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DONGYUE GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 189)

GRANT OF SHARE OPTIONS

This announcement is made by Dongyue Group Limited (the “**Company**”) pursuant to the Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of the Company hereby announces that the Company granted share options to a total of 213 eligible participants on 1 June 2011 under the share option scheme adopted by the Company on 16 November 2007 to subscribe for an aggregate of 150,000,000 ordinary shares of HK\$0.1 each of the Company. Details of such grant of share options are set out as follows:

Date of grant: 1 June 2011

Exercise price of share options granted: HK\$8.13 per share

Closing market price of a share of the Company on the date of grant: HK\$8.13

Number of share options granted:	Tranche 1 — 37,500,000
(each share option shall entitle	Tranche 2 — 37,500,000
the holder of the share option to	Tranche 3 — 37,500,000
subscribe for one ordinary share	Tranche 4 — 37,500,000
of the Company)	

Validity period of the share options: (i) Tranche 1 — a total of 37,500,000 share options shall be exercisable for the period commencing on 1 June 2012 and expiring on 1 June 2016.

- (ii) Tranche 2 — a total of 37,500,000 share options shall be exercisable for the period commencing on 1 June 2013 and expiring on 1 June 2016.
- (iii) Tranche 3 — a total of 37,500,000 share options shall be exercisable for the period commencing on 1 June 2014 and expiring on 1 June 2016.
- (iv) Tranche 4 — a total of 37,500,000 share options shall be exercisable for the period commencing on 1 June 2015 and expiring on 1 June 2016.

Among the 150,000,000 share options granted, 34,000,000 of which were granted to the following Directors as follows:

Name of Director	Position held with the Company	Number of share options granted				Total
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	
Mr. Zhang Jianhong	Chairman and Executive Director	3,325,000	3,325,000	3,325,000	3,325,000	13,300,000
Mr. Liu Chuanqi	Executive Director	3,375,000	3,375,000	3,375,000	3,375,000	13,500,000
Mr. Cui Tongzheng	Executive Director	1,250,000	1,250,000	1,250,000	1,250,000	5,000,000
Mr. Yan Jianhua	Executive Director	500,000	500,000	500,000	500,000	2,000,000
Mr. Zhang Jian	Executive Director	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>200,000</u>
		<u>8,500,000</u>	<u>8,500,000</u>	<u>8,500,000</u>	<u>8,500,000</u>	<u>34,000,000</u>

The grant of share options to the executive Directors of the Company has been approved by the independent non-executive Directors of the Company. Each of the grantees who is a Director of the Company has abstained from voting so far as the resolution for the approval of the grant of share options to each of them was concerned. Save as disclosed in this announcement, none of the grantees of the share options is a Director, chief executive or substantial shareholder of the Company or an associate (as defined in the Listing Rules) of any of them.

By order of the Board
Dongyue Group Limited
Zhang Jianhong
Chairman

The People's Republic of China, 1 June 2011

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.