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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)

**CHANGE OF DIRECTOR
AND COMPOSITION OF BOARD COMMITTEES**

The Board announces (1) the resignation of Dr. Xiang as an independent non-executive director, chairman of the remuneration committee and member of the audit committee and nomination committee of the Company; and (2) the appointment of Mr. Chen as an independent non-executive director, chairman of the remuneration committee and member of the audit committee and nomination committee of the Company, all with effect from 5 July 2017.

This announcement is made by the China Dongxiang (Group) Co., Ltd. (the “**Company**”) pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN OF THE REMUNERATION COMMITTEE AND MEMBER OF THE AUDIT COMMITTEE AND NOMINATION COMMITTEE OF THE COMPANY

The board of directors of the Company (the “**Board**”) announces that Dr. Xiang Bing (“**Dr. Xiang**”) has tendered his resignation as an independent non-executive director, chairman of the remuneration committee and member of the audit committee and nomination committee of the Company, all with effect from 5 July 2017, due to his decision to devote more time to his personal commitment. Dr. Xiang has confirmed that he has no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN OF THE REMUNERATION COMMITTEE AND MEMBER OF THE AUDIT COMMITTEE AND NOMINATION COMMITTEE OF THE COMPANY

Mr. Chen Johnny (“**Mr. Chen**”) has been appointed as an independent non-executive director, chairman of the remuneration committee, member of the audit committee and nomination committee of the Company with effect from 5 July 2017.

Mr. Chen, aged 57, is currently an independent non-executive director of Stella International Holdings Limited (a company listed on the Stock Exchange, stock code: 1836), Viva China Holdings Limited (a company listed on the Stock Exchange, stock code: 8032), Uni-President China Holdings Ltd. (a company listed on the Stock Exchange, stock code: 220), China Minsheng Financial Holding Corporation Ltd. (a company listed on the Stock Exchange, stock code: 245) and Alibaba Pictures Group Ltd. (a company listed on the Stock Exchange, stock code: 1060), respectively.

Earlier in his career, Mr. Chen served as the assurance partner and general manager of the Beijing office in KPMG from September 1983 to August 1993. He then joined PricewaterhouseCoopers and served as the assurance partner and managing partner of its Beijing office. Mr. Chen subsequently joined Zurich Insurance Group in March 2005, and served as the chairman of Life and General Insurance in its China office from December 2013 to February 2015.

Mr. Chen obtained a bachelor's degree in accounting/management from Johnson & Wales University in 1981. He obtained a master's degree in accounting from University of Rhode Island in 1983. He is a certified public accountant in the US since 1985.

Save as disclosed above, Mr. Chen has not held any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas, nor does he hold any other position with the Company and other members of the Group or possess any other major professional qualifications.

Pursuant to the letter of appointment to be entered into between the Company and Mr. Chen, the appointment of Mr. Chen is for an initial term of one year commencing from 5 July 2017. The amount of director's fee of Mr. Chen is HK\$220,000 per annum. The letter of appointment is subject to the Articles of Association of the Company and the Listing Rules which contains provisions for early retirement and retirement by rotation of directors. The emoluments of the independent non-executive directors of the Company are determined by reference to the remuneration benchmark in the industry and the prevailing market conditions.

As at the date of this announcement, Mr. Chen does not have any interest in any shares of the Company pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed above, Mr. Chen does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no information which is required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its sincere gratitude to Dr. Xiang for his valuable contributions towards the Company during his tenure of service, and to extend its welcome to Mr. Chen on his appointment to the Board.

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

5 July 2017

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