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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)

CHANGE OF DIRECTORSHIP

APPOINTMENT OF NEW CHIEF EXECUTIVE OFFICER AND CHIEF OPERATING OFFICER

The board of directors (the “**Board**”) of China Dongxiang (Group) Co., Ltd. (the “**Company**”) announces the resignation of Ms. Sandrine, Suzanne, Eléonore, Agar Zerbib (“**Ms. Zerbib**”) as the chief executive officer, executive director and the chairman of the executive committee of the Company; the appointment of Mr. Chen Yihong (“**Mr. Chen**”) as the chief executive officer and the chairman of the executive committee of the Company in replacement of Ms. Zerbib; and the re-designation of Mr. Qin Dazhong (“**Mr. Qin**”) from his position as the vice chairman of the Board to the chief operating officer of the Company, all with effect from 20 October 2011.

This announcement is made by the Company pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board announces the resignation of Ms. Zerbib as the chief executive officer, executive director and the chairman of the executive committee of the Company; the appointment of Mr. Chen as the chief executive officer and the chairman of the executive committee of the Company in replacement of Ms. Zerbib; and the re-designation of Mr. Qin from his position as the vice chairman of the Board to the chief operating officer of the Company, all with effect from 20 October 2011.

RESIGNATION OF DIRECTOR

Ms. Zerbib tendered her resignation as the chief executive officer, executive director and the chairman of the executive committee of the Company with effect from 20 October 2011 due to her own personal reasons. Ms. Zerbib has confirmed that she has no disagreement with the Board and there is no other matter relating to her resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its sincere gratitude to Ms. Zerbib for her contributions to the Company during her tenure of service.

APPOINTMENT OF NEW CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE EXECUTIVE COMMITTEE

Mr. Chen will be appointed as the chief executive officer and the chairman of the executive committee of the Company in replacement of Ms. Zerbib with effect from 20 October 2011.

Mr. Chen Yihong (陳義紅), aged 53, is the founder, chairman of the Board and an executive director of the Company. Mr. Chen is primarily responsible for the overall corporate strategies, planning and business development of the Company and its subsidiaries (the “**Group**”). Mr. Chen has extensive experience in the sporting goods industry in China. From 1991 to 2005, Mr. Chen was the vice-general manager, general manager and chief executive officer of Beijing Li Ning Sports Goods Co., Ltd. (北京李寧體育用品有限公司) and the executive director of Li Ning Company Limited, a company listed on Hong Kong Stock Exchange. Mr. Chen has completed “China CEO Program” of Cheung Kong Graduate School of Business (長江商學院) in 2010.

Save as disclosed above and except for the Company, Mr. Chen has not held any directorships in any listed public companies in the last three years. Mr. Chen is currently the chairman of the Board, the executive director of the Company and a member of the remuneration committee. He is also a director of a number of the Group’s subsidiaries.

Mr. Chen is a controlling shareholder of the Company and save as disclosed, he does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Chen is deemed to be interested in 2,792,601,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”). Mr. Chen has not entered into any new service contract regarding this new appointment. Pursuant to the service contracts previously entered into between Mr. Chen and the Company and Beijing Dongxiang Sports Development Co., Limited (北京動向體育發展有限公司) (“**Beijing Dongxiang**”), respectively, Mr. Chen is appointed for a term of 3 years from 10 October 2010 and is entitled to an annual salary (before tax) of approximately RMB1,767,000, director fees of HK\$176,000, discretionary bonus and other benefits at the sole and absolute discretion of the Board and its remuneration committee. Mr. Chen’s remuneration was determined by reference to his duties and responsibilities, experience, performance and market conditions.

Save as disclosed above, there is no information in relation to the appointment of Mr. Chen 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 the shareholders of the Company.

RE-DESIGNATION OF EXISTING VICE CHAIRMAN OF THE BOARD TO THE CHIEF OPERATING OFFICER

Mr. Qin will be re-designated from his position as the vice chairman of the Board to the chief operating officer of the Company with effect from 20 October 2011. Mr. Qin as the new chief operating officer will be primarily responsible for operating the business of the Company.

Mr. Qin Dazhong (秦大中), aged 42, is an executive director of the Company and was the chief executive officer of the Company during the period from March 2007 to November 2010. Mr. Qin joined Beijing Dongxiang as general manager since October 2002 and has over 13 years of experience in the operation of sportswear companies. From 1997 to 2002, he held various positions at Beijing Li Ning Sports Goods Co., Ltd. (北京李寧體育用品有限公司)

where he was responsible for its corporate planning, international business and financial control. Prior to joining the sportswear industry, he worked for the National Audit Office of the PRC (中國國家審計署). He received a bachelor degree in economics from Zhongshan University (中山大學) and an executive master in business administration degree from Guanghua School of Management of Peking University (北京大學光華管理學院) in 2002.

Except for the Company, Mr. Qin has not held any directorships in any listed public companies in the last three years. Mr. Qin is currently the executive director of the Company. He is also a director of a number of the Group's subsidiaries.

Mr. Qin does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Qin is deemed to be interested in 211,864,000 shares of the Company within the meaning of Part XV of the SFO. Mr. Qin has not entered into any new service contract regarding this re-designation. Pursuant to the service contracts previously entered into between Mr. Qin and the Company and Beijing Dongxiang, respectively, Mr. Qin is appointed for a term of 3 years from 10 October 2010 and is entitled to receive an annual salary (before tax) of approximately RMB1,605,000, director fees of HK\$176,000, discretionary bonus and other benefits at the sole and absolute discretion of the Board and its remuneration committee. Mr. Qin's remuneration was determined by reference to his duties and responsibilities, experience, performance and market conditions.

Save as disclosed above, there is no information in relation to the re-designation of Mr. Qin 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 the shareholders of the Company.

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

Hong Kong, 20 October 2011

As at the date of this announcement, the executive directors of the Company are Mr. Chen Yihong, Mr. Qin Dazhong, the non-executive director of the Company is Mr. Gao Yu, and the independent non-executive directors of the Company are Mr. Xu Yudi, Dr. Xiang Bing and Mr. Jin Zhi Guo.