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China Gamma Group Limited
中國伽瑪集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 164)

**COMPLETION OF MAJOR TRANSACTION
IN RELATION TO ACQUISITION OF CONTROLLING STAKE IN
RARE EARTH REFINERY AND PROCESSING BUSINESS**

Reference is made to the announcements of China Gamma Group Limited (the “**Company**”) dated 11 May 2011, 29 July 2011 and 8 September 2011 respectively, and the circular of the Company dated 24 August 2011 (the “**Circular**”) in relation to the Acquisition. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless defined otherwise.

The Board is pleased to announce that following the approval by the Shareholders of the Acquisition at the SGM held on 8 September 2011, all the conditions precedent to the Sale and Purchase Agreement have been fulfilled. Completion of the Acquisition took place on 29 December 2011. Upon Completion, the Company indirectly holds 90% equity interest in 雲南和達投資有限公司 (Yunnan He Da Investments Company Limited*), which in turn holds 60% equity interest in 冕寧縣茂源稀土科技有限公司 (Mianning Mao Yuan Rare Earth Technology Company Limited*) (which owns the Rare Earth Refinery Plant located in Sichuan Province, the PRC). It follows that the Group owns 54% attributable interest in 冕寧縣茂源稀土科技有限公司 (Mianning Mao Yuan Rare Earth Technology Company Limited*).

By order of the Board
China Gamma Group Limited
Chan Chun Lam
Company Secretary

Hong Kong, 29 December 2011

As at the date of this announcement, the executive director of the Company is Mr. Ho Chi Ho; the non-executive directors of the Company are Mr. Ma Kwok Hung, Warren and Mr. Chow Siu Ngor; and the independent non-executive directors of the Company are Mr. Wong Hoi Kuen, Mr. Chan Chi Yuen and Mr. Hung Hing Man.

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