

## Daohe Global Announces 2018 Interim Results

(HONG KONG, 24 August 2018) – **Daohe Global Group Limited** (“Daohe Global” or the “Group”; stock code: 915) has today announced its interim results for the six months ended 30 June 2018. This is the first interim results since the Group changed the end date of its financial year from 30 April to 31 December starting from the financial year 2017.

During the period, the Group managed to achieve revenue of approximately US\$58.2 million. The online social platforms acquired in June 2017 achieved a revenue increase of approximately 111.3%, contributing approximately US\$20.6 million of revenue to the Group. Gross profit was approximately US\$13.5 million, of which approximately US\$4.4 million was contributed by the operation of online social platforms. Loss for the period amounted to approximately US\$11.3 million. Excluding the non-cash impairment loss on goodwill and amortisation of intangible assets, net of deferred tax credit, the Group’s profit for the period would have been approximately US\$3.5 million.

The Group’s financial position remains healthy with cash and cash equivalents of approximately US\$14.3 million as at 30 June 2018, and current ratio of approximately 1.2 and a gearing ratio of zero.

### Prospects

Looking ahead, the management expects the business environment for trading and supply chain management services will remain challenging in the second half year in view of the commencement of the China-US trade war, ongoing uncertainties over the international trade environment and greater market transparency resulting from the rise of the Internet.

However, there are always opportunities amidst challenges. With an operating history that stretches over half a century in the trading and supply chain management services industry, the Group has encountered many economic cycles and different challenges yet it has always prevailed, which can be attributed to its adaptability to change and keep abreast of the times. The Group therefore remains confident that its business will realise sustainable development in the future. The Group will continue to expand its product offerings and provide more comprehensive value-added services in order to fortify its ties with key customers and to become their preferred partner. The Group will also make further and optimal use of information technologies to enhance operational efficiency and introduce positive changes to its operations.

Apart from bringing earth-shattering changes to traditional industries, the rise of the Internet has also led to the emergence of new economies, including the online social platforms business in the PRC which the Group introduced last year. To seize the immense potential presented by the industry, in addition to major cities, the Group will continue to explore third and fourth-tier municipal markets to broaden its user base as well as strive to meet the demand of users for a new social networking and entertainment experience.

The Group will continue to develop its two major businesses and look for suitable acquisition and investment opportunities in its bid to allocate resources to projects with promising development potential so as to create optimum returns for its shareholders.

### **About Daohe Global Group Limited**

Daohe Global Group Limited is an investment holding company listed on the Main Board of the Hong Kong Stock Exchange since 2002 (stock code: 915). The Group mainly engages in trading and supply chain management services and the operation of online social platforms. With a global presence in over 20 regions and a sourcing network throughout Asia, the Group offers comprehensive and efficient sourcing solutions and value-added services to its customers. Furthermore, the Group has begun the operation of online social platforms since 2017. Its products mainly comprise mobile applications, thereby providing various online social and entertainment services to a large number of individual users in the PRC. Daohe Global website: [www.daoheglobal.com.hk](http://www.daoheglobal.com.hk)

For more information:

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**Daohe Global Group Limited**  
**Announcement of Interim Results for the Six Months Ended 30 June**  
**2018**

<b>Condensed Consolidated Interim Statement of Profit or Loss</b>	<b>For the six months ended</b>	
	<b>30 June 2018 (Unaudited) US\$'000</b>	<b>31 October 2017 (Unaudited) US\$'000</b>
<b>REVENUE</b>	<b>58,239</b>	59,375
Cost of sales	<b>(44,713)</b>	<b>(44,584)</b>
Gross profit	<b>13,526</b>	14,791
Other income	<b>319</b>	422
Selling and marketing expenses	<b>(7,021)</b>	<b>(6,235)</b>
General and administrative expenses	<b>(9,988)</b>	<b>(10,387)</b>
Gain on dissolution of a subsidiary	<b>8</b>	-
Share of loss of a joint venture	<b>(1)</b>	-
Impairment losses on goodwill	<b>(9,700)</b>	<b>(73,098)</b>
<b>LOSS BEFORE TAX</b>	<b>(12,857)</b>	<b>(74,507)</b>
Income tax credit	<b>1,554</b>	1,071
<b>LOSS FOR THE PERIOD</b>	<b>(11,303)</b>	<b>(73,436)</b>
<b>ATTRIBUTABLE TO:</b>		
Owners of the Company	<b>(11,302)</b>	<b>(73,434)</b>
Non-controlling interests	<b>(1)</b>	<b>(2)</b>
	<b>(11,303)</b>	<b>(73,436)</b>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b> (expressed in US cents)		
Basic (Note)	<b>(0.75)</b>	<b>(5.12)</b>
Diluted (Note)	<b>(0.75)</b>	<b>(5.12)</b>

Note:

Adjusted for the effect of share subdivision in August 2017.

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