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KANTONE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1059)

APPOINTMENT AND RESIGNATION OF DIRECTORS AND CHANGE OF COMPOSITION OF BOARD COMMITTEES AND NON-COMPLIANCE WITH RULE 3.10(1) AND 3.21 OF THE LISTING RULES

APPOINTMENT AND RESIGNATION OF DIRECTORS

The Board announces that with effect from 20 March 2017:

- (i) Ms. Lei and Mr. Lin have been appointed as executive Directors; and
- (ii) Mr. Bleackley has resigned as an independent non-executive Director.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

The Board further announces that Mr. Bleackley has ceased to be a member of each of the Audit Committee, the Human Resources and Remuneration Committee and the Nomination Committee with effect from 20 March 2017.

NON-COMPLIANCE WITH THE LISTING RULES

Following the resignation of Mr. Bleackley, the Company has only two independent non-executive Directors and two Audit Committee members, the number of which falls below the minimum number required under Rules 3.10(1) and 3.21 of the Listing Rules respectively.

APPOINTMENT AND RESIGNATION OF DIRECTORS

The Board of Kantone Holdings Limited (the “**Company**”) announces that with effect from 20 March 2017:

- (i) Ms. Lei Lei (“**Ms. Lei**”) and Mr. Lin Xiang (“**Mr. Lin**”) have been appointed as executive Directors; and
- (ii) Mr. Frank Bleackley (“**Mr. Bleackley**”) has resigned as an independent non-executive Director as he need to devote more time to pursue his other business commitments and personal matters. Mr. Bleackley has confirmed that he has no disagreement with the Board and that he is not aware of any other matters in respect of his resignation that need to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The biographical details of Ms. Lei and Mr. Lin are as follows:

Ms. Lei

Ms. Lei, aged 54, has experience in business management. She had served as general manager of 海南博今文化投資股份有限公司 (Hainan Bojin Cultural Investment Company Ltd.*), and the chief executive officer of Sunp Canada Inc.. Ms. Lei graduated from 重慶郵電學院 (Chongqing Post & Telecommunications Institute*) in 1985 with a bachelor degree in engineering, and obtained a master degree in philosophy from 陝西師範大學 (Shaanxi Normal University*) in 1988. During the period from September 2012 to January 2017, Ms. Lei was an executive director of Culture Landmark Investment Limited (“**Culture Landmark**”), the issued shares of which are listed on the Main Board of the Stock Exchange. Ms. Lei is currently an executive director of Champion Technology Holdings Limited (“**Champion**”), which is the holding company of the Company holding 64.94% of the issued shares of the Company as at the date of this announcement and the issued shares of which are listed on the Main Board of the Stock Exchange.

Ms. Lei has entered into a letter of appointment with the Company to act as an executive Director and has no fixed term of service with the Company. The letter of appointment may be terminated by either party by written notice of not less than three months. Ms. Lei is subject to retirement by rotation of directors in annual general meeting of the Company in accordance with the Articles of Association and the Listing Rules. Ms. Lei shall be entitled to a director’s fee in such sum as the human resources and remuneration committee of the Company (the “**Human Resources and Remuneration Committee**”) may from time to time determine.

Mr. Lin

Mr. Lin, aged 32, has experience in accounting and investment. From 2011 to 2012, Mr. Lin worked at Source Networks Inc. as accounting manager. From 2012 to 2014, Mr. Lin served as auditor of KPMG. From 2015 to 2016, Mr. Lin worked at Sinocap Investment Holdings Limited as investment manager. Since 2016, Mr. Lin is the head of financial investment department of Culture Landmark. Mr. Lin is also an executive director of Champion. Mr. Lin holds Honors Bachelor Degree of Accounting and Economics from Carleton University.

Mr. Lin has entered into a letter of appointment with the Company to act as an executive Director and has no fixed term of service with the Company. The letter of appointment may be terminated by either party by written notice of not less than three months. Mr. Lin is subject to retirement by rotation of directors in annual general meeting of the Company in accordance with the Articles of Association and the Listing Rules. Mr. Lin shall be entitled to a director's fee in such sum as the Human Resources and Remuneration Committee may from time to time determine.

Save as disclosed above, as at the date of this announcement, Ms. Lei and Mr. Lin (i) do not have, and are not deemed to have any interests or short positions in any Shares, underlying Shares or debentures (as defined under Part XV of the SFO) of the Company; (ii) do not have any relationship with the Directors, senior management or substantial or controlling shareholders of the Company; (iii) do not hold any other position with the Company or possess any other major professional qualifications; and (iv) there is no other information in relation to them that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules on the Stock Exchange.

The Board would like to take this opportunity to express its appreciation to Mr. Bleackley for his valuable contributions to the Company during his respective tenure of office and to express its warmest welcome to Ms. Lei and Mr. Lin.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

Following the change of the Directors, Mr. Bleackley has ceased to be a member of each of the audit committee (the "**Audit Committee**"), the Human Resources and Remuneration Committee and the nomination committee (the "**Nomination Committee**") of the Company with effect from 20 March 2017.

NON-COMPLIANCE WITH THE LISTING RULES

Following the resignation of Mr. Bleackley, the Company has only two independent non-executive Directors and two Audit Committee members, the number of which falls below the minimum number required under Rules 3.10(1) and 3.21 of the Listing Rules respectively. The Company is in the course of identifying a suitable candidate to fill in the vacancy of an independent non-executive Director and a member of the Audit Committee with a view to fulfilling the minimum required number of independent non-executive Directors and Audit Committee members under Rules 3.10(1) and 3.21 of the Listing Rules respectively as soon as practicable and in compliance with the

relevant Listing Rules requirements. The candidate will also fill the vacancy of a member of each of the Human Resources and Remuneration Committee and the Nomination Committee. Further announcement will be made by the Company upon fulfillment of the aforesaid requirements.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Articles of Association”	the articles of association of the Company as adopted by the Company from time to time
“Board”	the board of Directors
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Share(s)”	ordinary share(s) of HK\$1 each in the share capital of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
KANTONE HOLDINGS LIMITED
CHENG YANG
Chairman

Hong Kong, 20 March 2017

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Yang, Mr. Liu Ka Lim, Ms. Lei Lei and Mr. Lin Xiang; and the independent non-executive directors of the Company are Ms. Miranda Ho Mo Han and Mr. Yang Rusheng.

* *For identification purpose only*