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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)**

## **DISCLOSEABLE TRANSACTIONS SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS**

### **SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS**

The Board announced that Loovee, an indirect wholly-owned subsidiary of the Company, carried out repeated subscriptions and redemptions of certain WMPs issued by CMB between January and September 2019 for short-term treasury management purpose with the view to maximise the utilisation of the Group's surplus cash received from its business operations. As at the date of this announcement, Loovee in aggregate subscribed for WMPs in the principal amount of RMB115,000,000 and redeemed RMB80,000,000 thereof, with RMB35,000,000 in principal amount of such WMPs remained outstanding. The income derived from the investments in such WMPs amounted to approximately RMB889,000 and RMB1,191,000 for the six months ended 30 June 2019 and as at the date of this announcement, respectively.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratio(s) in respect of the investments in the WMPs on an aggregated basis pursuant to Rule 14.22 of the Listing Rules is/are more than 5% but less than 25%, the investments in the WMPs constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **THE INVESTMENTS IN THE WMPs**

The Board announced that Loovee, an indirect wholly-owned subsidiary of the Company, carried out repeated subscriptions and redemptions of certain WMPs issued by CMB between January and September 2019 for short-term treasury management purpose with the view to maximise the utilisation of the Group's surplus cash received from its business operations. As at the date of this announcement, Loovee from its internal resources in aggregate subscribed for WMPs in the principal amount of RMB115,000,000 and redeemed RMB80,000,000 thereof, with RMB35,000,000 in principal amount of such WMPs remained

outstanding. The income derived from the investments in such WMPs amounted to approximately RMB889,000 and RMB1,191,000 for the six months ended 30 June 2019 and as at the date of this announcement, respectively.

The principal terms of the WMPs are summarised as follows:

### 1. Juyi Shengjin Product

|   |  |
|---|--|
| <b>Type of return</b>                           | : Non principal-guaranteed floating income   |
| <b>Term of investment</b>                       | : The minimum holding period ranges from 35 days to 182 days.  |
| <b>Yield</b>                                    | : Between 3.60% and 4.10%  |
| <b>Investment scope</b>                         | : Juyi Shengjin Product mainly invests in financial assets and financial instruments in banks and stock exchange with higher credit ratings and better liquidity, including but not limited to bonds, asset-backed securities, capital borrowing, reverse repurchase, bank deposits, and other financial assets such as investment trust plans and asset management plans, out of which 0 to 50% of the fund shall be invested in bank deposits, 0 to 90% of the fund shall be invested in reverse repurchase of bonds and capital borrowing while 10 to 100% of the fund shall be invested in bonds, asset management and trust plans, etc. |
| <b>Risk level (internal risk rating by CMB)</b> | : Low risk   |

Loovee subscribed for the Juyi Shengjin Product as follows:

|                                  | <b>Subscription I</b>         | <b>Subscription II</b>      | <b>Subscription III</b>     |
|----------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>Name of WMPs</b>              | : Juyi Shengjin Product 98045 | Juyi Shengjin Product 98091 | Juyi Shengjin Product 98182 |
| <b>Date of subscription</b>      | : 11 January 2019             | 14 January 2019             | 15 January 2019             |
| <b>Subscription amount (RMB)</b> | : 10,000,000                  | 10,000,000                  | 20,000,000                  |
| <b>Date of redemption</b>        | : 25 February 2019 (redeemed) | 15 April 2019 (redeemed)    | 16 July 2019 (redeemed)     |

|                                      | <b>Subscription IV</b>               | <b>Subscription V</b>          | <b>Subscription VI</b>           |
|--------------------------------------|--------------------------------------|--------------------------------|----------------------------------|
| <b>Name of WMPs</b>                  | : Juyi Shengjin<br>Product 99035     | Juyi Shengjin<br>Product 98091 | Juyi Shengjin<br>Product 98182   |
| <b>Date of subscription</b>          | : 28 February 2019                   | 10 April 2019                  | 16 April 2019                    |
| <b>Subscription amount<br/>(RMB)</b> | : 10,000,000                         | 10,000,000                     | 10,000,000                       |
| <b>Date of redemption</b>            | : 4 April 2019<br>(redeemed)         | 10 July 2019<br>(redeemed)     | 19 October 2019<br>(outstanding) |
|                                      | <b>Subscription VII</b>              | <b>Subscription VIII</b>       | <b>Subscription IX</b>           |
| <b>Name of WMPs</b>                  | : Juyi Shengjin<br>Product 98091     | Juyi Shengjin<br>Product 99035 | Juyi Shengjin<br>Product 98091   |
| <b>Date of subscription</b>          | : 15 July 2019                       | 17 July 2019                   | 17 July 2019                     |
| <b>Subscription amount<br/>(RMB)</b> | : 9,000,000                          | 5,000,000                      | 11,000,000                       |
| <b>Date of redemption</b>            | : 16 October 2019<br>(outstanding)   | 21 August 2019<br>(redeemed)   | 18 October 2019<br>(outstanding) |
|                                      | <b>Subscription X</b>                |                                |                                  |
| <b>Name of WMPs</b>                  | : Juyi Shengjin<br>Product 98063     |                                |                                  |
| <b>Date of subscription</b>          | : 19 July 2019                       |                                |                                  |
| <b>Subscription amount<br/>(RMB)</b> | : 5,000,000                          |                                |                                  |
| <b>Date of redemption</b>            | : 20 September 2019<br>(outstanding) |                                |                                  |

## 2. Bubu Shengjin Product

- Type of return:** : Non principal-guaranteed floating income
- Term of investment** : No fixed term of investment in this product.
- Yield** : 3.70%
- Investment scope** : Bubu Shengjin Product mainly invests in financial assets and financial instruments in banks and stock exchange with higher credit ratings and better liquidity, including but not limited to bonds, asset-backed securities, capital borrowing, reverse repurchase, bank deposits, and other financial assets such as investment trust plans and asset management plans, out of which 0 to 50% of the fund shall be invested in bank deposits, 0 to 60% shall be invested in reverse repurchase of bonds and capital borrowing while 30 to 100% shall be invested in bonds, asset management and trust plans, etc.
- Risk level (internal risk rating by CMB)** : Low risk

Loovee subscribed for the Bubu Shengjin Product as follows:

### Subscription I

- Name of WMPs** : Bubu Shengjin Product 8699
- Date of subscription** : 11 January 2019
- Subscription amount (RMB)** : 5,000,000
- Date of redemption** : 3 June 2019 (redeemed)

## 3. Riyi Yuexin Product

- Type of return** : Non principal-guaranteed floating income
- Term of investment** : The minimum holding period ranges from 10 days to 180 days.
- Yield** : Between 3.65% and 4.30%

**Investment scope** : Riya Yuexin Product mainly invests in financial assets and financial instruments in banks and stock exchange with higher credit ratings and better liquidity, including but not limited to bonds, asset-backed securities, capital borrowing, reverse repurchase, bank deposits, and other financial assets such as investment trust plans and asset management plans, out of which 0 to 40% of the fund shall be invested in government bonds, policy-related financial debts and central bank bills, 0 to 50% of the fund shall be invested in asset-backed securities, 0 to 70% of the fund shall be invested in capital borrowing, reverse repurchase and other fixed return financial assets, 0 to 90% of the fund shall be invested in bank deposits, debt securities in banks and stock exchanges and 0 to 90% of the fund shall be invested in trust plans, specific client asset management plans and securities firms' income certificates.

**Risk level (internal risk rating by CMB)** : Low risk

Loovee subscribed for the Riya Yuexin Product as follows:

|                                  | <b>Subscription I</b>        | <b>Subscription II</b>         |
|----------------------------------|------------------------------|--------------------------------|
| <b>Name of WMPs</b>              | : Riya Yuexin Product 90180  | Riya Yuexin Product 90007      |
| <b>Date of subscription</b>      | : 16 January 2019            | 1 February 2019                |
| <b>Subscription amount (RMB)</b> | : 5,000,000                  | 5,000,000                      |
| <b>Date of redemption</b>        | : 15 July 2019<br>(redeemed) | 10 February 2019<br>(redeemed) |

## **INFORMATION ON THE PARTIES**

### **The Company and Loovee**

The Company is incorporated in Bermuda with limited liability and its issued shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the trading and supply chain management services, and operation of online social platforms.

Loovee is a company established in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement. Loovee, through its subsidiaries, is principally engaged in the operation of online social platforms. It provides a variety of online social and entertainment services, including the operation of online social platforms, “Duumian”, one of the Group’s gamified mobile social networking platforms and claw crane mobile online games to a large number of users in the PRC.

## **CMB**

CMB is a licensed bank established under the laws of the PRC, which is principally engaged in the provision of corporate and personal banking and other financial services in the PRC. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, CMB and its ultimate beneficial owners are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS**

The investments in the WMPs were carried out by the Company for short-term treasury management purpose in order to maximise the utilisation of the Group's surplus cash received from its business operations whilst maintaining high liquidity and a low level of risk. Taking into account of, among others, the low level of risk and the expected rates of return, the Company considers that the investments in the WMPs will provide the Group with better returns than the returns on deposits generally offered by commercial banks. The Company has considered its funding needs for daily operations and capital expenditure when purchasing the WMPs and determining the subscription amount thereof. The investments in the WMPs would not affect the daily operation and the principal business development of the Group.

The Board considers that the investments in the WMPs are on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratio(s) in respect of the investments in the WMPs on an aggregated basis pursuant to Rule 14.22 of the Listing Rules is/are more than 5% but less than 25%, the investments in the WMPs constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

At the time when the subscriptions of the WMPs were made, the Board genuinely believed that, similar to fixed deposits, investments in the WMPs have short and fixed term, fixed return and low risk, are legitimate treasury activities of the Group and should be exempted from being regarded as a transaction under Chapter 14 of the Listing Rules. As such, announcement on the subscriptions of the WMPs was not made at the material time. However, it came to the attention of the Board that the Stock Exchange recently issued certain guidance materials on its position on revenue exemption for securities transactions of listed issuers and that the revenue exemption under Rule 14.04(1)(g) of the Listing Rules would not be applicable to the subscriptions of the WMPs. After consulting its professional advisers, the Board resolved to publish this announcement in accordance with the requirements under Chapter 14 of the Listing Rules as soon as practicable.

## DEFINITIONS

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

|                                |  |
|--------------------------------|--|
| “Board”                        | the board of Directors   |
| “Bubu Shengjin Product”        | Bubu Shengjin Corporate Wealth Management Product* (步步生金公司理財產品), a wealth management product issued by CMB   |
| “CMB”                          | China Merchants Bank (招商銀行), a licensed bank established under the laws of the PRC   |
| “Company”                      | Daohe Global Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange   |
| “Directors”                    | the directors of the Company   |
| “Group”                        | the Company and its subsidiaries   |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the PRC   |
| “Independent Third Party(ies)” | third party(ies) independent of the Company and are not connected persons (as defined under the Listing Rules) of the Company  |
| “Juyi Shengjin Product”        | Juyi Shengjin Corporate Wealth Management Product* (聚益生金公司理財產品), a wealth management product issued by CMB   |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange  |
| “Loovee”                       | Loovee Science and Technology Development Co. Ltd.* (深圳市樂唯科技開發有限公司), a company established in the PRC with limited liability and is deemed to be an indirect wholly-owned subsidiary of the Company as at the date of this announcement pursuant to certain contractual arrangements as detailed in the section headed “Report of the Directors — Contractual arrangements” in the 2018 annual report of the Company |
| “PRC”                          | the People’s Republic of China   |
| “Riyi Yuexin Product”          | Riyi Yuexin Corporate Wealth Management Product* (日益月鑫公司理財產品), a wealth management product issued by CMB   |
| “RMB”                          | Renminbi, the lawful currency of the PRC   |

|                  |  |
|------------------|--|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited  |
| “WMPs”           | the wealth management products issued by CMB subscribed by Loovee namely, Juyi Shengjin Product, Bubu Shengjin Product and Riyi Yuexin Product |
| “%”              | per cent.  |

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

Hong Kong, 18 September 2019

*As at the date of this announcement, the Non-executive Director is Mr. ZHOU Xijian, the Executive Directors are Mr. WONG Hing Lin, Dennis, Mr. HO Chi Kin, and Mr. LONG Liping, and the Independent Non-executive Directors are Mr. WANG Arthur Minshiang, Mr. LAU Shu Yan and Mr. ZHANG Huijun.*

\* *For identification purposes only*