

*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)**

**BUSINESS UPDATE  
IN RELATION TO OUTBREAK OF COVID-19**

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 of the Group’s latest business update of the COVID-19 pandemic (the “**Pandemic**”). As disclosed under the heading of “Prospects” in the Management Discussion and Analysis session in the annual report of the Company dated 31 March 2020, many of our customers under trading and supply chain management services have grown increasingly prudent given the challenges and uncertainties ahead and the expected slowdown in demand, certain orders either delayed or cancelled in the first half of 2020. Meanwhile, the implementation of measures to reduce the local transmission of COVID-19 in Mainland China has also caused disruption in certain business activities under the operations of online social media platforms.

Based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group’s turnover for the first quarter of 2020 declined by approximately 35% in comparing to that of the same period last year, the profit margin of the Group also declined as our fixed direct and indirect costs are difficult to alter in the short term. As at the date of this announcement, many customers have delayed or cancelled their deliveries in the second quarter of 2020 as most of their shops have remained closed. Despite the gradual relaxation of the measures in Mainland China, the consumer sentiment remained uncertain under the challenging environment. Based on the information currently available, the management expects the Group’s financial performance in the second quarter will further deteriorate.

To minimise the negative impact on the Group's operations, our management is on the one hand working closely with customers and supply chain partners for necessary adjustment to the delivery schedule, and on the other hand, is taking proactive measures to mitigate our operational risk, enhance operational efficiency and reduce costs. We believe with our tight management of cash flow, our business operation will respond quickly to the challenges ahead.

As at the date of this announcement, the Group is unable to predict when business normalcy will return, and cannot quantify the actual impact of the Pandemic on the Group's interim results for the six months ending 30 June 2020. The information contained in this announcement is only based on the preliminary assessment made by the Group and has not been reviewed and audited by the auditors of the Company. The Group's actual results for the six months ending 30 June 2020 are subject to changes in market conditions and may differ from the information contained in this announcement. The Company will closely monitor the situation and provide further update when necessary.

**Detailed financial information of the Group will be disclosed in the unaudited interim results announcement of the Company for the six months ending 30 June 2020, which is expected to be published in late August 2020. Shareholders and potential investors are advised to read the unaudited interim results announcement of the Group when it is published.**

**Shareholders and potential investors of the Company are advised to exercise caution when 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, 28 May 2020

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