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**(1) PROPOSED SHARE CONSOLIDATION
AND
(2) PROPOSED CHANGE IN BOARD LOT SIZE**

PROPOSED SHARE CONSOLIDATION

The Board proposes to put forward a proposal to the Shareholders to effect the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of US\$0.004 each be consolidated into one (1) Consolidated Share of US\$0.04 each. The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the SGM and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares. Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

PROPOSED CHANGE IN BOARD LOT SIZE

Subject to the Share Consolidation becoming effective, it is also proposed that the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares to 1,000 Consolidated Shares with effect from 9:00 a.m. on Wednesday, 12 October 2016.

GENERAL

The proposed Share Consolidation will be proposed at the SGM for Shareholders' consideration and, if thought fit, approval. A circular in relation to the SGM containing, among other things, further details of the proposed Share Consolidation and the Change in Board Lot Size and a notice convening the SGM is expected to be despatched to the Shareholders no later than Thursday, 8 September 2016.

PROPOSED SHARE CONSOLIDATION

The Board proposes to put forward a proposal to the Shareholders to effect the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of US\$0.004 each be consolidated into one (1) Consolidated Share of US\$0.04 each.

Effect of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is US\$40,000,000 divided into 10,000,000,000 Existing Shares of US\$0.004 each, of which 3,531,975,671 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no further Shares will be allotted, issued or repurchased between the date of this announcement and the date of the SGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become US\$40,000,000 divided into 1,000,000,000 Consolidated Shares of US\$0.04 each, of which 353,197,567 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Listing application

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be issued and any Consolidated Shares which may fall to be issued on the exercise of the subscription right under the Options upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Conditions and expected effective date of the Share Consolidation

The Share Consolidation is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders approving the Share Consolidation at the SGM;
- (b) the compliance with all relevant procedures and requirements under the Bermuda laws (where applicable) to effect the Share Consolidation; and

- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares to be issued and any Consolidated Shares which may fall to be issued on the exercise of the subscription right under the Options upon the Share Consolidation becoming effective.

Subject to the above conditions, the Share Consolidation will become effective on Tuesday, 27 September 2016, which is the next day immediately following the date of SGM on which shares are traded on the Stock Exchange.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, arising from the Share Consolidation, will not be allocated to the Shareholders, but will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board also proposes that, subject to the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares to 1,000 Consolidated Shares with effect from 9:00 a.m. on Wednesday, 12 October 2016.

Based on the closing price of the Shares as quoted on the Stock Exchange as at the date of this announcement of HK\$0.395 per Share, the current board lot value amounts to HK\$3,950. The proposed new board lot of 1,000 Consolidated Shares, together with the Share Consolidation, will effectively maintain the current board lot value of HK\$3,950 (based on the closing price of the Shares as quoted on the Stock Exchange as at the date of this announcement and adjusted for the effect of the Share Consolidation).

OTHER ARRANGEMENTS

Exchange of Share certificates

The existing Share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Tuesday, 1 November 2016 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing Share certificates will continue to be good evidence of legal title to the Consolidated Shares on the basis of ten (10) Existing Shares for one (1) Consolidated Share.

The existing Share certificates will be exchanged free of charge for the new Share certificates for Consolidated Shares between 9:00 a.m. and 4:30 p.m. on any business day from Tuesday, 27 September 2016 to Thursday, 3 November 2016 (both dates inclusive) at the Hong Kong branch share registrar of the Company, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. It is expected that new Share certificates will be available for collection within 10 business days after the submission of the existing Share certificates for exchange. The new Share certificates will be purple in color so as to distinguish them from the existing Share certificates which are red in color.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares, the Company will procure an arrangement with an agent to stand in the market to provide matching services regarding the sale and purchase of the odd lots of the Consolidated Shares at the relevant market price per Consolidated Share, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of Consolidated Shares, from Wednesday, 12 October 2016 to Tuesday, 1 November 2016.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Further details in respect of the odd lots arrangement will be set out in the circular to be despatched to the Shareholders.

Trading arrangement for the Consolidated Shares

Subject to the Share Consolidation becoming effective, dealings in the Consolidated Shares are expected to commence on Tuesday, 27 September 2016 at 9:00 a.m.. Parallel trading in the Consolidated Shares (in the form of existing Share certificates and new Share certificates) will be operated from Wednesday, 12 October 2016 to Tuesday, 1 November 2016 (both dates inclusive). Further details of the expected timetable and trading arrangement of the Shares are set out in the section headed “Expected Timetable” below.

Adjustments in relation to other securities of the Company

As at the date of this announcement, there are outstanding Options entitling the holders thereof to subscribe for up to an aggregate of 25,000,000 Existing Shares. The proposed Share Consolidation may cause adjustment to the exercise price of the Options and the number of Consolidated Shares to be issued under the outstanding Options pursuant to the terms and conditions of the Options and under the terms and conditions of the share option scheme of the Company granting such Options. Assuming there are no other adjustment events under the relevant share option scheme other than the proposed Share Consolidation becoming effective, the outstanding Options will entitle holders thereof to subscribe for up to 2,500,000 Consolidated Shares.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

The proposed Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares. Further, it is expected that the adjusted share price of the Company upon the completion of the Share Consolidation would reduce excessive volatility of share trading, as

when the share price is too low, it would be prone to speculative trading by the market and would not be conducive to building an institutional investor base for the Company to support its on-going and long term financing activities and business expansion.

The Board also considers that the proposed Change in Board Lot Size will result in the Consolidated Shares being traded at a value per board lot which is similar to that of the current value per board lot.

Accordingly, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to the Company and the Shareholders as a whole.

Save for the necessary expenses for the implementation of the Share Consolidation which are expected to be insignificant in the context of the net asset value of the Company, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company or the interests and rights of the Shareholders.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the satisfaction of all the conditions of the Share Consolidation, including without limitation, the approval of the Share Consolidation by the Shareholders at the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	Date & time
Expected date of despatch of the circular together with notice of SGM and proxy form for SGM.....	Thursday, 8 September 2016
Latest time for lodging completed transfer forms accompanied by the relevant Share certificates with the Hong Kong branch share registrar of the Company, Tricor Standard Limited, to be qualified for attendance at the SGM.....	not later than 4:30 p.m. on Wednesday, 21 September 2016
Closure of the register of members of the Company	Thursday, 22 September 2016 to Monday, 26 September 2016, both dates inclusive
Latest time for lodging proxy forms for the SGM.....	11:00 a.m. on Saturday, 24 September 2016
Expected date of the SGM.....	11:00 a.m. on Monday, 26 September 2016
Announcement of the poll results of the SGM	Monday, 26 September 2016
Register of members of the Company re-opens.....	Tuesday, 27 September 2016

Event	Date & time
Effective date of the Share Consolidation	Tuesday, 27 September 2016
Commencement of dealings in the Consolidated Shares.....	9:00 a.m. on Tuesday, 27 September 2016
Original counter for trading in the Existing Shares in board lots of 10,000 Shares closes.....	9:00 a.m. on Tuesday, 27 September 2016
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in form of existing Share certificates) opens	9:00 a.m. on Tuesday, 27 September 2016
First date of free exchange of existing Share certificates for the Existing Shares into new Share certificates for the Consolidated Shares	Tuesday, 27 September 2016
Original counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of new Share certificates) re-opens	9:00 a.m. on Wednesday, 12 October 2016
Parallel trading in the Consolidated Shares (in the form of new and existing Share certificates) commences	9:00 a.m. on Wednesday, 12 October 2016
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares.....	9:00 a.m. on Wednesday, 12 October 2016
Temporary counter for trading in Consolidated Shares in board lots of 1,000 Consolidated Shares (in form of existing Share certificates) closes	4:00 p.m. on Tuesday, 1 November 2016
Parallel trading in the Consolidated Shares (in the form of new and existing Share certificates) ends.....	4:00 p.m. on Tuesday, 1 November 2016
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	4:00 p.m. on Tuesday, 1 November 2016
Last day for free exchange of existing Share certificates for new Share certificates.....	Thursday, 3 November 2016

The Company will make further announcements if there are any changes in the expected timetable for implementation of the Share Consolidation, the Change in Board Lot Size and the associated trading arrangements mentioned in this announcement.

GENERAL

The proposed Share Consolidation will be proposed at the SGM for Shareholders' consideration and, if thought fit, approval. A circular containing, among other things, further details of the proposed Share Consolidation and the Change in Board Lot Size and a notice convening the SGM is expected to be despatched to the Shareholders no later than Thursday, 8 September 2016.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolution in relation to the proposed Share Consolidation at the SGM.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below:

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 10,000 Existing Shares to 1,000 Consolidated Shares
“Company”	Daohe Global Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 915)
“Consolidated Share(s)”	ordinary share(s) of US\$0.04 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“Existing Share(s)”	ordinary share(s) of US\$0.004 each in the share capital of the Company before the Share Consolidation becoming effective

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“HKSCC”	The Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Option(s)”	the share option(s) granted under the share option scheme of the Company
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the proposed Share Consolidation
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Shareholder(s)”	holder(s) of issued Shares
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares of US\$0.004 each into one (1) Consolidated Share of US\$0.04 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 25 August 2016

As at the date of this announcement, the board of Directors 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. HENG Victor Ja Wei.