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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 (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 six months ended 30 June 2020 (the “**Reporting Period**”) and the information currently available to the Directors, the Group is expected to record a total comprehensive loss of not more than approximately US\$3.5 million for the Reporting Period. Such loss is mainly attributable to the reduction of revenue in trading and supply chain management services and the operation of online social platforms by approximately 50% for the Reporting Period as compared to the corresponding period in 2019, and impairment losses on right-of-use assets and property, plant and equipment of approximately US\$0.8 million due to the COVID-19 pandemic and the down turning business environment during the Reporting Period.

After the outbreak of the COVID-19 pandemic in March and during the Reporting Period, many customers from trading and supply chain management services delayed or cancelled their orders as most of their shops were closed and the consumer sentiment remained uncertain.

For the online social platforms business, the emergence of new entertainment platforms, including but not limited to Douyin and Kuaishou, posed great challenges to the live streaming business. In addition, the weak macro-economic conditions and the implementation of measures to reduce the local transmission of COVID-19 on mainland China also caused disruption to certain business activities under the operations of online social media platforms in the Reporting Period.

Owing to the new rounds of lockdown measures in many countries recently, the path to recovery and the return to business normalcy remain highly uncertain. The Board, however, will continue to monitor the development of the COVID-19 pandemic and place appropriate cost and risk management measures during this extraordinarily difficult period of time.

The Company is still in the process of finalising the interim results of the Group for the Reporting Period. 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 Reporting Period and the latest information available for the time being, which remains to be 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 unaudited interim results announcement of the Group for the Reporting Period, 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 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, 12 August 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 and Mr. LONG Liping, and the Independent Non-executive Directors are Mr. WANG Arthur Minshiang, Mr. LAU Shu Yan and Mr. ZHANG Huijun.