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Daohe Global Group Limited

道和環球集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 915)

CONTINUING CONNECTED TRANSACTION

RENEWAL OF LEASE

On 29 September 2015, Tamarind (for its own and on behalf of the Tamarind Group) as tenant entered into the New Lease with Wellbuild (for its own and on behalf of the Wellbuild Group) as landlord in respect of the renewal of a lease of the Premises.

Wellbuild is (i) a wholly-owned subsidiary of Roly, and (ii) a controlled corporation and an associate of Mr. Wang. Mr. Wang (a) was an executive Director who resigned on 23 February 2015 but continues to be regarded as a connected person of the Company for 12 months after his ceasing to be an executive Director, and (b) is a director of Wellbuild. As Mr. Wang is a connected person of the Company, Wellbuild and its subsidiaries are currently regarded as connected persons of the Company. Accordingly, the New Lease constitutes a continuing connected transaction under the Listing Rules.

Since the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the New Lease on an annual aggregate basis exceed 0.1% but are less than 5%, the New Lease is only subject to the announcement, reporting and annual review requirement and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DETAILS OF THE NEW LEASE

Particulars of the New Lease are set out below:

Date	:	29 September 2015
Parties	:	(i) Tamarind (for its own and on behalf of the Tamarind Group) as tenant (ii) Wellbuild (for its own and on behalf of the Wellbuild Group) as landlord
Transaction nature	:	Leasing of the Premises by the Tamarind Group from the Wellbuild Group by way of a sub-letting arrangement

Term	:	Two years from 1 October 2015 to 30 September 2017 (both days inclusive)
Rental	:	HK\$330,000 per month (inclusive of management fees)
Other major terms	:	The New Lease provides a framework for the leasing of the Premises by the Tamarind Group from the Wellbuild Group by way of a sub-letting arrangement. The rental for the Premises is negotiated between the parties with reference to the then prevailing market rates. The rental payment will be paid in cash on a monthly basis by the Tamarind Group to the Wellbuild Group

Annual Caps

The Annual Caps in respect of the New Lease for the relevant financial years ending 30 April 2018 are as follows. The Annual Caps are calculated with reference to the aggregate rental paid/payable by Tamarind Group to the Wellbuild Group under the New Lease.

Year ending 30 April 2016	Year ending 30 April 2017	Year ending 30 April 2018
HK\$2,310,000 (being 7 months' rental from 1 October 2015 to 30 April 2016) (<i>Note</i>)	HK\$3,960,000 (being 12 months' rental from 1 May 2016 to 30 April 2017)	HK\$1,650,000 (being 5 months' rental from 1 May 2017 to 30 September 2017)

Note:

Under the Existing Lease, the annual aggregate rental paid/payable for the period from 1 May 2015 to 30 September 2015 (being 5 months' rental) amounts to HK\$1,650,000.

According to Rule 14A.81 of the Listing Rules, the New Lease is required to be aggregated with the Existing Lease for the purpose of determining the classification of the connected transaction.

Thus, under the Existing Lease and the New Lease, the annual aggregate rental paid/payable for the whole of the year ending 30 April 2016 amounts to HK\$3,960,000.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Premises under both the Existing Lease and the New Lease are the principal business premises of the Group in Shanghai. The New Lease is a renewal of the Existing Lease and is for the continuing business needs of the Group. The rental amount payable under the New Lease has been determined with reference to prevailing market rents of other comparable premises in vicinity of the leased premises, and is not above the market rate.

The Directors (including the independent non-executive Directors) consider that (a) the New Lease has been entered into in the ordinary and usual course of business of the Group, (b) the New Lease were entered into on and the Annual Caps represent rental amounts that are normal commercial terms pursuant to arm's length negotiations between the parties, and (c) the terms of the New Lease together with the Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Mr. WANG Lu Yen (“**Mr. Wang**”) was the chairman of the Board, chief executive officer of the Group and an executive Director. He resigned from the positions of chairman of the Board and chief executive officer of the Group with effect from 5 February 2015, and also resigned as an executive Director with effect from 23 February 2015. Under the Listing Rules, Mr. Wang continues to be regarded as a connected person of the Company for 12 months after his ceasing to be an executive Director.

Mr. Wang is a director of Wellbuild. Wellbuild is (i) a wholly-owned subsidiary of Roly, and (ii) a controlled corporation and an associate of Mr. Wang. As Mr. Wang continues to be regarded as a connected person of the Company for 12 months after his ceasing to be an executive Director, Wellbuild and its subsidiaries are currently regarded as connected persons of the Company. Accordingly, as the New Lease is entered into during the 12 month-period following Mr. Wang's ceasing to be an executive Director, the New Lease constitutes a continuing connected transaction under the Listing Rules.

As Mr. Wang resigned from directorship with effect from 23 February 2015, and no Director has a material interest in the New Lease, no Director is required to abstain from voting on the Board resolution approving the New Lease.

Since the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the New Lease on an annual aggregate basis exceed 0.1% but are less than 5%, the New Lease is only subject to the announcement, reporting and annual review requirement and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Company is an investment holding company and its subsidiaries are principally engaged in sales of merchandise and provision of procurement and value-added services.

The principal business activities of the Tamarind Group are investment holding, acting as procurement agent and trading of merchandise.

The Wellbuild Group is principally engaged in investment holding activities and property management.

DEFINITIONS

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

“Annual Cap(s)”	maximum aggregate annual value(s) to be received under the New Lease
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Daohe Global Group Limited, a company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Lease”	the renewed master lease agreement entered into between Tamarind as tenant and Wellbuild as landlord on 31 March 2015
“Group”	collectively, the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Lease”	a master lease agreement entered into between Tamarind and Wellbuild on 29 September 2015 in relation to the renewal of leasing of the Premises by the Tamarind Group from the Wellbuild Group and the transactions contemplated thereunder
“Premises”	certain portions of a commercial building in Shanghai, the People’s Republic of China with a gross floor area of approximately 1,967 square metres, which are currently used as the principal business premises of the Group in Shanghai
“Roly”	Roly International Holdings Ltd., a company incorporated in Bermuda and a controlled corporation of Mr. Wang
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tamarind”	Tamarind International Limited, a company incorporated in Hong Kong, which is a wholly-owned subsidiary of the Company
“Tamarind Group”	Tamarind and its subsidiaries, the holding company of Tamarind and its respective subsidiaries from time to time, the principal business activities of which are investment holding, acting as procurement agent and trading of merchandise

“Wellbuild”	Wellbuild International Limited, a company incorporated in Hong Kong, which is a wholly-owned subsidiary of Roly
“Wellbuild Group”	Wellbuild and its subsidiaries from time to time, the principal business activities of which are investment holding and property management
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Daohe Global Group Limited
ZHOU Xijian
Chairman and non-executive Director

Hong Kong, 29 September 2015

As at the date of this announcement, the Board comprises one non-executive Director, being Mr. ZHOU Xijian (Chairman); three executive Directors, being Mr. ZHANG Qi (Chief Executive Officer), Mr. WONG Hing Lin, Dennis (President and Chief Financial Officer) and Mr. HWANG Han-Lung, Basil (Company Secretary, General Counsel and Head of Development and Investments); and three independent non-executive Directors, being Mr. WANG Arthur Minshiang, Mr. TSE Hau Yin, Aloysius and Mr. Jakob Jacobus Koert TULLENERS.