

DOWWAY HOLDINGS LTD:
THIS COMPANY WAS IN A BIT OF A HURRY
IN ORDER TO OBTAIN A LISTING, IT SEEMS

There Are Far Better Investment
'Vehicles' Than This One, However

Dowway Holdings Ltd () (Code: 8403, The **G**rowth **E**nterprise **M**arket [the **GEM**], The Stock Exchange of Hongkong) suffered a Net Loss Attributable to Shareholders in respect of the Financial Year, ended December 31, 2017.

And, in respect of the Current Financial Year, ending December 31, 2018, Management is forecasting another Net Loss Attributable to Shareholders.

Two Financial Years in a row, both reporting Net Losses!

This intelligence was shared with prospective shareholders, being amongst the opening salvoes, located at Pages Nine through to 11 of the Company's Share Offer Prospectus, dated May 29, 2018.

At the foot of Page Nine, one was informed:

'Our Group recorded a net loss of approximately RMB0.8 million for the year ended 31 December 2017 as compared to the net profit of approximately RMB11.0 million for the year ended 31 December 2016, which was mainly due to the one-off Listing expenses of approximately RMB11.3 million charged to our consolidated statement of

comprehensive income.'

Then, at the top of Page 10, one was told:

'In the same regard, we expect to record net losses for the year ending 31 December 2018 primarily as a result of (i) the Listing expenses to be charged to our consolidated statement of comprehensive income; (ii) the maintenance and compliance costs after the Listing including but not limited to the annual listing fee, the professional advisory fee and the expenses to be incurred in relation to publication of disclosure announcements and periodic financial information in compliance with the GEM Listing Rules; and (iii) the increase in operating expenses following the implementation of our business objectives, such as the anticipated increase in employee benefit expenses resulting from the recruitment of staff members as detailed in the paragraphs below, which is expected to be incurred after the Listing. We estimate Listing expenses of approximately RMB9.9 million to be recorded for the year ending 31 December 2018 among which RMB7.3 million will be charged to our consolidated statement of comprehensive income. The majority of the above is expected to constitute cash outflows used in operating activities and consequently have a negative impact on our cash flows generated from operating activities for the year ending 31 December 2018.'

And so, Management must have come to obvious conclusion that it was high time to shake the money tree in order to get some of those golden apples.

The Initial Public Offering (IPO) Of Dowway Holdings Ltd

Dowway Holdings Ltd published and disseminated its Share Offer Prospectus on May 29, 2018.

In this document, the Company stated that it was Offering 500 million, \$US0.0001 Shares at the Indicative Offer Price Per Share, ranging from a low of 12 cents (Hongkong) to a high of 16 cents (Hongkong).

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were Offered the opportunity to subscribe to 50 million Shares and Institutional/Professional/Well-Heeled Investors were Offered the opportunity to subscribe to 450 million Shares via select Share Placements.

On June 11, 2018, Management announced that the Offer Price Per Share had been determined at 14.50 cents (Hongkong) and that the Company anticipated that it would net about \$HK36.70 million from this IPO.

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