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Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 25 September 2007 (the “Prospectus”) issued by China Dongxiang (Group) Co., Ltd. (the “Company”).

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)

STABILISING ACTIONS AND END OF STABILISING PERIOD

The Company announces that the stabilising period in connection with the Global Offering ended on 1 November 2007.

The only stabilising actions undertaken during the stabilising period were over-allocations made in the International Offering and the exercise in full of the Over-allotment Option referred to in the Prospectus in respect of an aggregate of 206,250,000 additional Shares, which were used, among other things, to cover over-allocations in the International Offering.

The Company makes this announcement pursuant to Section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong) and announces that the stabilising period in connection with the Global Offering ended on 1 November 2007.

The only stabilising actions undertaken during the stabilising period were over-allocations made in the International Offering and the exercise in full by the Joint Global Coordinators on behalf of the International Underwriters on 18 October 2007 of the Over-allotment Option referred to in the Prospectus in respect of an aggregate of 206,250,000 Shares (the “**Over-allotment Shares**”). Pursuant to the exercise of the Over-allotment Option, the Company allotted and issued 177,150,000 Shares and the Selling Shareholders sold 29,100,000 Shares, in aggregate representing 15% of the Offer Shares initially available under the Global Offering, at HK\$3.98 per Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.004% and Hong Kong

Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering. The Over-allotment Shares were used, among other things, to cover over-allocations in the International Offering.

The details of the exercise of the Over-allotment Option are more particularly described in the Company's announcement dated 18 October 2007.

By order of the Board
China Dongxiang (Group) Co., Ltd.
Chen Yihong
Chairman

Hong Kong, 1 November 2007

Our Directors are Mr. CHEN Yihong and Mr. QIN Dazhong as executive Directors, Mr. GAO Yu as non-executive Director, and Dr. XIANG Bing, Mr. XU Yudi and Mr. MAK Kin Kwong as independent non-executive Directors.