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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)**

**VOLUNTARY ANNOUNCEMENT  
SHARE REPURCHASE**

This announcement is a voluntary disclosure made by China Dongxiang (Group) Co., Ltd. (the **Company**) to provide its shareholders and potential investors with update information in relation to the development of the Company.

Pursuant to the repurchase mandate granted to the board of directors of the Company (the **Board**) at the annual general meeting of the Company held on 12 May 2011 (the **Repurchase Mandate**), the Company further repurchased a total of 30,030,000 of its own shares on 2 May 2012, 3 May 2012 and 4 May 2012, at the highest and lowest price of HK\$1.09 and HK\$1.05, respectively (the **Share Repurchase**). The aggregate consideration for the Share Repurchase is HK\$32,398,830.8 and was funded from internal resources of the Company. The shares repurchased by the Company on 2 May 2012, 3 May 2012 and 4 May 2012 represent approximately 0.53% of the existing issued share capital of the Company. Up to the date of this announcement, the Company has repurchased a total of 130,000,000 of its own shares pursuant to the Repurchase Mandate, of which 100,000,000 shares were repurchased between 24 April 2012 and 4 May 2012.

Shareholders and investors should note that the Company may or may not repurchase additional shares under the Repurchase Mandate. Any repurchase of shares made under the Repurchase Mandate will be subject to market conditions and the applicable rules under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and will be at the Company's management's absolute discretion. There is no assurance of the timing, quantity or price of any share repurchases or whether the Company will make any further repurchases at all. Shareholders and investors should therefore exercise caution when dealing in the shares of the Company.

By order of the Board  
**Chen Yihong**  
*Chairman*

Hong Kong, 6 May 2012

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Yihong and Mr. Qin Dazhong, the non-executive director of the Company is Mr. Gao Yu, and the independent non-executive directors of the Company are Mr. Jin Zhi Guo, Dr. Xiang Bing and Mr. Xu Yudi.*