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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 DIRECTORS AND
COMPOSITION OF BOARD COMMITTEES**

The Board announces (1) the resignation of Mr. Xu as an independent non-executive director, chairman of the audit committee and member of the remuneration committee of the Company; and (2) the appointment of Dr. Chen as an independent non-executive director, chairman of the audit committee and member of the remuneration committee of the Company, all with effect from 1 June 2016.

This announcement is made by 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 AUDIT COMMITTEE AND MEMBER OF THE REMUNERATION COMMITTEE OF THE COMPANY

The board of directors of the Company (the “Board”) announces that Mr. Xu Yudi (“Mr. Xu”) has tendered his resignation as an independent non-executive director, chairman of the audit committee and member of the remuneration committee of the Company, all with effect from 1 June 2016, due to his decision for retirement. Mr. Xu 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 AUDIT COMMITTEE AND MEMBER OF THE REMUNERATION COMMITTEE OF THE COMPANY

Dr. Chen Guogang (“Dr. Chen”) has been appointed as an independent non-executive director, chairman of the audit committee and member of the remuneration committee of the Company with effect from 1 June 2016.

Dr. Chen, aged 56, is currently the vice president of China Minsheng Investment Corp., Ltd. (中國民生投資股份有限公司). Dr. Chen is an independent non-executive director of Guotai Junan Securities Co. Ltd. (國泰君安證券股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601211)). Dr. Chen is a non-executive director of Far East

Horizon Limited (遠東宏信有限公司) (a company listed on the Stock Exchange, stock code: 3360) while Dr. Chen is also the chairman of CMI Capital Co., Ltd. (中民投資本管理有限公司).

Dr. Chen obtained a doctorate degree in economics from Xiamen University (廈門大學) in 1988. He is a senior accountant granted by the Ministry of Foreign Trade and Economic Cooperation in the People's Republic of China and a certified public accountant granted by China Certified Public Accountant Association.

Dr. Chen joined New China Life Insurance Company Ltd. (新華人壽保險股份有限公司) (a company listed on the Stock Exchange, stock code: 1336) in April 2010 and served as the chief financial officer. He was subsequently appointed as the vice president and chief financial officer of New China Life Insurance Company Ltd. in July 2011. From 2005 to 2010, Dr. Chen served as a director of Sinofert Holdings Limited (中化化肥控股有限公司) (a company listed on the Stock Exchange, stock code: 297). He was a director of Sinochem International Corporation (中化國際(控股)股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600500) from 2000 to 2010. Dr. Chen also served as the chief financial officer of Sinochem Group (中國中化集團公司) from December 2000 to April 2010, general manager of the finance department of Sinochem Group from June 1999 to December 2000, deputy chief financial officer of Sinochem Group from February 1999 to June 1999, vice president of China International United Petroleum and Chemicals Co., Ltd. (中國國際石油化工聯合公司) from May 1997 to February 1999, vice director of the finance department of Sinochem Group from January 1995 to May 1997, general manager of the petroleum accounting department of Sinochem Group from March 1994 to January 1995, financial manager of its U.S. agrichemical subsidiary (中國中化集團公司美國農化公司) from July 1991 to March 1994. Prior to this, Dr. Chen served as deputy chief financial officer of Hino Company (香港鑫隆有限公司) in Hong Kong from July 1988 to July 1991 and was an assistant professor at Xiamen University from July 1984 to March 1985.

Save as disclosed above, Dr. 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 Dr. Chen, the appointment of Dr. Chen is for an initial term of one year commencing from 1 June 2016. The amount of director's fee of Dr. 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, Dr. 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, Dr. 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 other information which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters relating to the appointment of Dr. Chen that need 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 Mr. Xu for his valuable contributions towards the Company during his tenure of service, and to extend its welcome to Dr. Chen on his appointment to the Board.

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

Hong Kong, 1 June 2016

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