. He has not previously held any positions with the Company or any of its subsidiaries. Save as disclosed above, Mr. Jin does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Jin does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Pursuant to the letter of appointment to be entered into between the Company and Mr. Jin, the appointment of Mr. Jin is for a term of one year commencing from 1 July 2010.

The amount of director's fee of Mr. Jin is HK\$200,000 per annum. The letter of appointment is subject to the Articles of Association of the Company and the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited which contains provisions for early retirement and retirement by rotation of directors. The emoluments of the independent non-executive directors of the Company are determined by reference to the remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there is no information in relation to the appointment of Mr. Jin which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of holders of securities of the Company.

The Board would like to extend its warmest welcome to Mr. Jin to join the Board.

APPOINTMENT OF CHAIRMAN OF AUDIT COMMITTEE

Mr. Xu Yudi, aged 58, an independent non-executive director and member of the audit committee of the Company. Mr. Xu obtained qualifications as a certified public accountant and senior auditor in the PRC. He is a committee member of the Chinese Institute of Certified Public Accountants. He obtained his master degree in economics from the Institute for Fiscal Science Research under the State Ministry of Finance (財政部財政科學研究所). He is currently a director of China Citic Group (中國中信集團公司) and consultant of Group Strategy and Planning Department. For the period between 1994 and 2009, Mr. Xu was the vice president and general accountant of China Leasing Company Limited (中國租賃有限公司), president and chairman of Citic International Cooperation (中信國際合作公司), vice president and vice chairman of Citic Constructions Co. Ltd. (中信建設有限責任公司). Prior to that, he was a lecturer of Tianjin Commercial School (天津財貿學校) and also the officer, division chief, deputy director, deputy delegate and director of National Audit Office. He was also an intern at the Office of Auditor General of Canada from 1983 to 1985.

Mr. Xu is appointed as the chairman of the audit committee with effect from 1 July 2010. With effect from 1 July 2010, the audit committee of the Company comprises Mr. Xu Yudi, Mr. Jin Zhi Guo and Dr. Xiang Bing, all of whom are independent non-executive directors.

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

Hong Kong, 30 June 2010

As at the date of this announcement, the Board comprises two executive Directors, Mr. Chen Yihong and Mr. Qin Dazhong; one non-executive Director, Mr. Gao Yu; and three independent non-executive Directors, Mr. Mak Kin Kwong, Dr. Xiang Bing and Mr. Xu Yudi.