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PROPOSED SHARE SUBDIVISION

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The Board proposes to subdivide each of the existing issued and unissued Shares of US\$0.04 each into three (3) Subdivided Shares of one and one third U.S. cents each. The Share Subdivision is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Subdivision and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares.

The Share Subdivision will not result in any changes in the relative rights of the Shareholders and will not have any material adverse impact on the financial position of the Group.

GENERAL

A circular containing details of the Share Subdivision, the trading arrangements in respect to the Subdivided Shares, the procedure for the free exchange of the Existing Share Certificates and the notice of the SGM, will be despatched to the Shareholders on or before Monday, 24 July 2017.

PROPOSED SHARE SUBDIVISION

The Board proposes to subdivide each of the existing issued and unissued Shares of US\$0.04 each into three (3) Subdivided Shares of one and one third U.S. cents each. The Share Subdivision will become effective upon the fulfillment of the conditions set out in the paragraph headed “Conditions of the Share Subdivision” below.

As at the date of this announcement, the authorised share capital of the Company is US\$40,000,000 divided into 1,000,000,000 Shares, of which 503,197,567 Shares are in issue and fully paid or credited as fully paid. Assuming that no further Shares will be issued or repurchased after the date of this announcement and prior to the Share Subdivision becoming effective, the effect of the Share Subdivision is set out as follows:

	As at the date of this announcement and before completion of the Share Subdivision	Immediately after completion of the Share Subdivision
Par value of each Share	US\$0.04	One and one third U.S. cents
Number of authorised Shares	1,000,000,000	3,000,000,000
Authorised share capital	US\$40,000,000	US\$40,000,000
Number of Shares in issue	503,197,567	1,509,592,701
Issued share capital	US\$20,127,902.68	US\$20,127,902.68

The Subdivided Shares will rank *pari passu* in all respects and the Share Subdivision will not result in any changes in the relative rights of the Shareholders and will not have any material adverse impact on the financial position of the Group.

As at the date of this announcement, the Company has 2,500,000 outstanding Share Options. Save for the aforesaid, the Company does not have any outstanding options, warrants, derivatives, convertible rights or other similar rights which are convertible or exchangeable into Shares.

There will be no change to the existing board lot size for trading in the Shares upon the Share Subdivision becoming effective.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Subdivision;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares; and
- (iii) compliance with the relevant legal procedures and requirements under the Listing Rules and the laws of Bermuda (if any) to effect the Share Subdivision.

Application for listing of the Subdivided Shares

An 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 Subdivided Shares arising from the Share Subdivision.

REASONS FOR THE SHARE SUBDIVISION

The Share Subdivision will increase the total number of shares of the Company in issue and result in a downward adjustment to the trading price of each Share. The Share Subdivision will also result in the Subdivided Shares being traded at a value per board lot lower than that of the current value per board lot.

The Board considers that the Share Subdivision is in the interests of the Company and its Shareholders as a whole after taking into account the following:

- (i) the decrease in value of a board lot of the shares of the Company following the Share Subdivision would enhance the liquidity in trading of the Subdivided Shares, and thus would attract more investors and widen the Shareholders' base;
- (ii) the Share Subdivision will not result in existing Shareholders holding odd lots or fractional shares of the Company;
- (iii) other than the relevant expenses, including but not limited to professional fees and printing charges, the implementation of the Share Subdivision will not have any impact on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders. The Directors consider that the Share Subdivision will not have any material adverse effect on the financial position of the Group;
- (iv) the recent Share prices are substantially higher than the theoretically adjusted Share price (the "**Adjusted Price**") when the Company announced a share consolidation (the "**Share Consolidation**") on the basis that every ten (10) existing shares be consolidated into one (1) consolidated Share in August 2016 (i.e. HK\$3.95 per Share based on the closing price of the shares of the Company of HK\$0.395 on 25 August 2016, being the date of announcement of the Share Consolidation, and assuming the Share Consolidation becoming effective); and
- (v) during the period from 1 December 2016 to the date of this announcement, the Shares were traded substantially higher than the Adjusted Price of HK\$3.95. The average closing price was approximately HK\$6.66 per Share for the aforesaid period.

ODD LOT ARRANGEMENT

As it is expected that no odd lot of the Shares will be created as a result of the Share Subdivision, no odd lot arrangement to match the sales and purchase of odd lots will be made.

FREE EXCHANGE OF SHARE CERTIFICATES

Upon the Share Subdivision becoming effective, the Existing Share Certificates will be exchanged free of charge for the New Share Certificates for Subdivided Shares between 9:00 a.m. and 4:30 p.m. on any business day from Thursday, 10 August 2017 to Friday, 15 September 2017 (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. Thereafter, Existing Share Certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each Existing Share Certificate cancelled or New Share Certificate issued, whichever number of share certificates involved is higher. 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 green in color so as to distinguish them from the Existing Share Certificates which are purple in color.

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Wednesday, 13 September 2017 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 Subdivided Shares on the basis of one (1) Share for three (3) Subdivided Shares.

EXPECTED TIMETABLE FOR THE SHARE SUBDIVISION

The expected timetable relating to the Share Subdivision and the associated trading arrangement are as follows:

2017

(Hong Kong time)

Despatch of the circular regarding the Share Subdivision together with the SGM notice and proxy form	Monday, 24 July
Latest time for lodging transfers of Shares for entitlements to attend and vote at the SGM	4:30 p.m. on Thursday, 3 August
Closure of register of members of the Company	Friday, 4 August to Wednesday, 9 August (both dates inclusive)
Latest time for lodging the form of proxy for the SGM (not less than 48 hours prior to the time of the SGM)	3:00 p.m. on Monday, 7 August
SGM.....	3:00 p.m. on Wednesday, 9 August
Publication of poll results of the SGM	Wednesday, 9 August

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Proposed Share Subdivision — Conditions of the Share Subdivision” above.

**2017
(Hong Kong time)**

Effective date of the Share Subdivision Thursday, 10 August

First day of free exchange of Existing Share Certificates
for New Share Certificates for Subdivided Shares..... Thursday, 10 August

Dealing in the Subdivided Shares commences..... 9:00 a.m. on Thursday, 10 August

Original counter for trading in the existing Shares
in board lots of 1,000 Shares (in the form of
Existing Share Certificates) temporarily closes..... 9:00 a.m. on Thursday, 10 August

Temporary counter for trading in the Subdivided Shares
in board lots of 3,000 Subdivided Shares
(in the form of Existing Share Certificates) opens 9:00 a.m. on Thursday, 10 August

Original counter for trading in the Subdivided Shares
in board lots of 1,000 Subdivided Shares
(in the form of New Share Certificates) re-opens 9:00 a.m. on Thursday, 24 August

Parallel trading in the existing Shares and
the Subdivided Shares (in form of
Existing Share Certificates and
New Share Certificates) commences..... 9:00 a.m. on Thursday, 24 August

Temporary counter for trading in the Subdivided
Shares in board lots of 3,000 Subdivided
Shares (in the form of Existing
Share Certificates) closes..... 4:00 p.m. on Wednesday, 13 September

Parallel trading in the existing Shares and
the Subdivided Shares (in the form of
Existing Share Certificates and
New Share Certificates) ends..... 4:00 p.m. on Wednesday, 13 September

Last day for free exchange of Existing Share Certificates
for New Share Certificates Friday, 15 September

The Company will make further announcement(s) if there are any changes in the expected timetable for implementation of the Share Subdivision and the associated trading arrangement as mentioned in this announcement.

CLOSURE OF REGISTER OF MEMBERS FOR SGM

The SGM is expected to be held on Wednesday, 9 August 2017. For the purpose of ascertaining the Shareholders' rights of attending and voting at the SGM, the register of members of the Company will be closed from Friday, 4 August 2017 to Wednesday, 9 August 2017, both dates inclusive. In order to be entitled to attend the SGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 3 August 2017.

GENERAL

A circular containing details of the Share Subdivision, the trading arrangements in respect to the Subdivided Shares, the procedure for the free exchange of the Existing Share Certificates and the notice of the SGM, will be despatched to the Shareholders on or before Monday, 24 July 2017.

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Board”	the board of Directors
“Company”	Daohe Global Group Limited, a company incorporated in Bermuda with limited liability, and the shares of which are listed on the Stock Exchange (stock code: 915)
“Director(s)”	the director(s) of the Company
“Existing Share Certificate(s)”	existing form of certificate(s) of Share in purple
“Group”	the Company and its subsidiaries from time to time
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Certificate(s)”	form of certificate(s) of Subdivided Shares in green
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Subdivision

“Share(s)”	the ordinary share(s) with par value of US\$0.04 each in the share capital of the Company immediately before the Share Subdivision becoming effective
“Share Options”	the outstanding share options granted under the share option scheme of the Company adopted on 29 August 2011 by the Company
“Share Subdivision”	the proposed subdivision of each Share into three (3) Subdivided Shares
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	subdivided ordinary share(s) of one and one third U.S. cents each in the share capital of the Company upon the Share Subdivision becoming effective
“US\$”	United States dollar(s), the lawful currency of U.S.
“U.S.”	the United States of America

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

Hong Kong, 17 July 2017

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 Mr. ZHANG Jifeng; and three independent non-executive Directors, being Mr. WANG Arthur Minshiang, Mr. LAU Shu Yan and Mr. ZHANG Huijun.