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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)

POSITIVE PROFIT ALERT

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 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\$3.5 million for the year ended 31 December 2020 to a profit of not less than approximately US\$4.0 million for the year ended 31 December 2021.

The Board considers that the expected turnaround in results is primarily due to the following reasons:

- 1) an increase in turnover by approximately 50% from the trading and supply chain management services segment as compared to the corresponding year in 2020 as the business was seriously impacted by the COVID-19 pandemic (the “**Pandemic**”) in the second quarter of 2020 which subsided in 2021;
- 2) an increase in turnover by approximately 40% from the operation of online social platforms segment as compared to the corresponding year of 2020 as the management actively sought partnerships with other online platforms and distribution channels in 2021; and
- 3) impairment of property, plant and equipment and right-of-use assets of approximately US\$1.5 million in total was recorded in 2020 and is not expected to recur in 2021.

Despite the Board is being cautiously optimistic about the Group's long-term business development and financial performance, Shareholders and potential investors are advised that uncertainties in the global markets and the ongoing Pandemic continue to pose challenges to the business of the Group. The management of the Group will continue to closely monitor the development of the global economy and the Pandemic and adjust its strategies and measures from time to time.

The information set out above is solely based on the preliminary assessment made by the Group with reference to the unaudited consolidated management accounts and the information currently available and has not been reviewed nor audited by the auditors of the Company. The Group's actual results for the year ended 31 December 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 audited annual results announcement of the Group for the year ended 31 December 2021, which is expected to be published by late March 2022. Shareholders and potential investors are advised to read the audited annual 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, 1 March 2022

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.