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Dowway Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8403)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10(2) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

Based on the information currently available and the preliminary review of the unaudited consolidated management accounts of the Group for FY2019 by the Board, the Board wishes to inform the Shareholders and potential investors of the Company that the Group expects to record a net loss of approximately RMB1.2 million for FY2019, as compared to the net loss of approximately RMB1.0 million for the corresponding financial year in 2018.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Dowway Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”).

Based on the information currently available and the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 (the “**FY2019**”) by the board (the “**Board**”) of directors (the “**Directors**”) of the Company, the Board wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that the Group expects to record a net loss of approximately RMB1.2 million for FY2019, as compared to the net loss of approximately RMB1.0 million for the corresponding financial year in 2018.

The anticipated net loss for FY2019 was primarily attributable to (i) increase in staff costs arising from business expansion and the Board's decision to adopt a very competitive pricing strategy in order to broaden the customer base of the Group amid a challenging business environment in the PRC as well as an increase in the transportation and logistics expenses, which collectively led to a decrease in the Group's gross profit by approximately RMB12.5 million for FY2019, as compared to the corresponding financial year in 2018; and (ii) an increase in net impairment losses on financial and contract assets by approximately RMB0.5 million.

As the Company is still in the course of finalizing its results for FY2019, the information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and the preliminary review of the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the Company's auditors nor confirmed by the Company's audit committee. The overall financial results of the Group for FY2019 will only be ascertained when all the relevant results and corresponding treatments are finalized, which may be different from those disclosed in this announcement. The results of the Group for FY2019 are scheduled to be approved and announced by the Board on or about 27 March 2020.

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
Dowway Holdings Limited
Huang Xiaodi

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 17 March 2020

As at the date of this announcement, the executive Directors are Mr. Huang Xiaodi, Mr. Ma Yong and Mr. Yan Jinghui; the non-executive Director is Mr. Yuen Lai Him; and the independent non-executive Directors are Ms. Xu Shuang, Mr. Gao Hongqi and Mr. Yu Leung Fai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website of the Stock Exchange at www.hkgem.com for a minimum period of 7 days from the date of publication and on the website of the Company at www.dowway-exh.com.