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**DONGYUE GROUP LIMITED**

**東岳集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock code: 189)

**POSITIVE PROFIT ALERT**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the amount of the Unaudited Consolidated Profit for the six months ended 30 June 2010 is estimated to be over 3 times of the amount of the Unaudited Consolidated Profit for the six months ended 30 June 2009. This positive profit alert announcement is only based on the preliminary review of the consolidated management accounts of the Group for the six months ended 30 June 2010, of which the independent auditor of the Company is yet to finish the review.

**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 Dongyue Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited( the “**Listing Rules**”).

After preliminary review by the Group’s management of the consolidated management accounts of the Group for the six months ended 30 June 2010, the board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the amount of the unaudited consolidated profit and total comprehensive income attributable to the Shareholders (the “**Unaudited Consolidated Profit**”) for the six months ended 30 June 2010 is estimated to be over 3 times of the amount of the Unaudited Consolidated Profit for the six months ended 30 June 2009. The Unaudited Consolidated Profit for the six months ended 30

June 2009 amounted to approximately RMB 63.3 million. The Board believes that such increase is mainly attributable to the remarkable increase in the selling prices and sales volumes of the Group's products as a result of market rejuvenation.

The view of the Board in this announcement is only a preliminary assessment by the Board based on the consolidated management accounts of the Group for the six months ended 30 June 2010, of which the independent auditor of the Company is yet to finish the review. The Group's interim results for the six months ended 30 June 2010 is expected to be announced in late August 2010.

**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  
**Dongyue Group Limited**  
Zhang Jianhong  
*Chairman*

The People's Republic of China, 8 July 2010

*As at the date of this announcement, the directors of the Company are Mr. Zhang Jianhong, Mr. Fu Kwan, Mr. Liu Chuanqi, Mr. Cui Tongzheng, Mr. Yan Jianhua and Mr. Zhang Jian as executive directors, and Mr. Yue Run Dong, Mr. Liu Yi and Mr. Ting Leung Huel, Stephen as independent non-executive directors.*