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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)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024
AND
CHANGE IN COMPOSITION OF BOARD COMMITTEE**

INTERIM RESULTS HIGHLIGHTS:

- Revenue slightly increased by approximately 1.5% to approximately US\$19.5 million (equivalent to approximately HK\$151.7 million) from approximately US\$19.3 million (equivalent to approximately HK\$150.2 million) for the six months ended 30 June 2023.
- For the six months ended 30 June 2024, the profit for the period decreased from approximately US\$0.6 million (equivalent to approximately HK\$4.7 million) to nearly breakeven.
- The Directors have not declared the payment of an interim dividend for the six months ended 30 June 2024.

UNAUDITED INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Daohe Global Group Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2024, together with relevant comparative figures as follows:

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Condensed Consolidated Interim Statement of Profit or Loss

		For the six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
	Note	US\$'000	US\$'000
REVENUE	4	19,539	19,257
Cost of sales		<u>(12,576)</u>	<u>(11,948)</u>
Gross profit		6,963	7,309
Other income		270	726
Selling and marketing expenses		(734)	(1,068)
General and administrative expenses		(6,361)	(6,254)
Finance costs		(33)	(59)
Allowance for trade receivables		<u>(31)</u>	<u>(1)</u>
PROFIT BEFORE TAX	5	74	653
Income tax	6	<u>(50)</u>	<u>(52)</u>
PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>24</u>	<u>601</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
(expressed in US cents)	8		
Basic		<u>0.00</u>	<u>0.04</u>
Diluted		<u>0.00</u>	<u>0.04</u>

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
PROFIT FOR THE PERIOD	24	601
OTHER COMPREHENSIVE INCOME		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(10)	(306)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	(10)	(306)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	14	295

Condensed Consolidated Interim Statement of Financial Position

		30 June 2024	31 December 2023
		(Unaudited)	(Audited)
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	9	417	447
Right-of-use assets	10	889	1,253
Financial asset at fair value through profit or loss		123	123
Deposits		185	309
		<hr/>	<hr/>
Total non-current assets		1,614	2,132
CURRENT ASSETS			
Inventories		1,103	861
Trade receivables	11	4,225	3,931
Prepayments, deposits and other receivables		2,863	2,352
Bank deposits with initial term of over three months		3,542	3,538
Cash and cash equivalents		15,373	16,602
		<hr/>	<hr/>
Total current assets		27,106	27,284
CURRENT LIABILITIES			
Trade payables	12	1,757	1,502
Accruals, provisions and other payables		6,261	6,522
Contract liabilities		1,767	1,640
Lease liabilities		754	991
Loan from a shareholder	13(a)	3,856	3,856
Bank borrowings		–	296
Tax payable		341	348
		<hr/>	<hr/>
Total current liabilities		14,736	15,155
NET CURRENT ASSETS			
		<hr/>	<hr/>
		12,370	12,129
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<hr/>	<hr/>
		13,984	14,261

	30 June 2024 (Unaudited) US\$'000	31 December 2023 (Audited) US\$'000
NON-CURRENT LIABILITIES		
Lease liabilities	292	566
Provisions	154	154
Post-employment benefits	195	212
	<hr/>	<hr/>
Total non-current liabilities	641	932
	<hr/>	<hr/>
NET ASSETS	13,343	13,329
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Share capital	20,128	20,128
Reserves	(6,785)	(6,799)
	<hr/>	<hr/>
TOTAL EQUITY	13,343	13,329
	<hr/> <hr/>	<hr/> <hr/>

Notes:

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The condensed consolidated interim financial information is presented in United States dollars (“US\$”), unless otherwise stated.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements of the Group are consistent with those followed in the preparation of the audited annual financial statements for the year ended 31 December 2023, except for the adoption of the below revised Hong Kong Financial Reporting Standards (“HKFRSs”) and HKAS issued by the HKICPA which are relevant to the Group:

Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Hong Kong Interpretation 5 (Revised)	<i>Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i>

The application of the amendments to the standards and interpretation in the current period has had no material impact on the Group’s financial position and performance for the current and prior periods and on the disclosures set out in these condensed consolidated interim financial statements.

3. OPERATING SEGMENT INFORMATION

The Group’s business comprises two reportable operating segments as follows:

- (a) trading and supply chain management services; and
- (b) operation of online social platforms.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that bank interest income, interest on bank borrowings as well as corporate and other unallocated expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Segment assets do not include corporate and other unallocated assets. Segment liabilities do not include loan from a shareholder as well as corporate and other unallocated liabilities.

The following tables present revenue and results for the Group's reportable segments for the six months ended 30 June 2024 and 2023:

For the six months ended 30 June 2024 (Unaudited)	Trading and supply chain management services <i>US\$'000</i>	Operation of online social platforms <i>US\$'000</i>	Total <i>US\$'000</i>
Segment revenue:			
Revenue from external customers	<u>8,530</u>	<u>11,009</u>	<u>19,539</u>
Segment results	<u>129</u>	<u>226</u>	<u>355</u>
Bank interest income			194
Corporate and other unallocated expenses			(472)
Interest on bank borrowings			<u>(3)</u>
Profit before tax			74
Income tax			<u>(50)</u>
Profit for the period			<u><u>24</u></u>
Other segment information:			
Depreciation:			
Property, plant and equipment	58	11	69
Right-of-use assets	286	93	379
Capital expenditures	17	24	41
Allowance/(reversal of allowance) for trade receivables	<u>38</u>	<u>(7)</u>	<u>31</u>

For the six months ended 30 June 2023 (Unaudited)	Trading and supply chain management services <i>US\$'000</i>	Operation of online social platforms <i>US\$'000</i>	Total <i>US\$'000</i>
Segment revenue:			
Revenue from external customers	8,162	11,095	19,257
Segment results	<u>331</u>	<u>534</u>	865
Bank interest income			203
Corporate and other unallocated expenses			(404)
Interest on bank borrowings			<u>(11)</u>
Profit before tax			653
Income tax			<u>(52)</u>
Profit for the period			<u><u>601</u></u>
Other segment information:			
Depreciation:			
Property, plant and equipment	37	53	90
Right-of-use assets	237	114	351
Capital expenditures	289	1	290
Allowance for trade receivables	<u>1</u>	<u>-</u>	<u>1</u>

The following table presents assets and liabilities of the Group's reportable segments as at 30 June 2024 and 31 December 2023:

	Trading and supply chain management services <i>US\$'000</i>	Operation of online social platforms <i>US\$'000</i>	Total <i>US\$'000</i>
As at 30 June 2024 (Unaudited)			
Segment assets	<u>13,457</u>	<u>15,052</u>	28,509
Corporate and other unallocated assets			<u>211</u>
Total assets			<u><u>28,720</u></u>
Segment liabilities	<u>6,340</u>	<u>5,056</u>	11,396
Loan from a shareholder			3,856
Corporate and other unallocated liabilities			<u>125</u>
Total liabilities			<u><u>15,377</u></u>
As at 31 December 2023 (Audited)			
Segment assets	<u>14,340</u>	<u>14,957</u>	29,297
Corporate and other unallocated assets			<u>119</u>
Total assets			<u><u>29,416</u></u>
Segment liabilities	<u>7,052</u>	<u>5,092</u>	12,144
Loan from a shareholder			3,856
Corporate and other unallocated liabilities			<u>87</u>
Total liabilities			<u><u>16,087</u></u>

4. REVENUE

An analysis of the Group's revenue is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) US\$'000	2023 (Unaudited) US\$'000
<i>Revenue from contracts with customers</i>		
Sales of merchandise	7,295	5,071
Commission income	4,114	4,308
Internet value-added services ("IVAS") revenue	8,130	9,878
	19,539	19,257

Disaggregated revenue information

	For the six months ended 30 June 2024		
	Trading and supply chain management services (Unaudited) US\$'000	Operation of online social platforms (Unaudited) US\$'000	Total (Unaudited) US\$'000
Type of goods or services			
Sales of merchandise	4,416	2,879	7,295
Commission income	4,114	–	4,114
IVAS revenue	–	8,130	8,130
	8,530	11,009	19,539
Geographical markets			
People's Republic of China (the "PRC")	1,063	11,009	12,072
Southern hemisphere	4,100	–	4,100
North America	2,236	–	2,236
Europe	513	–	513
Others	618	–	618
	8,530	11,009	19,539
Timing of revenue recognition			
Goods transferred/services rendered at a point in time	8,530	11,009	19,539
	8,530	11,009	19,539

	For the six months ended 30 June 2023		
	Trading and supply chain management services (Unaudited) <i>US\$'000</i>	Operation of online social platforms (Unaudited) <i>US\$'000</i>	Total (Unaudited) <i>US\$'000</i>
	Type of goods or services		
Sales of merchandise	3,854	1,217	5,071
Commission income	4,308	–	4,308
IVAS revenue	–	9,878	9,878
	<u>8,162</u>	<u>11,095</u>	<u>19,257</u>
Geographical markets			
PRC	1,177	11,095	12,272
Southern hemisphere	3,257	–	3,257
North America	2,445	–	2,445
Europe	590	–	590
Others	693	–	693
	<u>8,162</u>	<u>11,095</u>	<u>19,257</u>
Timing of revenue recognition			
Goods transferred/services rendered at a point in time	<u>8,162</u>	<u>11,095</u>	<u>19,257</u>

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024 (Unaudited) <i>US\$'000</i>	2023 (Unaudited) <i>US\$'000</i>
	Cost of inventories sold	5,708
Cost of services provided	6,868	7,429
Depreciation:		
Property, plant and equipment	69	90
Right-of-use assets	379	351
Employee benefit expense	5,585	5,417
Loss/(gain) on disposal of property, plant and equipment	1	(1)
Foreign exchange differences, net	69	76
	<u>69</u>	<u>76</u>

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period except for one subsidiary of the Company which is a qualifying entity under the two-tiered profits tax regime. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2024	2023
	(Unaudited) US\$'000	(Unaudited) US\$'000
Current		
– Hong Kong	19	30
– Outside Hong Kong	29	22
Net underprovision in prior periods	2	–
Total tax expense for the period	<u>50</u>	<u>52</u>

7. DIVIDEND

The Directors have not declared the payment of an interim dividend for the six months ended 30 June 2024 (2023: Nil).

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of US\$24,000 (2023: US\$601,000), and the number of 1,509,592,701 (2023: 1,509,592,701) ordinary shares in issue during the period.

The Group had no dilutive potential ordinary shares in issue for the period ended 30 June 2024 (2023: Nil).

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets with a total cost of US\$41,000 (2023: US\$290,000).

Assets with a net book value of US\$1,000 were disposed of by the Group during the six months ended 30 June 2024 (2023: US\$1,000), at a net loss on disposal of US\$1,000 (2023: net gain of US\$1,000).

10. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2024, the Group entered into various new lease agreements for properties and office equipment used in its operations. On lease commencement, the Group recognised US\$31,000 of right-of-use assets and lease liabilities (2023: US\$1,357,000).

11. TRADE RECEIVABLES

	30 June 2024 (Unaudited) US\$'000	31 December 2023 (Audited) US\$'000
Trade receivables	4,907	4,599
Allowance for doubtful debts	(682)	(668)
	4,225	3,931

An ageing analysis of the gross carrying amount of trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024 (Unaudited) US\$'000	31 December 2023 (Audited) US\$'000
Within 30 days	2,548	2,290
31 to 60 days	872	1,112
61 to 90 days	323	258
91 to 365 days	617	363
Over 1 year	547	576
	4,907	4,599

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024 (Unaudited) US\$'000	31 December 2023 (Audited) US\$'000
Within 30 days	1,055	822
31 to 60 days	357	450
61 to 90 days	198	153
91 to 365 days	70	–
Over 1 year	77	77
	1,757	1,502

13. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in this announcement, the Group had the following significant transactions with related parties during the period:

(a) Loan from a shareholder

At 30 June 2024, the loan from a shareholder of the Company is unsecured, non-interest-bearing and repayable by 22 May 2025.

(b) Compensation to key management personnel of the Group

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Short term employee benefits	616	399
Post-employment benefits	46	39
Total compensation paid to key management personnel	662	438

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overview

During the period under review, the Group's revenue increased slightly by approximately 1.5% to approximately US\$19.5 million from approximately US\$19.3 million for the same period last year.

In the trading and supply chain management services business, the Group continued to face challenges from high inflation, political instability and Red Sea Crisis. However, as the key customers' excessive inventories have begun to lessen and the Group continued to develop different product categories with customers, the shipment volume for the period has recorded a moderate growth of approximately 3.3% to approximately US\$55.9 million. The revenue of the Group's trading and supply chain management services business increased by approximately 4.5% to approximately US\$8.5 million from approximately US\$8.2 million in the same period last year due to the growth in shipment volume and the change in sales mix with a higher volume of trading business.

As for the online social platforms business, its total revenue dropped slightly by approximately 0.8% to approximately US\$11.0 million for the period under review.

Gross profit decreased by approximately 4.7% from approximately US\$7.3 million to approximately US\$7.0 million for the six months ended 30 June 2024. Gross margin declined from approximately 38.0% to approximately 35.6%. Gross margin for both operating segments dropped under the challenging business environment.

Other income for the Group decreased by approximately 62.8% from approximately US\$0.7 million to approximately US\$0.3 million for the review period due to the reduction in government subsidies by approximately US\$0.4 million.

Operating expenses for the six months ended 30 June 2024 amounted to approximately US\$7.2 million, representing a drop of approximately 3.0% from approximately US\$7.4 million for the corresponding period last year. The reduction in operating expenses was mainly attributable to the decrease in selling and marketing expenses of the online social platforms business.

The profit for the period decreased from approximately US\$0.6 million for the six months ended 30 June 2023 to nearly breakeven for the review period.

Segmental Analysis

Operating Segmentation

The Group's business comprises two operating segments, namely: (i) trading and supply chain management services; and (ii) the operation of online social platforms.

(i) Trading and supply chain management services

During the period under review, shipment value for trading and supply chain management services climbed by approximately 3.3% from approximately US\$54.1 million to approximately US\$55.9 million as the key customers' excessive inventories situation was gradually eased and the Group's effort to explore different product categories.

Geographical Analysis

	Shipment value	
	For the six months	
	ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	US\$' million	US\$' million
North America	41.7	39.7
Europe	9.8	10.5
Others	4.4	3.9
	55.9	54.1

Shipments to North America increased by approximately 5.0% to approximately US\$41.7 million. North America remained the Group's largest market, accounting for approximately 74.6% of the Group's total shipment value (2023: approximately 73.4%).

Shipments to Europe fell by approximately 6.7% to approximately US\$9.8 million, and accounted for approximately 17.5% of total shipment value (2023: approximately 19.4%).

Shipments grouped under “Others”, comprising mainly shipments to the southern hemisphere, climbed by approximately 12.8% to approximately US\$4.4 million due to more orders from a South African customer. “Others” represented approximately 7.9% of total shipment value (2023: approximately 7.2%).

During the period under review, the trading and supply chain management services segment recorded revenue of approximately US\$8.5 million (2023: approximately US\$8.2 million), representing approximately 43.7% of the Group’s total revenue (2023: approximately 42.4%).

(ii) *Operation of online social platforms*

During the review period, revenue from the operation of online social platforms fell by approximately 0.8% from US\$11.1 million to approximately US\$11.0 million.

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	US\$’ million	US\$’ million
Gamified social and online entertainment	8.1	9.9
Sales of goods	2.9	1.2
	11.0	11.1

The revenue from gamified social and online entertainment dropped by approximately 17.7% from approximately US\$9.9 million to approximately US\$8.1 million during the period. The decline was due to the challenges from the rise of claw machines installed in shopping malls and more brick-and-mortar shops were opened during the period. In addition, the restrictions in promotions from different channels through key opinion leaders, especially Douyin, impacted the online traffic significantly.

Sales of goods escalated by approximately 136.6% to approximately US\$2.9 million in the first half of 2024. The growth was attributable to the increase in sales of pop toys to distributors during the period as the new series of blind boxes were launched and the base for the corresponding period in 2023 was relatively low when the COVID-related restrictions were lifted.

Financial Review

Financial Resources and Liquidity

The Group had deposits and cash and cash equivalents of approximately US\$18.9 million as at 30 June 2024 (31 December 2023: approximately US\$20.1 million). In addition, it had total banking facilities of approximately US\$5.1 million, including borrowing facilities of approximately US\$0.1 million as at 30 June 2024 (31 December 2023: approximately US\$5.4 million and approximately US\$0.4 million, respectively).

The Group's current ratio was approximately 1.8 (31 December 2023: approximately 1.8) and its gearing ratio was zero (31 December 2023: approximately 0.02), based on no interest-bearing borrowing (31 December 2023: approximately US\$0.3 million) and total equity of approximately US\$13.3 million as at 30 June 2024 (31 December 2023: approximately US\$13.3 million). There has been no material change in the Group's borrowing since 30 June 2024.

Trade receivables amounted to approximately US\$4.2 million as at 30 June 2024 (31 December 2023: approximately US\$3.9 million). Gross trade receivables over 90 days, which amounted to approximately US\$1.2 million, are being carefully monitored by the management and adequate provisions have been made.

The Group follows a prudent treasury policy in managing investments in financial products such as wealth management products. All investments must be made in accordance with the Group's treasury policy with a view to utilising surplus cash generated from its business operations.

The Group's net asset value amounted to approximately US\$13.3 million as at 30 June 2024 (31 December 2023: approximately US\$13.3 million).

The majority of the Group's transactions during the review period were denominated in US dollars, Renminbi and Hong Kong dollars. In order to minimise exposure to foreign exchange risks, sales and purchases are usually made in the same currency.

As at 30 June 2024, the Group had no material contingent liabilities or guarantees and did not have charges on any of its assets.

Remuneration Policy and Staff Development Scheme

As at 30 June 2024, the Group had 264 employees (2023: 250). Total staff costs for the period under review amounted to approximately US\$5.6 million (2023: approximately US\$5.4 million).

The Group offers competitive remuneration packages to its employees based on industry practices, and individual and the Group's performance. In addition, the Company has a share option scheme for eligible employees and discretionary bonuses are paid to staff members based on individual and the Group's performance.

Prospects

The market conditions for the trading and supply chain management services segment remained uncertain. The impact of inflation persists and will continue squeezing consumers' disposable incomes. Political instability and tensions continue to impact the global economy and further drive supply chain shifts. The upcoming US President election further intensifies concerns about Sino-US relations. The security crisis in the Red Sea is further disrupting supply chains and inflation as the costs of international shipments rise. Furthermore, pressure from customers for quicker turnarounds, increasing transparency and pressing demand for sustainability have become a norm. All these factors together continue to present challenges to the Group's trading and supply chain business in the rest of 2024. In face of the headwinds, the Group will continue to work closely with customers and supply chain partners to provide comprehensive value-added services and market intelligence. Besides, the Group will continue to put effort in exploring new customers, offering new product categories at competitive prices and widening its sourcing base to brace the diverse needs of customers.

Despite a rebound of the business from operation of online social platforms following the relaxation of COVID-related restrictions in the PRC in 2023, the domestic demand has remained sluggish. This, along with the property market downturn and trade tensions, have weakened business confidence and continue to weigh on growth. On top of that, the gamified social and online entertainment business continues to face the competition from the traditional claw machines business and the restrictions in promotions from different channels remained unsolved. To cope with these, the Group will ramp up efforts to partner with different claw machines shops, extending their business from offline to online to achieve playing anytime and anywhere through technology support. Besides, the Group will continue to explore new and popular products to attract new users. Furthermore, the Group will continuously upgrade its game system and the claw crane online game mini-program to bolster user engagement and satisfaction. For the sale of pop toys, the Group has achieved a satisfactory growth in the first half of 2024 and will continue to pursue partnership with toy designers and intellectual property (“IP”) providers to develop new and innovative products. At the same time, it will seek to develop customized exclusive IP products.

Looking ahead, the business environment is still full of challenges and uncertainties in the near future, the Group will continue to closely monitor the economic development globally and adjust its strategies and measures from time to time. In addition, the Group will continue to enforce strict cost control to improve productivity and operational efficiency.

Significant Investments, Material Acquisitions or Disposals

Save as disclosed in this announcement, during the six months ended 30 June 2024, the Group did not have any significant investments, material acquisitions or disposals.

Future Plans for Material Investments

As at the date of this announcement, the Group did not have any future plan for material investments or capital assets.

Events after the Reporting Period

No material event occurred after the end of the reporting period and up to the date of this announcement.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of any interim dividend for the six months ended 30 June 2024 (2023: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting policies adopted by the Group including review of the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2024. Such condensed consolidated interim financial information has not been audited nor reviewed by the Company's independent auditor.

CORPORATE GOVERNANCE

Pursuant to code provision C.2.1 of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules (the “**CG Code**”), the roles of the chairman and chief executive officer should be separated, since the resignation of Mr. ZHOU Xijian as chairman of the Board (the “**Chairman**”) with effect from 2 June 2023 and up to the date of this announcement, no Chairman has been appointed, the Company will endeavour to identify and appoint suitable Chairman and will make announcement as and when appropriate. Save as disclosed, the Company has complied with all the applicable code provisions of the CG Code throughout the six months ended 30 June 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its model code for securities transactions by the Directors. The Company, having made specific enquiries, obtained confirmations from all the Directors that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2024.

The Company has also established written guidelines on no less exacting terms than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by relevant employees who are likely to possess unpublished inside information in relation to the Company or its securities. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company throughout the six months ended 30 June 2024.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Company (www.daoheglobal.com.hk) and the Stock Exchange (www.hkexnews.hk). The 2024 interim report will be available on the above websites in due course.

CHANGE IN COMPOSITION OF BOARD COMMITTEE

Ms. LU Yuhua has resigned as a member of the environmental, social and governance committee of the Company (the “**ESG Committee**”) with effect from 28 August 2024. Following the resignation of Ms. Lu, the ESG Committee has three members, two of whom are Directors, Mr. WONG Hing Lin, Dennis and Mr. LAU Shu Yan.

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

Hong Kong, 28 August 2024

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 and Mr. ZHANG Huijun.