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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)**

## **BUSINESS UPDATE**

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 for the first half of 2021 under the ongoing COVID-19 pandemic (the “**Pandemic**”). As disclosed under the paragraph headed “Prospects” in the Management Discussion and Analysis session in the annual report of the Company dated 26 March 2021, the Group has seen a gradual improvement in the business since the second half of 2020. Based on the preliminary review of the latest unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to turn around from a loss of approximately US\$3.4 million for the six months ended 30 June 2020. The Board considers that the expected turnaround in results for the six months ended 30 June 2021 is primarily due to the following reasons:

- 1) increase in turnover for trading and supply chain management services segment against the corresponding period of 2020 as the business was seriously impacted by the Pandemic in the second quarter of 2020 but the business gradually improved since then;
- 2) increase in turnover for the operation of online social platforms segment as compared to the corresponding period of 2020 since the management has actively sought partnerships with other online platforms and distribution channels;
- 3) fully reflects the cost savings in the first half of 2021 as a result of the internal restructuring which took place in 2020; and
- 4) impairment of property, plant and equipment and right-of-use assets recorded in the first half of 2020 of approximately US\$0.8 million in total is not expected to recur for the first half of 2021.

Shareholders and potential investors are advised that the Group's growth and financial performance in the second half of 2021 remains uncertain due to, among others, the ongoing Pandemic and consumer sentiment which may affect the Group's business.

The information set out above is solely based on the preliminary assessment made by the Group in accordance with the latest unaudited management accounts and the information currently available and has not been reviewed and audited by the auditors of the Company. The Group's actual results for the six months ended 30 June 2021 remains to be subject to finalisation and adjustment based on further updated information 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 ended 30 June 2021, which is expected to be published by late August 2021. 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, 2 July 2021

*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.*