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Dowway Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8403)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 AND THE INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2020

References are made to (i) the prospectus of Dowway Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 May 2018 (the “**Prospectus**”) in relation to the listing (the “**Listing**”) of the shares of the Company on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); (ii) the announcement of the Company in relation to the Grant of Options dated 16 August 2019; (iii) the annual report of the Company for the year ended 31 December 2019 published on 30 March 2020 (the “**2019 Annual Report**”); and (iv) the interim report of the Company for the six months ended 30 June 2020 published on 13 August 2020 (the “**2020 Interim Report**”). Unless otherwise defined or the context otherwise requires, capitalised terms used herein shall bear the same meanings as those defined in the Prospectus, the 2019 Annual Report and the 2020 Interim Report.

USE OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFERINGS

In accordance with the requirement of Rule 18.32A of the GEM Listing Rules, the Board would like to provide further information for the section headed “USE OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFERINGS” in the 2019 Annual Report and the 2020 Interim Report, respectively, in relation to the expected timeline for the application of the unutilised proceeds from the Share Offer, details of which are set out below:

For the 2019 Annual Report:

	Planned use of proceeds as disclosed in the Prospectus <i>HK\$'000</i>	Percentage of net proceeds	Actual use of proceeds from the Listing Date up to 31 December 2019 <i>HK\$'000</i>	Percentage of net proceeds	Unutilized net proceeds as at 31 December 2019 <i>HK\$'000</i>	Percentage of net proceeds	Expected timeline of full utilisation of the remaining net proceeds from the Share Offer as at 31 December 2019
Expand exhibition and event management services	12,972	35.7%	10,843	29.8%	2,129	5.9%	30 June 2020
Expand existing offices and/or set up branch or representative offices in different cities and regions across the PRC	3,016	8.3%	844	2.3%	2,172	6.0%	30 June 2020
Expand the Group's workforce to support its business expansion	13,372	36.8%	7,174	19.8%	6,198	17.0%	30 June 2020
Strengthen the Group's marketing efforts	3,343	9.2%	0	0.0%	3,343	9.2%	30 June 2020
Working capital and other general corporate purpose	3,634	10.0%	2,724	7.5%	910	2.5%	30 June 2020
Total	<u>36,337</u>	<u>100%</u>	<u>21,585</u>	<u>59.4%</u>	<u>14,752</u>	<u>40.6%</u>	

For the 2020 Interim Report:

	Planned use of proceeds as disclosed in the Prospectus <i>HK\$'000</i>	Percentage of net proceeds	Actual use of proceeds from the Listing Date up to 30 June 2020 <i>HK\$'000</i>	Percentage of net proceeds	Unutilized net proceeds as at 30 June 2020 <i>HK\$'000</i>	Percentage of net proceeds <i>HK\$'000</i>	Expected timeline of full utilisation of the remaining net proceeds from the Share Offer as at 30 June 2020
Expand the Group's exhibition and event management services	12,972	35.7%	12,972	35.7%	0	0.0%	N/A
Expand the Group's existing offices and/or set up branch or representative offices in different cities and regions across the PRC	3,016	8.3%	1,076	3.0%	1,940	5.3%	30 June 2021
Expand the Group's workforce to support its business expansion	13,372	36.8%	7,737	21.3%	5,635	15.5%	30 June 2021
Strengthen the Group's marketing efforts	3,343	9.2%	0	0.0%	3,343	9.2%	30 June 2021
Working capital and other general corporate purpose	3,634	10.0%	3,634	10.0%	0	0%	N/A
Total	<u>36,337</u>	<u>100%</u>	<u>25,419</u>	<u>70.0%</u>	<u>10,918</u>	<u>30.0%</u>	

During the year ended 31 December 2019 and the six months ended 30 June 2020, the actual application for the net proceeds from the Share Offer were used according to the purposes previously disclosed in the Prospectus. Save for the timing of the expected utilisation of the remaining net proceeds as set out above, there was no material change in the use of proceeds, and that the unutilised amount is expected to be used in accordance with the purposes as disclosed in the Prospectus. Given the impacts of the COVID-19 on the PRC and global economy, the Company will continue to evaluate and adopt a prudent and flexible approach for utilising the remaining net proceeds effectively and efficiently for the long-term benefit and development of the Group. The expected timeline of full utilisation is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of market conditions.

Should there be any material change in the intended use of the remaining net proceeds from the Share Offer as described in the Prospectus and in this announcement, the Company will make appropriate announcement(s) in due course. The above additional information does not affect any other information contained in the 2019 Annual Report and the 2020 Interim Report, respectively.

SHARE OPTION SCHEME

In accordance with the requirement of Rule 23.07 of the GEM Listing Rules, the table illustrating the movement of Share Options under the Share Option Scheme set out in paragraph (9) “Remaining validity period of the scheme” under the section headed “Share Option Scheme” in the Directors’ Report of the 2019 Annual Report shall be amended and replaced as follows:

During the year ended 31 December 2019, the movement of Share Options under the Share Option Scheme was as follows:

Name and category of participant	Date of grant	Exercise period	Exercise price per Share (HK\$)	Closing price per Share immediately before the date of grant (HK\$)	As at 1 January 2019	Number of Share Options				As at 31 December 2019
						Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period	
Directors										
Mr. Ma Yong	16 August 2019	16 August 2022 to 15 August 2029 (both days inclusive)	0.0508	0.048	-	20,000,000	-	-	-	20,000,000
Mr. Yan Jinghu	16 August 2019	16 August 2022 to 15 August 2029 (both days inclusive)	0.0508	0.048	-	20,000,000	-	-	-	20,000,000
Mr. Yuen Lai Him	16 August 2019	16 August 2022 to 15 August 2029 (both days inclusive)	0.0508	0.048	-	20,000,000	-	-	-	20,000,000
Sub-total						60,000,000	-	-	-	60,000,000
Employees										
In aggregate	16 August 2019	16 August 2022 to 15 August 2029 (both days inclusive)	0.0508	0.048	-	76,000,000	-	-	-	76,000,000
Total						136,000,000	-	-	-	136,000,000

In accordance with the requirement of Rule 23.07 of the GEM Listing Rules, the following table shall be added in the section headed “Share Option Scheme” in the 2020 Interim Report:

During the six months ended 30 June 2020, the movement of Share Options under the Share Option Scheme was as follows:

Name and category of participant	Date of grant	Exercise period	Exercise price per Share (HK\$)	Closing price per Share immediately before the date of grant (HK\$)	As at 1 January 2020	Number of Share Options				As at 30 June 2020
						Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period	
Directors										
Mr. Ma Yong	16 August 2019	16 August 2022 to 15 August 2029 (both days inclusive)	0.0508	0.048	20,000,000	-	-	-	-	20,000,000
Mr. Yan Jinghu	16 August 2019	16 August 2022 to 15 August 2029 (both days inclusive)	0.0508	0.048	20,000,000	-	-	-	-	20,000,000
Mr. Yuen Lai Him	16 August 2019	16 August 2022 to 15 August 2029 (both days inclusive)	0.0508	0.048	20,000,000	-	-	-	-	20,000,000
Sub-total					60,000,000	-	-	-	-	60,000,000
Employees										
In aggregate	16 August 2019	16 August 2022 to 15 August 2029 (both days inclusive)	0.0508	0.048	76,000,000	-	-	-	-	76,000,000
Total					136,000,000	-	-	-	-	136,000,000

Save as disclosed in this announcement, the contents of the 2019 Annual Report and the 2020 Interim Report remain unchanged.

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

Beijing, China, 26 August 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 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.

This announcement will remain on the “Latest Listed 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.