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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)

PROFIT WARNING

This announcement is made by Daohe Global Group Limited (the “**Company**“, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that based on the preliminary information available to the Directors, the Group is expected to record a total comprehensive loss of not less than US\$86 million (equivalent to approximately HK\$669.1 million) for the year ended 31 December 2018, as compared to the total comprehensive loss of approximately US\$69.4 million (equivalent to approximately HK\$539.9 million) for the eight months ended 31 December 2017.

The expected significant loss is mainly a result of impairment losses on goodwill and intangible assets of approximately US\$88 million (equivalent to approximately HK\$684.6 million) to be recognised by the Company for the year ended 31 December 2018, taking into account the increasingly challenging, stiff and competitive business environment and tightening government policy.

The Board would like to emphasise that the abovementioned impairment losses on goodwill and intangible assets are non-cash items to the Company’s consolidated statement of profit or loss for the year ended 31 December 2018. Such impairment losses are not expected to have an impact on the cash flow of the Group.

This profit warning announcement is based on preliminary estimates by the management of the Company with reference to the consolidated management accounts of the Group and the latest information available for the time being, which remain subject to finalisation and adjustment based on further updated information, and have not been reviewed nor audited by the Company’s independent auditors.

Detailed financial information of the Group will be disclosed in the audited annual results announcement of the Company for the year ended 31 December 2018, which is expected to be published in late March 2019. Shareholders and potential investors are advised to read the audited annual results announcement of the Group when it is published.

Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.

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

Hong Kong, 8 March 2019

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