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**DONGXIANG**

**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)**

**(1) COMPLETION OF ACQUISITION OF SHARES BY  
CONNECTED PERSONS  
AND  
(2) COMPLETION OF ACQUISITION OF SHARES BY  
MANAGEMENT PERSONNEL**

Reference is made to the circular of China Dongxiang (Group) Co., Ltd. (the “**Company**”) dated 9 March 2018 (the “**Circular**”) and the announcement of the Company dated 11 April 2018 (the “**Announcement**”). Unless otherwise defined, all capitalised terms used hereunder shall have the same meanings given to them in the Circular and the Announcement.

**(1) COMPLETION OF ACQUISITION OF SHARES BY CONNECTED PERSONS**

Pursuant to the Connected Subscription Agreements, the Connected Subscriber Borrowers undertook to acquire at their own costs and with their own funds an aggregate of 9,570,000 Shares no later than 3 months upon the Connected Subscription Completion as additional security for the Connected Subscription Loans.

The Board is pleased to announce that, as at the date of this announcement, the Connected Subscriber Borrowers have acquired at their own costs and with their own funds the Connected Acquired Shares pursuant to the terms of the Connected Subscription Agreements and all such Shares have been charged in favour of BPEL to secure their respective obligations under the Connected Subscription Loan Agreements.

**(2) COMPLETION OF ACQUISITION OF SHARES BY MANAGEMENT PERSONNEL**

Pursuant to the Management Subscription Agreements, the Management Subscribers undertook to acquire at their own costs and with their own funds an aggregate of 8,800,000 Shares no later than 3 months upon the Management Subscription Completion as additional security for the Management Subscription Loans.

Pursuant to the Subscription Agreement, the Subscriber, namely Mr. Yang Gang, undertook to acquire at his own costs and with his own funds an aggregate of 1,000,000 Shares no later than 3 months upon the Completion as additional security for the Subscription Loan.

The Board is pleased to announce that, as at the date of this announcement, the Management Subscribers and the Subscriber have acquired at their own costs and with their own funds the requisite Management Acquired Shares and the Acquired Shares pursuant to the terms of the Management Subscription Agreements and the Subscription Agreement (as the case may be). All such Shares have been charged in favour of BPEL to secure their respective obligations under the Management Subscription Loan Agreements and the Subscription Loan Agreement (as the case may be).

### (3) SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately after the Connected Subscription Completion and the Management Subscription Completion (as defined in the Circular) and the Completion (as defined in the Announcement) (together referred to as the “**Completions**”); and (ii) as at the date of this announcement where all Additional Shares have been acquired:

	Immediately after the Completions		As at the date of this announcement where all Additional Shares have been acquired	
	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	38.22%	2,249,387,000	38.22%
Talent Hill Group Limited ( <i>Note 2</i> )	64,928,372	1.10%	51,874,372	0.88%
Forever Step Investment Limited ( <i>Note 3</i> )	9,280,000	0.16%	9,280,000	0.16%
Ms. Chen Chen ( <i>Note 4</i> )	156,944,100	2.67%	156,944,100	2.67%
<i>Connected Subscriber Borrowers:</i>				
Mr. Zhang Zhiyong	163,320,025	2.77%	166,120,025	2.82%
Mr. Ren Yi	28,000,000	0.48%	28,000,000	0.48%
Mr. Yang Yang	9,000,000	0.15%	10,000,000	0.17%
Mr. Lyu Guanghong	9,501,000	0.16%	10,000,000	0.17%
Ms. Tang Lijun	10,432,000	0.18%	10,406,000	0.18%
Ms. Sun Wei	9,000,000	0.15%	10,000,000	0.17%
<b>Public</b>				
<i>Management Subscribers and the Subscriber:</i>				
— Mr. Chen Shaowen	25,200,000	0.43%	28,000,000	0.48%
— Mr. Song Li	25,200,000	0.43%	28,000,000	0.48%
— Mr. Nan Peng	16,000,000	0.27%	16,000,000	0.27%
— Mr. Wang Yalei	14,400,000	0.24%	16,000,000	0.27%
— Mr. Yang Gang	9,000,000	0.15%	10,000,000	0.17%
Other public Shareholders	<u>3,086,528,528</u>	<u>52.44%</u>	<u>3,086,109,528</u>	<u>52.43%</u>
<b>Total</b>	<u><u>5,886,121,025</u></u>	<u><u>100%</u></u>	<u><u>5,886,121,025</u></u>	<u><u>100%</u></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) Talent Hill Group Limited is wholly-owned and controlled by Mr. Chen Yiyong, Mr. Chen’s brother.
- (3) Forever Step Investment Limited is wholly-owned and controlled by Mr. Chen Yiliang, Mr. Chen’s brother.
- (4) 116,944,100 Shares are held by Bountiful Talent Ltd, a company wholly-owned and controlled by Ms. Chen Chen, an executive Director.

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

Hong Kong, 9 May 2018

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