

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
IN RELATION TO
IMPAIRMENT OF INTANGIBLE ASSETS**

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 (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) 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 assessment of the unaudited consolidated management accounts of the Company for the year ended 31 December 2019 and the information currently available to the Directors, an impairment loss of approximately US\$11.9 million in addition to the annual amortisation is expected to be recognised on the other intangible assets of the Group in relation to the technology platform (the “**Technology Platform**”). Based on the information available, the Board is of the view that the carrying amount of the Technology Platform shall be reduced to a minimal value and an impairment loss of approximately US\$11.9 million shall be recorded in the year ended 31 December 2019, and the Group is expected to record a total comprehensive loss of not more than approximately US\$18 million for the year ended 31 December 2019, subject to agreement with the Company’s independent auditors.

Such expected impairment loss is mainly attributable to lower revenue from the live streaming businesses than forecasted for the second half of 2019. This was due to the challenging macro environment and economic slowdown in the People’s Republic of China (the “**PRC**”). Besides, the popularity of live streaming and games has faded since the government imposed a new policy in 2018. Furthermore, the Group’s online social platforms faced fierce competition within the industry, compounded by fast changing trends and tastes of users that adversely affected business performance and development

prospects for the live streaming business. The aforementioned impairment loss on other intangible assets of approximately US\$11.9 million pertaining to the Technology Platform will be reported in the financial statements for the year ended 31 December 2019.

The recognition of the aforesaid impairment loss has no effect on the cash flow of the Group.

The expected total comprehensive loss of not more than approximately US\$18 million for the year ended 31 December 2019 represents approximately 79% decrease as compared to the total comprehensive loss of approximately US\$87 million for the year ended 31 December 2018. The expected decrease in total comprehensive loss was mainly attributable to the absence of non-cash impairment loss on goodwill of approximately US\$66.5 million, which was recorded in the year ended 31 December 2018, and was partially offset by the lower revenue recorded in the year ended 31 December 2019 from both trading and supply chain management services business and online social platforms business of the Group.

The information contained in 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 for the year ended 31 December 2019 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 or audited by the Company's independent auditors.

Detailed financial information of the Group will be disclosed in the audited annual results announcement of the Group for the year ended 31 December 2019, which is expected to be published in late March 2020. 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, 18 March 2020

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, 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.