Dedicate Our Wonderful Way, Assure You.

Dowway Holdings Limited
天平道合控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8403)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the "**Directors**") of Dowway Holdings Limited (the "**Company**") 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 (the "**GEM Listing Rules**") 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.*

HIGHLIGHTS

- For the year ended 31 December 2024, the Group's revenue amounted to approximately RMB140,164,000, representing an increase of approximately 19.34% over that of the year ended 31 December 2023.

- For the year ended 31 December 2024, the Group's loss for the year amounted to approximately RMB6,323,000, whereas there was a loss of approximately RMB16,918,000 for the year ended 31 December 2023.

- For the year ended 31 December 2024, the Group's loss per share was RMB4.69 cents (2023: RMB14.10 cents).

- The Board resolved not to recommend the payment of a final dividend for the year ended 31 December 2024.

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the "**Board**") of Dowway Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") announces the audited consolidated results of the Group for the year ended 31 December 2024 (the "**Year**") together with the comparative audited figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		Year ended 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Revenue	*4*	**140,164**	117,446
Cost of sales and services	*7*	**(123,738)**	(111,584)
Gross profit		**16,426**	5,862
Other gains and losses, net	*5*	**5,805**	192
Selling expenses		**(7,199)**	(8,936)
Administrative expenses		**(18,299)**	(12,635)
Net allowance for expected credit loss on trade receivables and contract assets		**(2,132)**	(1,811)
Operating loss		**(5,399)**	(17,328)
Finance costs, net	*6*	**(1,183)**	(577)
Loss before income tax	*7*	**(6,582)**	(17,905)
Income tax credit	*8*	**259**	987
Loss for the year and total comprehensive expense for the year		**(6,323)**	(16,918)
Loss for the year and total comprehensive expense attributable to:			
Equity holders of the Company		**(5,746)**	(16,918)
Non-controlling interests		**(577)**	–
		(6,323)	(16,918)
Loss per share			
Basic and diluted (in RMB cents)	*9*	**(4.69)**	(14.10)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		As at 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Non-current assets			
Plant and equipment		**263**	747
Right-of-use assets		**1,343**	2,495
Deposits		**–**	336
		1,606	3,578
Current assets			
Trade receivables	*10*	**49,868**	37,460
Contract assets		**53,365**	37,069
Deposits, prepayments and other receivables		**19,066**	17,380
Restricted bank balances		**1,000**	1,000
Cash and bank balances		**6,211**	12,439
		129,510	105,348
Current liabilities			
Trade and bills payables	*11*	**73,689**	64,253
Contract liabilities		**2,097**	4,841
Accruals and other payables	*11*	**17,583**	11,336
Interest-bearing borrowings		**26,563**	17,976
Lease liabilities		**1,332**	1,191
Tax payables		**3,827**	3,798
		125,091	103,395
Net current assets		**4,419**	1,953
Total assets less current liabilities		**6,025**	5,531

	Notes	As at 31 December **2024** ***RMB'000***	2023 *RMB'000*
Non-current liabilities			
Interest-bearing borrowings		**2,000**	–
Lease liabilities		**–**	1,332
Deferred tax liabilities		**336**	624
		2,336	1,956
Net assets		**3,689**	3,575
Capital and reserves			
Share capital	*12*	**1,632**	1,531
Share premium	*12*	**91,149**	84,813
Reserves		**(88,515)**	(82,769)
		4,266	3,575
Non-controlling interests		**(577)**	–
Total equity		**3,689**	3,575

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Dowway Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 28 April 2017 as an exempted company with limited liability under the Companies Law (Cap 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its issued shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the Company's registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1–1108, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together with the Company collectively referred to as the "**Group**") are principally engaged in design, planning, coordination and management of exhibitions, events and showrooms, media advertising events and electronic commerce ("**E-Commerce**") services in the People's Republic of China (the "**PRC**").

In the opinion of the directors of the Company, its immediate holding company is A&B Development Holding Limited, a company incorporated in the British Virgin Islands ("**BVI**") which is wholly-owned by Mr. Huang Xiaodi, the ultimate controlling shareholder and the executive director of the Company (the "**Controlling Shareholder**" or "**Mr. Huang**").

2. MATERIAL ACCOUNTING POLICIES

Basic of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, these financial statements also comply with applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**").

These consolidated financial statements have been prepared on the historical cost basis. The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company and the Group. All values are rounded to the nearest thousand ("**RMB'000**") except when otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the consolidated financial statements for the year ended 31 December 2023 except for the adoption of certain new or amendments to HKFRS Accounting Standards and effective from the current period as set out in below.

It should be noted that accounting estimates and assumptions have been used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new/revised HKFRS Accounting Standards

In the current year, the Group has adopted for the first time the following new or amendments to HKFRS Accounting Standards issued by the HKICPA, which are mandatorily effective for the Group's consolidated financial statements for the accounting period beginning on 1 January 2024.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

Amendments to HKAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 1: Non-current Liabilities with Covenants

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HK Interpretation 5: Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

This Interpretation is revised as a consequence of the above Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

The adoption of the amendments on this interpretation does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Going concern

The Group recorded a net loss of approximately RMB6,323,000 and net cash outflow from operating activities of approximately RMB20,854,000 for the year ended 31 December 2024. At that date, the Group had total interest-bearing borrowings of approximately RMB28,563,000, out of which approximately RMB26,563,000 are repayable within 12 months, while the Group's cash and bank balances amounted to approximately RMB6,211,000. Also, the Group's current assets included contract assets of approximately RMB53,365,000 which have yet to be reclassified as trade receivables upon the certification or confirmation by the customers. There is a material uncertainty related to these matters that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of the consolidated financial statements, after taking into consideration of the followings:

(i) The Group continues to monitor the progress of the exhibition and event projects and ensure that they will be completed and the service fees will be received in the expected time frame;

(ii) The Group is currently negotiating the repayment schedules with certain of its debtors and endeavoring to request them to repay the trade receivables in accordance with the repayment schedules agreed with them;

(iii) The Group is taking measures to tighten cost controls with an aim to attain positive cash flows from operations;

(iv) The Group is seeking for extension and renewal of its bank and other borrowings upon maturity;

(v) The directors of the Company are considering various alternatives to strengthen the capital base of the Company including but not limited to, seeking new investment and business opportunities. In particular, subsequent to 31 December 2024, the Company entered into the share subscription agreements to allot and issue new shares of the Company with estimated net proceeds of approximately HK$8,950,000; and

(vi) The ultimate controlling shareholder of the Company, Mr. Huang, has stated that he is willing to provide financial support to the Group to enable the Group to continue as a going concern and to settle its liabilities as and when they fall due.

Having regard to the cash flow projection of the Group, which are prepared assuming that the above measures are successful, the directors of the Company are of the opinion that, in the light of the measures taken to-date, together with the expected results of the other measures in progress, the Group will have sufficient funding resources to satisfy its future working capital and other financing requirements.

The directors of the Company believe that the aforementioned measures will be successful, based on the continuous efforts by the management of the Group. However, should the above measures not be able to implement successfully, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, respectively, and to provide for any further liabilities which might arise. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

3. SEGMENT INFORMATION

HKFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the chief operating decision maker (the "**CODM**") of the Group, being the executive directors of the Company, for the purpose of resources allocation and performance assessment.

The Group's reportable and operating segments under HKFRS 8 are as follows:

1. Exhibition and event related business

2. Advertising related business

3. E-commerce business

The Group's operating segments are strategic business units that offer different services. They are managed separately because each business requires different marketing strategies.

Segment revenues and results

Segment results represent the profit or loss by each segment without allocation of finance costs, net, corporate incomes and expenses, which is the measure reported to CODM for the purposes of resource allocation and assessment of segment performance.

Year ended 31 December 2024

	Exhibition and event related services *RMB'000*	Advertisement related services *RMB'000*	E-commerce *RMB'000*	Total *RMB'000*
Revenue from external customers and reportable segment revenue	**122,716**	**–**	**17,448**	**140,164**
Results of reportable segments	**1,344**	**212**	**(589)**	**967**
Corporate income				**237**
Corporate expenses				**(6,603)**
Operating loss				**(5,399)**
Finance costs, net				**(1,183)**
Loss before income tax				**(6,582)**
Income tax credit				**259**
Loss for the year				**(6,323)**
Segment results include:				
Depreciation of right-of-use assets	**1,152**	**–**	**–**	**1,152**
Depreciation of plant and equipment	**60**	**–**	**–**	**60**
Written off of plant and equipment	**448**	**–**	**–**	**448**
Reversal of ECL on prepayments	**(79)**	**–**	**–**	**(79)**
Provision for (Reversal of) ECL on trade receivables and contract assets, net	**2,344**	**(212)**	**–**	**2,132**
Settlement discount from suppliers	**(5,937)**	**–**	**–**	**(5,937)**
Other segment information:				
Addition to plant and equipment *	**15**	**–**	**–**	**15**

Year ended 31 December 2023

	Exhibition and event related services *RMB'000*	Advertisement related services *RMB'000*	E-commerce *RMB'000*	Total *RMB'000*
Revenue from external customers and reportable segment revenue	107,399	10,047	–	117,446
Results of reportable segments	(7,657)	(8,156)	–	(15,813)
Corporate income				192
Corporate expenses				(1,707)
Operating loss				(17,328)
Finance costs, net				(577)
Loss before income tax				(17,905)
Income tax credit				987
Loss for the year				(16,918)
Segment results include:				
Depreciation of right-of-use assets	1,465	137	–	1,602
Depreciation of plant and equipment	75	7	–	82
Written off of plant and equipment	15	–	–	15
Net loss on modification of lease	198	–	–	198
Impairment of prepayments	1,045	638	–	1,683
(Reversal of) Provision for ECL on trade receivables and contract assets, net	(6,037)	7,848	–	1,811
Other segment information:				
Addition to plant and equipment *	12	–	–	12

* The amount did not include addition of right-of-use assets.

Segment assets and liabilities

No information of segment assets and liabilities is reviewed regularly by the CODM for resource allocations and the assessment of performance of operating segments. Therefore, only the segment revenue and segment results are presented.

Geographical information

The Group's revenue is derived from within the PRC, and the non-current assets are mainly located in the PRC, hence no geographical analysis information is presented.

Information about major customers

Revenue from customers (presented by entities under common control, if appropriate) of the corresponding years individually contributing over 10% of the Group's revenue are as follows:

	2024	2023
	RMB'000	*RMB'000*
Exhibition and event related services		
Customer A	**35,390**	28,381
Customer B	**16,637**	*(Note)*
Customer C	**15,257**	16,228
Customer D	***(Note)***	12,525
E-commerce		
Customer E	**17,419**	–

Note: The customer contributed less than 10% of the total revenue of the Group from the relevant year.

4. REVENUE

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within HKFRS 15		
— Over time		
Exhibition and event related services	**117,582**	101,515
Exhibition showroom related services	**5,134**	5,884
	122,716	107,399
Advertisement related services	**–**	10,047
	122,716	117,446
— At a point in time		
One-stop value chain services	**15,959**	–
SaaS platform services	**1,489**	–
	17,448	–
	140,164	117,446

Substantially all revenue contracts are for one year or less, as permitted by practical expedient under HKFRS 15, the transaction price allocated to the unsatisfied contracts at the end of the reporting period is not disclosed.

5. OTHER GAINS AND LOSSES, NET

	2024	2023
	RMB'000	*RMB'000*
Government grant *(Note)*	**118**	190
Exchange (loss) gain, net	**(179)**	211
Settlement discount from suppliers	**5,937**	–
Net loss on modification of lease	**–**	(198)
Written off of plant and equipment	**(448)**	(15)
Penalty income	**291**	–
Reversal of ECL on prepayments	**79**	–
Others	**7**	4
	5,805	192

Note: During the year ended 31 December 2024, the Group received government grant of approximately RMB118,000 (2023: approximately RMB190,000) in accordance with the government tax policy, such amount has been recognised as other income due to the Group has fulfilled conditions and other contingencies attached to the receipts.

6. FINANCE COSTS, NET

	2024	2023
	RMB'000	*RMB'000*
Finance income		
Interest income on bank balances and deposits	**25**	14
Finance costs		
Interest expense on bank and other borrowings	**(1,120)**	(335)
Interest on lease liabilities	**(88)**	(211)
Others	**–**	(45)
	(1,208)	(591)
Finance costs, net	**(1,183)**	(577)

7. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived after charging:

	2024	2023
	RMB'000	*RMB'000*
Cost of sales and services by revenue streams:		
— Exhibition and event related services	**102,595**	97,205
— Exhibition showroom related services	**4,917**	4,990
— Advertisement related services	**–**	9,389
— One-stop value chain services	**15,926**	–
— SaaS platform services	**300**	–
	123,738	111,584
Included in cost of services:		
— Materials and consumables costs	**63,962**	55,075
— Venue and equipment related charges	**19,978**	16,728
— Design and services fee	**12,092**	15,038
— Subcontracting labor fee	**3,979**	2,550
Employee benefit expenses, including directors' emoluments *(Note iv)*	**16,157**	13,439
Depreciation on plant and equipment *(Note i)*	**60**	82
Depreciation on right-of-use assets *(Note ii)*	**1,152**	1,602
Expenses relating to short-term leases *(Note iii)*	**1,376**	116
Auditors' remuneration	**1,127**	882
Professional services and consultancy fees	**4,722**	3,735
Net allowance for ECL on:		
— Trade receivables	**1,953**	367
— Contract assets	**179**	1,444
	2,132	1,811
(Reversal of) Provision for ECL on prepayments	**(79)**	1,683

Notes:

(i) Total depreciation of plant and equipment of approximately RMB20,000 and RMB40,000 (2023: approximately RMB37,000 and RMB45,000) has been charged to cost of services and administrative expenses for the year ended 31 December 2024, respectively.

(ii) Total depreciation of right-of-use assets of approximately RMB1,152,000 (2023: approximately RMB1,602,000) has been charged to administrative expenses for the year ended 31 December 2024.

(iii) Total operating lease expense in respect of short-term leases of approximately RMB1,376,000 (2023: approximately RMB116,000) has been charged to cost of services for the year ended 31 December 2024.

(iv) Total staff costs of approximately RMB7,552,000 and RMB8,605,000 (2023: approximately RMB7,456,000 and RMB5,983,000) has been charged to cost of services and administrative expenses for the year ended 31 December 2024, respectively.

8. INCOME TAX

	2024	2023
	RMB'000	*RMB'000*
Current tax		
— PRC enterprise income tax ("EIT")	**29**	13
Deferred tax	**(288)**	(1,000)
Total income tax credit for the year	**(259)**	(987)

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which entities in the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax under these jurisdictions.

The PRC EIT is calculated at 25% (2023: 25%) of the estimated assessable profits of subsidiaries operating in the PRC.

Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%. Accordingly, the Hong Kong profits tax is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million. The Group did not generate any assessable profits arising in Hong Kong for the years ended 31 December 2024 and 2023.

9. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2024	2023
Loss attributable to equity holders of the Company (in RMB'000)	**(5,746)**	(16,918)
Weighted average number of ordinary shares in issue (thousand)	**122,577**	120,000
Basic loss per share (in RMB cents)	**(4.69)**	(14.10)

The weighted average number of ordinary shares of 122,577,000 for the year ended 31 December 2024 is derived from 127,000,000 shares in issue after taking into account the effects of new shares of 4,000,000 and 3,000,000 issued on 24 June 2024 and 31 October 2024 respectively.

For the years ended 31 December 2024 and 2023, the computation of diluted loss per share did not assume the exercise of the outstanding share options since the exercise price per share option was higher than the average share price of the Company for both years.

10. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**67,943**	53,582
Less: Loss allowance	**(18,075)**	(16,122)
Trade receivables, net	**49,868**	37,460
Arising from:		
Exhibition and event related services	**29,603**	29,621
Advertising related services	**8,177**	7,839
E-commerce	**12,088**	–
	49,868	37,460

The Group provided customers with credit period ranging from 30 to 120 (2023: 30 to 120) days from the date on which invoice was issued. The credit terms of each customer of the Group were determined by the Group's sales team and were subject to review and approval of the Group's management based on the customers' payment history, transaction volume and length of business relationship with the Group.

All outstanding trade receivables balances were being reviewed by the Group's sales department on a regular basis to ensure that any overdue receivable was promptly monitored and appropriate collection actions were taken. The Group's sales department would follow up on the collections and the Group's accounting department would monitor the progress of collection. For those material long outstanding balances, legal actions would be taken for debt collection. During the years ended 31 December 2024 and 2023, no legal actions were taken by the Group for debt collection.

The following is an aging analysis of trade receivables (net of loss allowance) at the end of the reporting period presented based on invoice date:

	2024	2023
	RMB'000	*RMB'000*
Up to 90 days	**35,895**	20,509
91 to 180 days	**3,498**	12,665
Over 180 days	**10,475**	4,286
	49,868	37,460

The following is an aging analysis of trade receivables (net of loss allowance) at the end of the reporting period presented based on due date:

	2024	2023
	RMB'000	*RMB'000*
Up to 90 days	**39,383**	20,509
91 to 180 days	**351**	12,665
Over 180 days	**10,134**	4,286
	49,868	37,460

11. TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables *(Note (a))*	**70,689**	61,253
Bills payable *(Note (a))*	**3,000**	3,000
	73,689	64,253
Accruals and other payables:		
Amounts due to directors	**644**	–
Employee benefit payables	**4,176**	2,312
Other tax payables	**8,246**	7,369
Other accruals and payables *(Note (b))*	**4,517**	1,655
	17,583	11,336
	91,272	75,589

(a) Trade and bills payables

All of the trade and bills payables are expected to be settled within one year from the reporting date or are repayable on demand at the end of each reporting period. At 31 December 2024, the credit period granted by the suppliers are generally ranging from 90 to 180 (2023: 90 to 180) days.

The following is an aging analysis of trade and bills payables at the end of the reporting period presented based on the invoice dates:

	2024	2023
	RMB'000	*RMB'000*
Up to 90 days	**40,164**	34,683
91 days to 180 days	**16,566**	11,076
181 days to 365 days	**10,027**	8,002
Over 365 days	**6,932**	10,492
	73,689	64,253

(b) Other accrual and payables

At 31 December 2024 and 2023, the balances mainly included the accrued expenses and payables related to project tender submission, professional services and consultancy fees.

12. SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares

	Number of shares	Nominal value of ordinary shares
	'000	*US$'000*
Authorised:		
Ordinary shares of US$0.002 each at 1 January 2023, 31 December 2023 and 31 December 2024	1,000,000	2,000

	Number of shares	Nominal value of ordinary shares	Equivalent value of ordinary shares	Share premium	Total
	'000	*US$'000*	*RMB'000*	*RMB'000*	*RMB'000*
Issued and paid:					
At 1 January 2023, 31 December 2023 and 1 January 2024	**120,000**	**240**	**1,531**	**84,813**	**86,344**
Issue of shares in June 2024 *(i)*	**4,000**	**8**	**58**	**3,644**	**3,702**
Issue of shares in October 2024 *(ii)*	**3,000**	**6**	**43**	**2,692**	**2,735**
At 31 December 2024	**127,000**	**254**	**1,632**	**91,149**	**92,781**

(i) On 3 June 2024, the Company and a subscriber named Mr. Li Wenjie entered into a subscription agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Li Wenjie has conditionally agreed to subscribe for, 4,000,000 new ordinary shares of the Company at the subscription price of HK$1 per subscription share (the "Share Subscription 1"). These shares rank pari passu with all existing shares in all respects. The Share Subscription 1 was completed on 24 June 2024. Details are set out in the Company's announcements dated 3 June 2024 and 24 June 2024.

(ii) On 21 October 2024, the Company and a subscriber named Mr. Hui Guojin entered into a subscription agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Hui Guojin has conditionally agreed to subscribe for, 3,000,000 new ordinary shares of the Company at the subscription price of HK$1 per subscription share (the "Share Subscription 2"). These shares rank pari passu with all existing shares in all respects. The Share Subscription 2 was completed on 31 October 2024. Details are set out in the Company's announcements dated 21 October 2024 and 31 October 2024.

13. DIVIDENDS

No dividend has been paid or declared by the Company during the year ended 31 December 2024 (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2024, China's economic landscape exhibited resilient growth, with the National Bureau of Statistics reporting a gross domestic product (GDP) of approximately RMB13,490.84 billion, reflecting a 5.0% increase from the previous year. Notably, the value added by the service sector reached RMB7,655.83 billion, also marking a 5.0% growth and contributing 56.2% to national economic growth. The service sector's share of GDP rose to 56.7%, an increase of 0.5% year-on-year, underscoring its pivotal role as a driving force behind China's economic expansion.

The modern service industry has provided robust support for the accelerated development of new productive forces, effectively catering to the needs of the real economy. A deep integration between modern services and advanced manufacturing has been critical, enhancing the value chain and fostering advancements in digital and intelligent capabilities. The demand for service consumption has continued to grow, with service retail sales increasing by 6.2%, outpacing the 3.0% growth in commodity retail sales during the same period. The rise of new business models, such as live-streaming e-commerce and instant retail, coupled with a rich supply of high-quality cultural and sports entertainment activities, has invigorated the exhibition and event management industry, mirrored a commendable performance in their operations.

The recovery of the macroeconomic environment has also positively impacted the automobile industry. According to data from the China Association of Automobile Manufacturers (中國汽車工業協會), vehicle production and sales in 2024 reached 31.28 million and 31.43 million units, marking increases of 3.7% and 4.5% respectively. This is the second consecutive year that vehicle production and sales have surpassed 30 million units, playing a vital role in sustaining industrial economic growth. While maintaining its position as the world's largest automobile market for 16 consecutive years, China's new energy vehicles continue to experience robust growth. Sales of domestically produced high-end passenger vehicles reached 4.738 million units, a year-on-year increase of 2.3%. This achievement reflects not only China's vast market advantage and increasingly refined supply chain but also the accelerated structural adjustments and enhanced resilience and vitality of the automotive sector.

According to "*China Exhibition Economy Development Report 2024* (《中國展覽經濟發展報告二零二四》)" issued by the China Council for the Promotion of International Trade (中國國際貿易促進委員會 or 中國貿促會), a total of 3,844 trade exhibitions were held domestically in 2024, covering an exhibition area of 155 million square meters. While the number of exhibitions remained stable compared to the previous year, the exhibition area grew by 10.1%, indicating a steady development trend in the exhibition industry.

In 2024, the Chinese exhibition sector seized opportunities presented by new productive forces, actively exploring the application of emerging technologies such as human-computer interaction and artificial intelligence (AI). This has propelled the rapid evolution of new exhibition scenarios, models, and formats. The exhibition industry has also become a significant platform for showcasing achievements in new productive forces, with strategic emerging industries and future industries becoming popular themes. In 2024, a total of 1,064 industrial and technological exhibitions were held across the country, ranking first among all types of exhibitions, a significant increase of 63.4% year-on-year.

Moreover, the automobile-related exhibition sector has witnessed profound transformations fueled by rapid technological revolutions. A notable example is the 28th Guangdong-Hong Kong-Macao Greater Bay Area Auto Show (粵港澳大灣區車展) and China New Energy Vehicle Technology Exhibition (中國新能源汽車科技展) held in June 2024, which expanded to cover 200,000 square meters and attracted approximately 200 automotive brands and organizations. The event hosted over 50 brand launches, showcasing 1,036 vehicle models, and drew over 860,000 attendees, resulting in 40,026 pre-orders and over RMB10 billion in transaction value. The concurrent debut of the China New Energy Vehicle Technology Exhibition highlighted the application of advanced technologies in the automotive industry, with nearly 100% of participating brands showcasing intelligent products.

Looking ahead to 2025, several major exhibitions have already confirmed their schedules, including the 33rd East China Fair 2025 Shanghai (第三十三屆華東進出口商品交易會), the 137th China Import and Export Fair (Canton Fair) (第一百三十七屆中國進出口商品交易會 or "廣交會"), the 8th China International Import Expo (第八屆中國國際進口博覽會), and the 27th China High-Tech Fair (第二十七屆中國國際高新技術成果交易會), etc. This demonstrates a strong trend towards increased investment in providing comprehensive, high-tech, one-stop upgraded services within the exhibition and curation industry. Maintaining a keen awareness of industry upgrades and transformations will be essential as we navigate these promising developments.

BUSINESS REVIEW

In 2024, the Group reaffirmed its status as a prominent leader in China's exhibition and event management sector, renowned for delivering exceptional integrated services. Building upon over a decade of industry experience, the Group has solidified its reputation as a reliable partner in automotive display, promotion, and sales. The Group provides a full-stack suite of solutions that encompass every aspect of exhibition and event execution, including meticulous design and planning, seamless coordination, and efficient management, all tailored to meet the diverse needs of our clients. Guided by our steadfast corporate culture and protocols, we expertly handle the synthesis of theme development, venue design, feasibility studies, procurement of materials and equipment, multi-party coordination, on-site supervision, booth construction, and the installation of cutting-edge audiovisual and lighting systems.

Automobile-related exhibitions and events are one of the key drivers of our revenue. Our client roster features prestigious global automobile brands, including Lamborghini and Volkswagen, as well as other renowned German and Italian manufacturers. In recent years, the emergence and rise of domestic automobile brands have also presented numerous opportunities for our business expansion. While our core expertise is in the automotive sector, we remain adaptable and extend our services to a wide array of non-automotive exhibitions and event management projects.

Acknowledging the critical importance of risk mitigation and business diversification, one of our significant initiatives has been to upgrade and strengthen non-automotive sectors. This includes the innovative introduction of a one-stop value chain service and SaaS platform service aimed at broadening our portfolio and enhancing our market presence. In respect of the SaaS platform service business, the Group focuses on developing a SaaS platform solution that integrates supply chain management, risk control and customer relationship management. Currently, the Group provides SaaS platform services to a merchant in the 3C leasing industry, encompassing computers, communication devices, and consumer electronics. The Group now plans to further enhance the platform to cater for chain restaurants and other merchandise trading industries.

During the year, the Group successfully completed 133 exhibition and event projects, 13 showroom projects, and 1,885 orders through our one-stop value chain services and with the support of our SaaS platform. These strategic initiatives yielded impressive results, generating total revenue of approximately RMB140.2 million, reflecting a remarkable increase of approximately 19.34% compared to 2023.

Our efforts in establishing new business branches stem from a keen awareness of the exhibition industry's shift toward comprehensive, high-tech, one-stop upgraded services. This transition has become essential, prompting us to make substantial investments in relevant areas. Our goal is to lay a solid foundation for sustainable development, allowing us to quickly adapt to the evolving business landscape fueled and reformed by artificial intelligence and ensure robust growth within the arena.

FINANCIAL REVIEW

Revenue

The Dowway Group primarily generates revenue by providing comprehensive services encompassing exhibition and event design, planning, coordination, and management, selling consumer products, and providing digital platform services within the People's Republic of China (the "**PRC**"). To provide a clear breakdown of revenue from business operations, the following table presents the comparative figures for the years ended on 31 December 2024 and 2023, respectively.

	For the year ended 31 December			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Revenue from automobile related exhibitions and events	**49,672**	**35.44%**	52,701	44.88%
Revenue from non-automobile related exhibitions and events	**67,910**	**48.45%**	48,814	41.56%
Revenue from exhibitions showroom related services	**5,134**	**3.66%**	5,884	5.01%
Revenue from advertisement related services	**–**	**0%**	10,047	8.55%
Revenue from one-stop value chain services	**15,959**	**11.39%**	–	0%
Revenue from SaaS platform services	**1,489**	**1.06%**	–	0%
Total	**140,164**	**100%**	117,446	100%

For the year ended 31 December 2024, the Group experienced significant revenue growth, increasing from approximately RMB117.45 million for the year ended 31 December 2023 to approximately RMB140.16 million for the Year, representing a year-on-year increase of approximately 19.34%, or approximately RMB22.71 million. This growth was largely driven by our core business in exhibition and events-related services, complemented by the successful introduction of our one-stop value chain service and SaaS platform service fees. The Group is strategically transitioning from advertisement-related services to a one-stop value chain service model. This strategic shift is designed to leverage our existing capabilities and expertise, allowing us to maximize resources and enhance profitability. The positive results of this initiative indicate that our efforts are successfully driving revenue growth while aligning the Group with more lucrative business avenues.

During the Year, revenue from exhibitions and events-related services increased from approximately RMB101.52 million for the year ended 31 December 2023 to approximately RMB117.58 million for the Year, representing a year-on-year increase of approximately 15.82% or approximately RMB16.06 million and accounting for 83.89% of the total revenue for the Year.

Given the strategic shifts in the Group's business structure, revenue from advertisement-related services was not available for reference. Instead, we focused on recording revenues from two new segments: the one-stop value chain service and SaaS platform service.

Revenue from one-stop value chain services during the Year was approximately RMB15.96 million (for the year ended 31 December 2023: Nil), contributing to 11.39% of the total revenue for the Year.

Revenue from providing SaaS platform services for the Year recorded approximately RMB1.49 million (for the year ended 31 December 2023: Nil) and accounted for 1.06% of the total revenue for the Year.

Cost of sales and services

Cost of sales and services increased from approximately RMB111.58 million for the year ended 31 December 2023 to approximately RMB123.74 million for the Year, representing a year-on-year increase of approximately 10.90% or approximately RMB12.16 million. The increase can primarily be attributed to the rise in the cost of sales and sales tax.

This significant rise in the cost of sales underscores the importance of managing operational efficiencies as we continue to pursue our strategic shifts. By focusing on higher-margin business opportunities, we aim to optimize costs while enhancing revenue potential, ensuring sustainable growth for the Group moving forward.

Gross Profit and Gross Profit Margin

During the Year, the Group recorded a gross profit of approximately RMB16.43 million, representing a year-on-year increase of approximately RMB10.57 million as compared with approximately RMB5.86 million for the year ended 31 December 2023. The gross profit margin was approximately 11.72% for the Year, compared to 4.99% recorded for the year ended 31 December 2023. This represents a substantial increase of 134.87%.

The Group achieved a remarkable year-on-year increase in gross profit of nearly approximately 180.21%, or approximately RMB10.56 million. This substantial growth in gross profit was primarily driven by the rise in sales revenue for the year, alongside the necessary investments made to maintain a consistent and high-quality service level. These efforts are crucial for competing effectively and securing market share, particularly as demand for exhibition services has surged during the economic recovery.

This strong performance not only reflects our commitment to delivering exceptional services but also aligns with our strategic initiatives. It reinforces our confidence in exploring new opportunities and expanding into new arenas with a positive outlook for the future. By consolidating our dominant position in the industry, we are well-equipped to capitalize on emerging market trends and drive sustained growth.

Selling expenses

The Group's selling expenses mainly consist of (i) staff costs; (ii) travelling expenses; (iii) entertainment expenses; and (iv) others.

Selling expenses for the Year were approximately RMB7.20 million, representing a year-on-year decrease of approximately 19.44% or approximately RMB1.74 million as compared to selling expenses of approximately RMB8.94 million for the year ended 31 December 2023.

Administrative expenses

The Group's administrative expenses mainly comprise (i) staff costs; (ii) travelling expenses; (iii) entertainment expenses; (iv) office supplies; (v) subsidies paid to staff; (vi) operating lease rentals in respect of buildings and related expenses; (vii) management consulting and other services expenses; and (viii) others.

Administrative expenses for the Year were approximately RMB18.30 million, representing a year-on-year increase of approximately 44.83% or approximately RMB5.66 million as compared to administrative expenses of approximately RMB12.64 million for the year ended 31 December 2023.

Other gains and losses, net

Other gains and losses, net for the Year were approximately RMB5.81 million, mainly due to the settlement discount from suppliers, governmental grant and sundries. Other gains and losses, net increased by approximately RMB5.61 million compared to approximately RMB0.19 million for the year ended 31 December 2023.

Finance income

Finance income included interest income on bank balances and deposits. The Group's finance income for the Year was approximately RMB25,000 (2023: approximately RMB14,000).

Finance expenses

Finance expenses mainly represented interest expenses on bank and other borrowings and interest expenses on lease liabilities. For the Year, the Group's finance expenses were approximately RMB1,208,000 (2023: approximately RMB591,000).

Loss before income tax

As a result of the foregoing, the Group recorded a loss before income tax of approximately RMB6.58 million for the Year, representing a year-on-year increase of approximately RMB11.33 million as compared with a loss of approximately RMB17.91 million for the year ended 31 December 2023, which was mainly due to the growth of the revenue and gross profit margin for the Year.

Income tax credit

Income tax credit decreased from approximately RMB987,000 for the year ended 31 December 2023 to approximately RMB259,000 for the Year.

Loss for the Year

As a cumulative effect of the factors cited above, the Group recorded a loss of approximately RMB6.32 million for the Year, while the loss was approximately RMB16.92 million for the year ended 31 December 2023. The year-on-year increase was approximately RMB10.60 million.

LIQUIDITY AND FINANCIAL RESOURCES

Capital structure

The capital structure of the Group comprises only ordinary shares. As at 31 December 2024, the Company's total number of issued shares (the "**Shares**") of USD0.002 each was 127,000,000 (31 December 2023: 120,000,000 Shares).

Cash position

The following table sets forth the selected cash flow data from the Consolidated Statements of Cash Flows for the years ended 31 December 2023 and 2024.

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	*(Audited)*
Net cash (used in) from operating activities	**(20,854)**	2,114
Net cash from investing activities	**1**	2
Net cash from financing activities	**14,625**	5,860
Net (decrease) increase in cash and cash equivalents	**(6,228)**	7,976
Cash and cash equivalents at the end of the Year	**6,211**	12,439

As of 31 December 2024, cash and cash equivalents of the Group were approximately RMB6.21 million (31 December 2023: approximately RMB12.44 million), which was mainly denominated in RMB and Hong Kong dollars.

Borrowings

As of 31 December 2024, the Group had bank and other borrowings of approximately RMB28.56 million (as of 31 December 2023: approximately RMB17.98 million). As at 31 December 2024, bank borrowings bear fixed interests ranging from 2.45% to 4.00% (2023: 2.80% to 4.00%) per annum and the other borrowings bear fixed interests ranging from 8% to 12% (2023: Nil) per annum. Save as disclosed in this report, there were no other outstanding bank overdrafts, unutilised banking facilities, debt securities, other similar indebtedness, acceptance credits, hire purchase commitments, mortgages, charges, material contingent liabilities nor guarantees outstanding (as of 31 December 2023: Nil). The Group did not have any unutilised banking facilities nor plans for any material external debt financing.

The Directors confirm that there has been no material adverse change in the Group's indebtedness and contingent liabilities for the Year.

Pledge of assets

As of 31 December 2024, there were approximately RMB1 million pledge bank balance of the Group was pledged for bills payables (31 December 2023: approximately RMB1 million).

Gearing ratio

The Group's gearing ratio as of 31 December 2024 and 31 December 2023 were as follows:

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	*(Audited)*
Total interest-bearing borrowings	**28,563**	17,976
Total Equity	**3,689**	3,575
Gearing ratio	**774.27%**	502.83%

CAPITAL COMMITMENTS

As at 31 December 2024, the Group did not have any capital commitment in respect of the acquisition of a subsidiary and purchase of assets (2023: Nil).

DIVIDEND

The Board did not recommend the payment of any dividend for the Year (for the year ended 31 December 2023: Nil).

USE OF NET PROCEEDS FROM THE SUBSCRIPTIONS OF NEW SHARES

According to the Company's announcements on 24 June 2024 and 31 October 2024, the subscribers, who are independent third parties completed the subscriptions of up to 4,000,000 and 3,000,000 subscription shares respectively at the subscription price of HK$1.00 per subscription share. The net proceeds from the subscriptions are approximately HK$3,950,000 and HK$2,950,000 respectively after deducting subscription expenses. The Company has applied the net proceeds according to the use of proceeds stated in the announcements of the Company dated 3 June 2024 and 21 October 2024 respectively. Uses of net proceeds as of 31 December 2024 are listed as follows:

	Planned use of proceeds	**Percentage of actual use of proceeds from 1 January 2024 up to 31 December 2024**	**Actual use of proceeds from 1 January 2024 up to 31 December 2024**	**Unutilized net proceeds as at 31 December 2024**
	HK$'000		*HK$'000*	*HK$'000*
Enhance e-commerce service segment	700	10.14%	700	–
Working capital and other general corporate purpose	6,200	89.86%	6,200	–
Total	**6,900**	**100%**	**6,900**	**–**

All the proceeds from the subscriptions of new shares have been utilized by 31 December 2024.

Following the Year end, on March 19, 2025, the Company entered into three subscription agreements with three subscribers in relation to the subscription new shares, anticipating estimated net proceeds of around HK$8,950,000. As of the date of this announcement, the subscriptions for new shares not yet completed.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group faces the following principal risks and uncertainties that may materially and adversely affect its business, financial status, and operating results:

1. The exhibition services industry in the PRC has relatively low entry barriers and competition is keen within the industry.

2. The Group's business depends heavily on the provision of exhibition and event management services in the automobile industry.

3. The majority of the Group's customers are automobile companies and there is no assurance that it can successfully diversify its customer base.

4. There is no assurance that the demand for integrated exhibition and event management services the Group provides can continue or increase.

5. There may be fluctuations in the Group's cost of service which it may not be able to pass on to customers.

6. The Group may face cash flow problems if it is unable to receive payments from customers on time and in full under the current pricing policy.

7. The Group may be exposed to litigation risk as a result of the engagement of suppliers without obtaining written consent from customers.

8. The Group relies on suppliers for the provision of construction services, leasing of equipment, and logistics and transportation services, hence, may have to bear the consequences should these suppliers deliver substandard services on its own.

9. The Group relies on its senior management and other key personnel and may not be able to retain these staff to provide services.

10. The Group may not be able to implement its business strategies and its future growth could be limited.

11. The control and prevention of the pandemic around the world remain challenging and risky and may continue to influence the resumption of work and production of the exhibition industry in the PRC to normal, which may in turn have a material and adverse effect on the Group's business, financial position, and results of operations.

The cost of exhibition and event-related services provided by suppliers makes up a significant portion of the Group's cost of service. The following uncertainties may affect the Group's efforts to implement cost-control measures:

1. As human resources and costs of construction materials and equipment are the major components of the cost of exhibition and event-related services, any increase in the wages of suppliers' employees and average consumer prices may push up the lump sum cost of exhibition and event-related services provided by suppliers.

Major risks and uncertainties relating to the implementation of business strategies

1. The Group expects to tender proposals to potential new customers with lower profit margins in the short run in connection with its future expansion into new segments in the market, and such expansion could exert great pressure on the allocation of resources.

2. The Group cannot guarantee that it will have sufficient resources to support future development. Its future growth is also subject to the preferences of potential clients and the overall market situation. Failure to execute an expansion strategy effectively may lead to higher costs, inefficient operation flow, and a decline in profitability.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have other future plans for material investments and capital assets during the Year.

MATERIAL ACQUISITIONS AND DISPOSALS RELATED TO THE SUBSIDIARIES AND ASSOCIATED COMPANIES AND SIGNIFICANT INVESTMENT

During the Year, the Group did not have any material acquisitions and disposals related to the subsidiaries and associated companies nor any significant investment.

CONTINGENT LIABILITIES

As of 31 December 2024, the Group had no significant contingent liabilities (2023: Nil).

HUMAN RESOURCES

As of 31 December 2024, the Group employed a total of 52 employees, among which 11 of them were at the management level, all stationed in the PRC. For the Year, the staff costs (including Directors' emoluments) were approximately RMB16.16 million (2023: approximately RMB13.44 million). The Group conducts periodic performance review with employees and determines their salaries, benefits, and discretionary bonuses based on factors including qualifications, contributions, years of experience, and performance.

In accordance with the applicable PRC laws and regulations, the Group has made contributions to social security insurance and housing provident funds for all eligible staff. For the year ended 31 December 2024, the total amount contributed in these areas by the Group was approximately RMB2.90 million. The Group has complied with all the requirements about social security insurance and housing provident fund obligations applicable under the PRC laws and regulations.

In order to continually maintain the quality, knowledge, and skills of employees, the Group has provided various training opportunities, which include on-the-job training, technical training, and professional training.

The Group has maintained a good working relationship with its employees. During the Year, the Group had not experienced any significant labor disputes which were likely to have an adverse material impact on business, financial conditions, and results of operations.

The Company's policy concerning emoluments of Directors is that (i) the amount of emoluments is determined on the basis of the relevant Director's experience, responsibility, workload, and the time devoted to the Company; and (ii) non-cash benefits may be provided to the Directors under their remuneration package.

FOREIGN EXCHANGE EXPOSURE

The Group is not exposed to any significant foreign exchange risk in the normal course of business, as it operates in the PRC with the majority of the transactions being conducted and settled in RMB.

CREDIT RISK

Credit risk exposures arise principally in cash and cash equivalents, trade and other receivables, notes receivables, and contract assets shown on consolidated balance sheets.

The Group takes on exposure to credit risk, which is the risk that a customer or counterparty will cause a financial loss for the Group by failing to discharge an obligation. Credit risk is one of the most significant risks for the Group's business.

For cash at the bank, the Group manages the credit risk by placing its domestic deposits in reputable nationwide financial institutions with good credit ratings in the PRC and overseas deposits in reputable international financial institutions. The Group believes those banks and financial institutions are of high-credit-quality without significant credit risk and therefore it considers its cash at bank are not at high credit risk.

The Group's trade receivables arise from exhibition and event marketing services fees, over 70% of which are in turn derived from major customers that are renowned automobile companies. Should there be a change in the strategic relationships with these major customers that might cause a change in the cooperative arrangements; or if they experience financial difficulties themselves which in turn causes difficulties in their settling payables to the Group, the Group's revenue from those automobile companies might be adversely affected due to deterioration in the recoverability of trade receivables from them.

To manage this risk, the Group's management team maintains frequent communications with their contacts at those automobile companies to ensure the Group captures the most updated understanding of relevant customers' business status and assesses their credibility. In view of the smooth cooperation history with these automobile companies and the reliable collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding trade receivable balances due from those automobile companies is low. As for new customers, the management is responsible for managing and analysing the credit risk for each of their new customers before they offer such new customers standard payment and delivery terms and conditions. To do such an assessment, various factors including their financial position and other factors about these new customers would be considered.

The Group's other receivables comprise deposits, staff advance, and loans to employees, which have a low risk of default, thus the Group considers its other receivables are not at high credit risk.

The notes receivables are bank acceptance bills that have a low risk of default; thus, the Group considers its notes receivables are not at high credit risk.

LIQUIDITY RISK

The Group regularly monitors current and expected liquidity demand to ensure that it maintains sufficient cash reserves to meet related demand in the short and long run. The Group monitors liquidity position through rolling forecasts of liquidity requirements in order to ensure that it has sufficient cash on hand to satisfy operational needs.

OUTLOOK

According to KPMG's report, "China Economic Monitor: 2025 Q1", China's real GDP growth rate reached 5% in 2024, which was below 5.2% in 2023 but met the central government's "around 5%" target. This marked the first time that the total economic output surpassed 130 trillion yuan. However, it is essential to note that the economy will still face downward pressures in the near term, characterized by persistently low prices that reflect weak expectations among businesses and households, indicating that the recovery of domestic demand remains tenuous.

Furthermore, with the potential re-election of Donald Trump, global trade tensions are likely to resurface, heightening external uncertainties for China. In response, the central government has prioritized the vigorous stimulation of consumption, enhancement of investment efficiency, and comprehensive expansion of domestic demand as key objectives for 2025. KPMG anticipates that the economic growth target for this year's National People's Congress will remain around 5%, with macroeconomic policies reaching historically significant levels. The IMF has revised China's economic growth forecast for 2025 to 4.6%. The United Nations' flagship report, "World Economic Situation and Prospects 2025," predicts a slight deceleration in growth from 4.9% in 2024 to 4.8% in 2025 for China. Although substantial public investment and robust exports will support economic growth, sluggish consumer spending, a persistently weak real estate sector, and a slow recovery in household confidence continue to pose challenges to economic activity.

In light of these dynamics, the Group's primary focus will remain on cost efficiency enhancement, striving to solidify our existing business models while accelerating integration with emerging industries. Building on a foundation of stability, we aim for a smooth transition towards a business structure that aligns with new high-tech advancements, pursuing elevated standards of operational excellence. We will continue to explore effective cost-control measures and meticulously plan to optimize operational and personnel expenses.

The Group is committed to forging strategic partnerships in key markets, promoting resource exchange and catalyzing innovation in our product offerings and customer service models, all while ensuring optimal resource utilization. Our strategic initiatives have been thoughtfully designed to diversify our client base across high-growth sectors and accelerate digital transformation through targeted technology investments. We aim to pursue projects that offer enhanced profit margins to maximize profitability and implement programs focused on operational efficiency. By adopting a proactive approach, we are poised to adapt swiftly to market demands and capitalize on emerging opportunities.

As part of our forward-looking strategy, the Company is actively considering the acquisition of a business entity operating within the digital services sector in Mainland China, anticipated in the next few months. This strategic initiative underscores our commitment to expanding operational capabilities and optimizing technological integration to enhance both customer-facing services and internal processes. The management team is diligently conducting a robust evaluation of the prospective target. This process encompasses a detailed analysis of its market position, operational performance metrics, financial health, and alignment with our strategic vision. Particular focus is placed on identifying synergistic opportunities that could amplify growth, enhance operational efficiency, and unlock long-term value.

Each exhibition and curatorial event centred around different themes, serves as an invaluable opportunity for us to deeply understand our client's needs while seamlessly integrating exceptional technology and professional expertise. From the perspective of capital accumulation, the Group is always prepared to strengthen its capabilities to ensure sustained growth and enhance profitability. In the coming year, we will focus on expanding our partnerships and improving our service feedback channels to genuinely listen to the voices of our clients and consumers. We will continue our pursuit of excellence in diversified business expansion and proactive development.

The Company is committed to solidifying its status as a comprehensive industry leader, partnering with our clients to achieve mutual business success and maximize benefits while consistently delivering sustainable returns for our shareholders.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company will be held on 23 May 2025 (Friday), the transfer books and register of members of the Company will be closed from 16 May 2025 (Friday) to 23 May 2025 (Friday), both days inclusive. During such period, no share transfers will be effected. In order to qualify for attending the aforesaid meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 15 May 2025 (Wednesday).

CORPORATE GOVERNANCE PRACTICE

During the Year, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the "**Code**") set out in Part 2 of Appendix C1 of the GEM Listing Rules, save for the deviation from code provision C.2.1.

Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Year, Mr. Huang Xiaodi ("**Mr. Huang**") is the chairman and the chief executive officer of the Company. The Board considered that Mr. Huang has more than 12 years of professional experience in the exhibition and event management industry, the Board believed that it is in the best interest of the Group to have Mr. Huang taking up both roles for efficient overall strategy and business development.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the required standard of dealings during the Year.

COMPETING INTERESTS

During the Year, none of the Directors, controlling shareholders or substantial shareholders of the Company, nor any of their respective close associates (as defined under the GEM Listing Rules) have been engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or had any other conflicts of interest with the Group nor have they been aware of any other conflicts of interest which any such person has or may have with the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued Shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the GEM Listing Rules, was held by the public at all times during the Year and as at the latest practicable date prior to the issue of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the Year.

CONNECTED TRANSACTIONS

On 10 January 2024, the Company entered into a loan agreement with Mr. Shum Ngok Wa ("**Mr. Shum**"), who is an executive director and a connected person of the Company, of which Mr. Shum agreed to lend HKD480,000 to the Company on an interest-free payment basis. The amount will be fully repaid by the Company to Mr. Shum within two years.

On 10 January 2024, the Company entered into a loan agreement with Mr. Dong Kejia ("**Mr. Dong**"), who is an executive director and a connected person of the Company, of which Mr. Dong agreed to lend HKD320,000 to the Company on an interest-free payment basis. The amount will be fully repaid by the Company to Mr. Dong within two years.

As the loans received by the Company from the above two Directors were (1) conducted on normal commercial terms or better; and (2) not secured by the assets of the Group, the connected transactions contemplated thereunder are fully exempt from shareholders' approval, annual review and all disclosure requirements.

The above two transactions, being financial assistance received by the Company from connected persons of the Company, having been conducted on normal commercial terms or better, and not being secured by the assets of the Group. As such, the above two transactions are fully exempt under Rule 20.88 of the GEM Listing Rules.

Saved as disclosed above, none of the connected party transactions constituted a connected transaction or continuing connected transaction (as defined in the GEM Listing Rules) that was required to be disclosed and the Company had not entered into any connected transaction or continuing connected transaction which is subject to the disclosure requirements under the GEM Listing Rules.

AUDIT COMMITTEE

The Group has established the audit committee of the Company (the "**Audit Committee**") on 16 May 2018 in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. Written terms of reference in compliance with code provision D.3.3 of the Code has been adopted. Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on appointment, reappointment and removal of external auditor, to review financial statements of the Company and make judgments in respect of financial reporting; and to oversee the effectiveness of the internal control procedures of the Group.

The Audit Committee consists of three independent non-executive Directors, namely Mr. Tam Chak Chi as the chairman of the Audit Committee, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules, Ms. Xu Shuang and Ms. Yau Yin Tan. The Audit Committee has reviewed the audited condensed consolidated financial statements for the Year, which was of the opinion that the preparation of annual results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors in writing an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers all the independent non-executive Directors to be independent.

SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2024 and consolidated statement of profit or loss and other comprehensive income and the related notes thereto as set out in the preliminary announcement of the Group have been agreed by the Group's auditor, Forvis Mazars CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Forvis Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Forvis Mazars CPA Limited on the preliminary announcement.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.dowway-exh.com. The annual report of the Company for the year ended 31 December 2024 containing all information required by the GEM Listing Rules will be despatched to shareholders of the Company and published on the above websites in due course.

By Order of the Board
Dowway Holdings Limited
Huang Xiaodi
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 31 March 2025

As of the date of this announcement, the executive Directors are Mr. Huang Xiaodi, Mr. Li Huaguo, Mr. Chen Xicheng, Mr. Yan Jinghui, Mr. Dong Kejia and Mr. Shum Ngok Wa; the non-executive Director is Mr. Lian Mingcheng; and the independent non-executive Directors are Ms. Xu Shuang, Mr. Ma Lin, Mr. Tam Chak Chi and Ms. Yau Yin Tan.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange at https://www.hkexnews.hk for at least 7 days from the date of its publication and published on the website of the Company at www.dowway-exh.com.