

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.*

  
**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)**

**ANNOUNCEMENT**  
**PLACEMENT OF EXISTING SHARES**

This Announcement is made pursuant to Rule 13.09 of the Rules governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

China Dongxiang (Group) Co., Ltd. (the “**Company**”) has been informed by (i) Poseidon Sports Limited (“**Poseidon**”), a company wholly-owned by Mr Chen Yihong (“**Mr Chen**”), the Chairman and the controlling shareholder of the Company; (ii) Colour Billion Limited (“**Colour Billion**”), a company wholly-owned by Ms Liu Peiying who is the wife of Mr Chen; and (iii) Wise Finance Ltd. (“**Wise Finance**”, together with Poseidon and Colour Billion shall be referred to as the “**Vendors**”), a company wholly-owned by Mr Qin Dazhong, the Chief Executive Officer and a director of the Company, that the Vendors have engaged Deutsche Bank AG, Hong Kong Branch and J.P. Morgan Securities (Asia Pacific) Limited for the placement of an aggregate of 170,000,000 shares of HK\$0.01 each (“**Shares**”) in the Company (the “**Placement**”) representing a total of approximately 3.0% of the entire issued and fully paid up share capital of the Company as at the date of this Announcement at a price of HK\$5.02 per Share. The Placement of the Shares forms part of the Vendors’ own respective asset management plans.

The respective shareholdings of the Vendors in the Company (i) as at the date of this Announcement; and (ii) immediately upon completion of the Placement are as follows:

Name	Number of Shares held as at the date of this Announcement	Approximate % of total issued Shares	Number of Shares held upon completion of the Placement	Approximate % of total issued Shares
Poseidon	2,587,081,000	45.66%	2,467,081,000	43.54%
Colour Billion	345,520,000	6.10%	325,520,000	5.74%
Wise Finance	241,864,000	4.27%	211,864,000	3.74%
Other shareholders	<u>2,491,821,000</u>	<u>43.98%</u>	<u>2,661,821,000</u>	<u>46.98%</u>
<b>Total:</b>	<b><u>5,666,286,000</u></b>	<b><u>100%*</u></b>	<b><u>5,666,286,000</u></b>	<b><u>100%</u></b>

\* The discrepancy between this figure and the summation of this column is caused by rounding of figures.

This announcement is also available for viewing on the website of the Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk) and on the website of the Company at [www.dxsport.com](http://www.dxsport.com).

By Order of the Board of Directors of  
**China Dongxiang (Group) Co., Ltd.**  
**Qin Dazhong**  
*Executive Director*

Hong Kong, 22 July 2009

*As at the date of this announcement, the Board comprises two executive Directors, Mr. CHEN Yihong and Mr. QIN Dazhong; one non-executive Director, Mr. GAO Yu; and three independent non-executive Directors, Mr. MAK Kin Kwong, Dr. XIANG Bing and Mr. XU Yudi.*