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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 financial results of the Group for the year ended 31 December 2011 are estimated to increase significantly as compared with those in 2010. This positive profit alert announcement is only based on the preliminary review of the consolidated management accounts of the Group for the year ended 31 December 2011, of which the independent auditor of the Company is yet to finish the audit.

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 year ended 31 December 2011, the board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the financial results of the Group for the year ended 31 December 2011 are estimated to increase significantly as compared with those in 2010. The amount of the audited consolidated profit and total comprehensive income attributable to the Shareholders for the year ended 31 December 2010 amounted to approximately RMB 733.9 million. The Board believes that such increase is mainly attributable to improvement in operating results of the Group year-on-year as a result of the strong domestic and international demand and improvement in selling prices and margin

of the Group's products. During the year ended 31 December 2011, capitalizing on its low-cost raw material bases and its fully vertically-integrated production value chain, the Group was able to stay ahead of the changing market environment and created a sustained growth in demand for the Group's old and new products.

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 year ended 31 December 2011, of which the independent auditor of the Company is yet to finish the audit. The Group's audited annual results for the year ended 31 December 2011 are expected to be announced in March 2012.

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, 16 January 2012

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.