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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)

SECOND SUPPLEMENTAL AGREEMENT RELATING TO THE SHARE TRANSACTION

Reference is made to the announcements of Daohe Global Group Limited (the “**Company**”) dated 26 October 2015 and 3 November 2015 (the “**Announcements**”) in relation to the share transaction. Capitalised terms used in this announcement shall have the meanings defined in the Announcements unless the context otherwise requires.

On 24 November 2015 (after trading hours), the Purchaser entered into a second supplemental agreement to the Framework Agreement (as amended and supplemented by the Supplemental Agreement) (the “**Revised Framework Agreement**”) with the Vendors (the “**Second Supplemental Agreement**”). Pursuant to the Second Supplemental Agreement, the parties agreed to amend and supplement certain terms to the Revised Framework Agreement. The major amendments are set out below.

1. The following provision has been incorporated as Clause 3.1 and Clause 4.1 in the Framework Agreement:

If, after expiry of six months from the date of the Framework Agreement (the “**Evaluation Date**”), the key personnel of the Target Company have not resigned from their positions in the Target Company and the Purchaser is satisfied with their work performance, the Purchaser shall enter into a supplemental agreement in respect of the acquisition of the Second Tranche Sale Interest with the Vendors within ten business days from the Evaluation Date. If the Purchaser elects to acquire the Second Tranche Sale Interest, subject to the approval of the relevant PRC governmental authorities, the consideration shall be settled by issuing by the Company to the Vendors such numbers of Shares equivalent to RMB4,000,000 or approximately HK\$4,878,049 at the Exchange Rate based on the issue price of HK\$0.866 per Share. Otherwise, the consideration shall be settled by cash.

The effect of such change is:

Under the Framework Agreement, the Purchaser agreed to acquire the entire equity interests in the Target Company and the consideration in the amount of RMB4,000,000 (or approximately HK\$4,878,049 at the Exchange Rate) for the Second Tranche Sale Interest will be settled in such manner as the Purchaser and the Vendors may agree under a separate supplemental agreement.

The Revised Framework Agreement has been amended and supplemented by the Second Supplemental Agreement such that the Purchaser shall have the discretion to elect whether to acquire the Second Tranche Sale Interest subject to Clause 3.1 and Clause 4.1 in the Framework Agreement. The acquisition of the Second Tranche Sale Interest may or may not proceed.

2. The “Completion Date” used in the Revised Framework Agreement shall mean the completion date for the acquisition of the First Tranche Sale Interest.
3. Clause 6.1 of the Framework Agreement (Conditions Precedent) has been replaced by the following provisions:

“Completion of the acquisition of the First Tranche Sale Interest is subject to the fulfilment of the following conditions (or otherwise waived by the Purchaser) pursuant to the Revised Framework Agreement:

- (i) the Purchaser being satisfied with the results of the due diligence review on the Target Company;
- (ii) delivery of a valuation report on the Target Company by a valuer engaged by the Purchaser, and the Purchaser being satisfied with the valuation report;
- (iii) up to and as at the Completion Date, the Vendors having fulfilled all of their obligations under the Framework Agreement, including but not limited to the representations and warranties given by the Vendors;
- (iv) all necessary consents and approvals relating to the acquisition of the First Tranche Sale Interest having been obtained, including but not limited to approvals from the Stock Exchange and any other regulators or third parties, if any;
- (v) the acquisition of the First Tranche Sale Interest is in compliance with the Listing Rules; and
- (vi) the parties having completed the registration of change in shareholders of the Target Company with the relevant authority in the PRC.”

4. Clause 5 of the Supplemental Agreement has been replaced by the following provision:

“In the event that according to the audited accounts of the Target Company for the years of 2016 and 2017, the Target Company is unable to meet the operating targets, the Purchaser shall have the right to appoint an independent valuer to prepare a valuation report which should be available by 30 April 2018 to assess the value of the Target Company. If the value of the Target Company is less than RMB10 million, then the Vendors shall compensate the shortfall arising from the valuation amount and the Consideration by returning such numbers of Consideration Shares (based on the issue price of HK\$0.866 per one Consideration Share) or by paying the shortfall in cash to the Purchaser (based on the exchange rate of HK\$1 to RMB0.82) within 20 business days from the date of notice of the valuation result given by the Purchaser.

For avoidance of doubt, there shall be no upward adjustment of the Consideration in the event that the valuation report reveals that the value of the Target Company is more than RMB10 million.”

Shall there be any adjustment to the Consideration in accordance with Clause 5 of the Supplemental Agreement set out above, and the Vendors elect to return part or all of the Consideration Shares to the Purchaser to compensate the shortfall arising from the valuation amount and the Consideration, the Company shall cancel such returned Consideration Shares in accordance with Rule 10.06(5) of the Listing Rules.

Save for the above major amendments, all other terms and conditions of the Revised Framework Agreement shall remain unchanged and continue in full force and effect.

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

Hong Kong, 24 November 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 four independent non-executive Directors, being Mr. WANG Arthur Minshiang, Mr. TSE Hau Yin, Aloysius, Mr. Jakob Jacobus Koert TULLENERS and Mr. WONG Chak Keung.