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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)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF A POSSIBLE ACQUISITION

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).

MEMORANDUM OF UNDERSTANDING IN RESPECT OF A POSSIBLE ACQUISITION

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 13 January 2025, a wholly-owned subsidiary of the Company entered into a memorandum of understanding (the “**MOU**”) with an independent third party (the “**Vendor**”) regarding a proposed acquisition (“**Possible Acquisition**”) of a 51% equity interest in a limited company (the “**Target Company**”) established in the People’s Republic of China (the “**PRC**”). The indicative price of the Possible Acquisition is RMB51,000,000 (equivalent to HK\$54,570,000 based on an exchange rate of RMB1.00 to HK\$1.07).

The MOU is not legally binding on the Group to proceed with the Possible Acquisition

The MOU is neither legally binding on the Group to proceed with the Possible Acquisition, nor is the indicative price legally binding on the Group unless and until the signing of a legally binding formal agreement (the “**Formal Agreement**”) in respect of the Possible Acquisition.

The terms of the MOU serve as a framework for further negotiation between the parties to the MOU. All terms and conditions of the Possible Acquisition, including the consideration and the payment terms, are subject to further negotiation and agreement between the parties to the MOU.

Binding provisions of the MOU

Set out below is a summary of the major terms of the MOU which are binding on its parties.

Refundable Deposit	:	<p>(1) A refundable deposit of RMB5,100,000 (the “Refundable Deposit”) is payable by the Group to an escrow agent jointly designated by the parties to the MOU within 10 business days after the signing of the MOU.</p> <p>(2) Handling of the Refundable Deposit</p> <ul style="list-style-type: none">• Full Payment to the Vendor: the Refundable Deposit shall be fully paid to the Vendor as part of the consideration for the Possible Acquisition if the Formal Agreement is signed and the Possible Acquisition is completed in accordance with the terms of the Formal Agreement (the “Deposit Release Condition”); or• Full Refund to the Group: the Refundable Deposit shall be fully refunded to the Group if the Deposit Release Condition is not fulfilled.
Exclusivity	:	<p>During a period of four (4) months from the date of the MOU (the “Exclusivity Period”):</p> <p>(1) the Vendor shall not, directly or indirectly, engage in discussions, negotiations, or agreements with any third party regarding the sale, transfer, or other disposition of any equity interests in the Target Company; and</p> <p>(2) the Vendor shall promptly notify the Group of any unsolicited offers or inquiries from third parties regarding the sale of any equity interests in the Target Company.</p>

Cooperation in Due Diligence	:	Within the Exclusivity Period, the Vendor shall provide the Group and its representatives with reasonable access to the Target Company's premises, personnel, books and records, contracts, financial statements, and other information relevant to the legal, financial, tax, and operational due diligence review of the Target Company (the " Due Diligence Review "). The Vendor shall cooperate in good faith to assist the Group in completing the Due Diligence Review.
Confidentiality	:	All information exchanged in connection with the Possible Acquisition, including all documents, data, and other materials obtained during the Due Diligence Review, shall be kept confidential by the parties to the MOU, except as required by law or regulation.
Termination	:	The MOU shall terminate upon the earliest of (1) the signing of the Formal Agreement or (2) the expiration of the Exclusivity Period unless extended by mutual written consent of the parties to the MOU.
Governing Law and Dispute Resolution	:	<p>The MOU is governed by and construed in accordance with the laws of the PRC.</p> <p>Any disputes arising out of or in connection with the MOU shall be resolved through good faith negotiations. If negotiations fail, the dispute shall be submitted to the China International Economic and Trade Arbitration Commission (CIETAC) for arbitration in accordance with its rules. The arbitral award shall be final and binding on the parties to the MOU.</p>

INFORMATION ON THE TARGET COMPANY

The Target Company is engaged in the provision of machine vision technology software services in the PRC.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are independent third parties of the Company and its connected persons (as defined in the Listing Rules) and each of them is not a connected person of the Company.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

Machine vision technology is a field of artificial intelligence and computer vision that focuses on using computers and software to simulate and extend human visual capabilities. The Target Company's business of providing machine vision technology software services shares industry commonalities with the software development business engaged by the Group through Loovee Science and Technology Development Co. Ltd.* (深圳市樂唯科技開發有限公司).

The Possible Acquisition aligns with the Group's strategic goals and long-term business growth objectives and is expected to strengthen the Group's overall capabilities and market position.

OTHERS

Shareholders and potential investors of the Company are reminded that the Possible Acquisition is subject to further negotiation and the signing of a legally binding Formal Agreement. There is no assurance that the Possible Acquisition will proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company and to seek professional advice if they are in doubt.

The Company will make further announcements as and when there are material developments regarding the Possible Acquisition in compliance with the Listing Rules.

By Order of the Board
Daohe Global Group Limited
WONG Hing Lin, Dennis
Executive Director and Chief Executive Officer

Hong Kong, 13 January 2025

As at the date of this announcement, 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, Mr. ZHANG Huijun and Ms. LUO Juan.

** English translation or transliteration of Chinese name for identification purpose only*