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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)

**COMPLETION OF ISSUE OF NEW SHARES
UNDER GENERAL MANDATE**

Reference is made to the announcement of China Dongxiang (Group) Co., Ltd. (the “**Company**”) dated 9 October 2017 (the “**Announcement**”). Unless otherwise defined, all capitalised terms used herein shall have the same meanings given to them in the Announcement.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that the Conditions set out in the Subscription Agreement have been fulfilled and Completion of the Subscription has taken place on 27 October 2017. Pursuant to the Subscription Agreement, 138,410,025 Subscription Shares have been allotted and issued to the Subscriber under the General Mandate on Completion.

The table below sets out the shareholding structure of the Company immediately before and after Completion of the Subscription:

	Immediately before Completion of the Subscription		Immediately after Completion of the Subscription	
	Number of Shares held	Approximate percentage of total issued Shares	Number of Shares held	Approximate percentage of total issued Shares
Poseidon Sports Limited <i>(Note 1)</i>	2,249,387,000	40.63%	2,249,387,000	39.64%
Bountiful Talent Ltd <i>(Note 2)</i>	116,944,100	2.11%	116,944,100	2.06%
Talent Hill Group Limited <i>(Note 3)</i>	64,928,372	1.17%	64,928,372	1.14%
Forever Step Investment Limited <i>(Note 4)</i>	9,280,000	0.17%	9,280,000	0.16%
The Subscriber	0	0.00%	138,410,025	2.44%
Public Shareholders	<u>3,095,861,528</u>	<u>55.92%</u>	<u>3,095,861,528</u>	<u>54.56%</u>
Total	<u>5,536,401,000</u>	<u>100%</u>	<u>5,674,811,025</u>	<u>100%</u>

Notes:

- (1) Mr. Chen Yihong (“**Mr. Chen**”), an executive Director and the Chairman of the Board, Harvest Luck Development Limited (“**Harvest Luck**”) and Talent Rainbow Far East Limited (“**Talent Rainbow**”) are deemed to be interested in the Shares held by Poseidon Sports Limited (“**Poseidon**”) by virtue of Harvest Luck and Talent Rainbow being entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Poseidon. Harvest Luck is wholly owned and controlled by Mr. Chen. The entire issued share capital of Talent Rainbow is held by Billion Giant Development Limited (“**Billion Giant**”). The entire issued share capital of Billion Giant is in turn held by BOS Trustee Limited as trustee of the Cerises Trust. The Cerises Trust is an irrevocable discretionary trust set up by Mr. Chen as settlor and BOS Trust Company (Jersey) Limited as trustee on 20 April 2010. The beneficiaries under the Cerises Trust are family members of Mr. Chen. Mr. Chen as founder of the Cerises Trust is deemed to be interested in the Shares held by Talent Rainbow. On 16 December 2016, the trustee has been changed from BOS Trust Company (Jersey) Limited to BOS Trustee Limited.
- (2) Bountiful Talent Ltd is wholly-owned and controlled by Ms. Chen Chen (“**Ms. Chen**”), an executive Director, and Ms. Chen is therefore deemed to be interested in the Shares held by Bountiful Talent Ltd.
- (3) Talent Hill Group Limited is wholly-owned and controlled by Mr. Chen Yiyong, Mr. Chen’s brother.
- (4) Forever Step Investment Limited is wholly-owned and controlled by Mr. Chen Yiliang, Mr. Chen’s brother.

CLARIFICATION

Reference is made to the biographical details of Mr. Zhang as contained in page 2 of the Announcement. The Board wishes to clarify that the English translation, for identification purpose only, of 北京必邁體育用品有限公司 is Beijing BMAI Sports Goods Co., Ltd.

By Order of the Board
China Dongxiang (Group) Co., Ltd.
CHEN Yihong
Chairman

27 October 2017

As at the date of this announcement, the executive directors of the Company are Mr. Chen Yihong, Ms. Chen Chen and Mr. Zhang Zhiyong, and the independent non-executive directors of the Company are Dr. Chen Guogang, Mr. Chen Johnny and Mr. Gao Yu.