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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 – REDUCTION OF PROFIT

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 record a decrease in profit for the year from approximately US\$4.1 million recorded for the year ended 31 December 2021 to not less than approximately US\$1 million this year.

The Board considers that the expected decrease in profit for the year is primarily due to the following reasons:

- 1) The social online platforms business turned from profit to loss during the year; and
- 2) The impairment losses on right-of-use assets and property, plant and equipment of approximately US\$0.5 million in relation to the corresponding business.

The outbreak of more transmissible variants of COVID-19 during the year forced the Chinese Government to impose lockdown across provinces, which resulting in closure of shops as well as limiting the online live broadcasting activities. The reduction in the online and offline traffic and the poor economic prospects greatly affected the consumer’s sentiment on spending. Consequently, the revenue and gross profit of social online platforms business fell by approximately 23% and approximately 51% respectively from last year.

The information contained in this announcement 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 2022 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 2022, which is expected to be published by late March 2023. Shareholders and potential investors are advised to read the audited annual results announcement of the Group when it is published.

Shareholders and potential investors 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, 10 March 2023

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.