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Dowway Holdings Limited
天平道合控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8403)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 19 March 2025 (after trading hours), the Company entered into three (3) Subscription Agreements with three (3) subscribers pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, an aggregate of 9,000,000 Subscription Shares at the Subscription Price of HK\$1.00 per Subscription Share.

The Subscription Shares represent (i) approximately 7.09% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.62% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming there will be no change in the issued share capital of the Company from the date of the Subscription Agreements to the date of Completion save for the allotment and issue of the Subscription Shares).

The estimated aggregate gross and net proceeds of the Subscriptions will be HK\$9.00 million and approximately HK\$8.95 million respectively, which are intended to be used for general working capital of the Group.

The Subscription Shares will be allotted and issued under the General Mandate. The allotment and issue of the Subscription Shares is not subject to the separate Shareholders' approval.

Shareholders and potential investors should note that Completion is subject to fulfilment of the conditions under the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing or contemplate dealing in the shares or other securities of the Company.

The Board is pleased to announce that on 19 March 2025 (after trading hours), the Company and the three Subscribers entered into the three Subscription Agreements, pursuant to which the Company has conditionally agreed to allot and issue, and the three Subscribers have conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price of HK\$1.00 per Subscription Share.

THE SUBSCRIPTION AGREEMENTS

Principal terms of the Subscription Agreements are as follows:

Date

19 March 2025

The Subscription Agreement A

- (i) the Company; and
- (ii) the Subscriber A — CT Vision Strategic Company Limited.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Subscriber A and its ultimate beneficial owner is an Independent Third Party.

Pursuant to the Subscription Agreement A, the Company agreed to allot and issue and the Subscriber A has conditionally agreed to subscribe in cash HK\$6,000,000 for a total of 6,000,000 Subscription Shares at the Subscription Price of HK\$1.00 per Subscription Share. The 6,000,000 Subscription Shares represent approximately 4.72% of the existing issued share capital of the Company and approximately 4.41% of the issued share capital of the Company as enlarged by allotment and issue of the Subscription Shares as at the date of this announcement.

The Subscription Agreement B

- (i) the Company; and
- (ii) the Subscriber B — HU Zhixi.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber B is a management of logistic systems manufacturer and an Independent Third Party.

Pursuant to the Subscription Agreement B, the Company agreed to allot and issue and the Subscriber B has conditionally agreed to subscribe in cash HK\$1,000,000 for a total of 1,000,000 Subscription Shares at the Subscription Price of HK\$1.00 per Subscription Share. The 1,000,000 Subscription Shares represent approximately 0.79% of the existing issued share capital of the Company and approximately 0.74% of the issued share capital of the Company as enlarged by allotment and issue of the Subscription Shares as at the date of this announcement.

The Subscription Agreement C

- (i) the Company; and
- (ii) the Subscriber C — XU Linxin.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber C is a merchant and an Independent Third Party.

Pursuant to the Subscription Agreement C, the Company agreed to allot and issue and the Subscriber C has conditionally agreed to subscribe in cash HK\$2,000,000 for a total of 2,000,000 Subscription Shares at the Subscription Price of HK\$1.00 per Subscription Share. The 2,000,000 Subscription Shares represent approximately 1.57% of the existing issued share capital of the Company and approximately 1.47% of the issued share capital of the Company as enlarged by allotment and issue of the Subscription Shares as at the date of this announcement.

Subscription Shares

Pursuant to the Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, an aggregate of 9,000,000 Subscription Shares at the Subscription Price of HK\$1.00 per Subscription Share.

Assuming there will be no change in the share capital of the Company from the date of the Subscription Agreements to the date of Completion save for the allotment and issue of the Subscription Shares, the aggregate of 9,000,000 Subscription Shares represent:

- (i) approximately 7.09% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 6.62% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The aggregate nominal value of the 9,000,000 Subscription Shares is US\$18,000.

PRINCIPAL TERMS OF EACH SUBSCRIPTION AGREEMENTS

Apart from the number of the Subscription Shares to be subscribed by each of the Subscribers set out above, the identities of the Subscribers, the terms of each of the Subscription Agreements are same. Set out below are the key terms of the Subscription Agreements.

Subscription Price

The Subscription Price of HK\$1.00 per Subscription Share represents:

- (i) a discount of approximately 9.91% over the closing price of HK\$1.11 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements;
- (ii) a premium of approximately 2.91% over the average closing price of approximately HK\$1.03 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreements; and

The gross proceeds and net proceeds from the Subscriptions will be HK\$9.00 million and approximately HK\$8.95 million respectively and the net Subscription Price per Subscription Share is approximately HK\$1.00.

The Subscription Price was determined after arm's length negotiation between the Company and the three Subscribers after taking into account the prevailing market price of the Shares and the market condition. The Directors are of the view that the Subscription Price is fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

The consideration of the Subscriptions of HK\$9.00 million shall be paid on or before Completion.

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue at the Completion Date.

Condition of the Subscriptions

Each of the Subscription Agreements is conditional upon the Stock Exchange granting and not having withdrawn or revoked approval for the listing of, and permission to deal in the Subscription Shares prior to settlement of the Subscription Shares.

If the condition precedent set out above is not fulfilled on or before 10 April 2025 (or such other date as may be agreed between the Company and the Subscribers in writing), all rights and obligations of the parties of the Subscription Agreements shall cease and determine and none of the parties thereto shall have any claim against the others in respect of the Subscription Agreements (save for any antecedent breaches thereof) and the Company shall return to the Subscriber the subscription consideration received without interest.

Completion of the Subscriptions

Completion of the Subscriptions will take place at 4:00 p.m. on the third Business Days after the conditions of the Subscriptions are fulfilled (or such other date as may be agreed between the parties of the Subscription Agreements).

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM. Pursuant to the General Mandate, the total number of new Shares that the Directors are authorised to allot and issue is 24,000,000 Shares, representing 20% of the total number of issued Shares as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, 7,000,000 new Shares have been allotted and issued by the Company under the General Mandate, and hence, 17,000,000 new Shares are available be allotted and issued under the General Mandate. Accordingly, the issue of the Subscription Shares is not subject to Shareholders' approval.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, all the Subscription Shares.

REASONS FOR AND BENEFIT OF THE SUBSCRIPTIONS AND USE OF PROCEEDS

As part of the Company's continuous development strategy, the Company aims to invest in digital technology and service talent to accelerate the development of its digital service business, particularly focusing on developing software service systems for the chain restaurant industry, as well as supply chain and trade services. The Directors consider that the issue of the Subscription Shares represents an opportunity to raise additional funds for the Group's general working capital needs and if possible, for the development of the digital service.

The Directors consider that the terms of the Subscription Agreements, including the subscription price, are on normal commercial terms after arm's length negotiation and are fair and reasonable.

The estimated aggregate gross and net proceeds of the Subscriptions will be HK\$9.00 million and approximately HK\$8.95 million respectively, representing a net issue price of approximately HK\$0.994 per Subscription Share, which are intended to be used for general working capital of the Group.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The Company has conducted the following fund-raising activity involving issue of securities in the twelve (12) months before the date of this announcement:

Date of announcement	Fund-raising activity	Net proceeds (approximately)	Intended use of gross proceeds as announced	Actual use of net proceeds
24 June 2024	Subscription of new shares under general mandate	HK\$3,950,000	HK\$3,950,000 for the general working capital	HK\$3,950,000 for the general working capital
31 October 2024	Subscription of new shares under general mandate	HK\$2,950,000	HK\$2,950,000 for the general working capital	HK\$2,950,000 for the general working capital

Save as disclosed above, the Company has not conducted any equity fundraising exercises in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

For illustrative purposes only, assuming that there is no allotment and issue of new Shares from the date of this announcement up to the completion of the Subscriptions, the shareholding structure of the Company (i) as at the date of this announcement and (ii) the effect on the shareholding structure upon completion of the Subscriptions are set out below:

Name of Shareholders	As at the date of this announcement		Immediately upon Completion	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
A&B Development Holding Limited (“A&B”)	34,645,000	27.28	34,645,000	25.48
Wing Ka Yuen Company Limited (“Wing Ka Yuen”)	11,987,500	9.44	11,987,500	8.81
Li Huaguo	10,000,000	7.87	10,000,000	7.35
The Subscriber A	–	–	6,000,000	4.41
The Subscriber B	–	–	1,000,000	0.74
The Subscriber C	–	–	2,000,000	1.47
Public Shareholders	<u>70,367,500</u>	<u>55.41</u>	<u>70,367,500</u>	<u>51.74</u>
Total	<u>127,000,000</u>	<u>100.00</u>	<u>136,000,000</u>	<u>100.00</u>

Notes:

- (1) The entire issued share capital of A&B is beneficially owned by Mr. Huang Xiaodi. Mr. Huang is deemed, or taken to be, interested in all shares held by A&B under Part XV of the Securities and Futures Ordinance (the “SFO”).
- (2) The entire issued share capital of Wing Ka Yuen is beneficially owned by Mr. Dong Kejia. Mr. Dong is deemed, or taken to be, interested in all Shares held by Wing Ka Yuen under Part XV of the SFO.

WARNINGS

Shareholders and potential investors should note that Completion is subject to fulfilment of the conditions under the Subscription Agreements. Therefore, the Subscriptions may or may not complete. Shareholders and potential investors of the Company are reminded to exercise caution when dealing or contemplate dealing in the shares or other securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 24 May 2024 at which, among other things, the General Mandate was granted by the Shareholders to the Directors
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, a Sunday or a public holiday) on which banks are generally open for business in Hong Kong and PRC
“Company”	Dowway Holdings Limited (天平道合控股有限公司) (stock code: 8403), an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM Board of the Stock Exchange
“Completion”	completion of the Subscriptions
“Completion Date”	a date falling on the seventh Business Days after fulfilment of the condition precedent in the Agreement, or such other date as the parties to the Agreement may agree in writing
“connected person”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	Director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot and issue with the additional shares of the Company by up to 20% of the total number of issued shares of the Company as at the date of the AGM

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are independent of, and not connected with, the Company and its connected persons
“PRC”	the People’s Republic of China and for the purpose of this announcement excludes Hong Kong, Macao Special Administration Region and Taiwan
“Share(s)”	ordinary share(s) of US\$0.002 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	CT Vision Strategic Company Limited, a company incorporated in British Virgin Islands with limited liability and the entire issued share capital of which is owned by Mr. Ho Chun Kit Gregory
“Subscriber B”	Ms. HU Zhixi (胡之曦), an individual investor
“Subscriber C”	Mr. XU Linxin (許臨昕), an individual investor
“Subscribers”	together, the Subscriber A, Subscriber B and Subscriber C
“Subscription A”	the subscription of 6,000,000 Subscription Shares by the Subscriber A in accordance to the terms and conditions of the Subscription Agreement A
“Subscription B”	the subscription of 1,000,000 Subscription Shares by the Subscriber B in accordance to the terms and conditions of the Subscription Agreement B

“Subscription C”	the subscription of 2,000,000 Subscription Shares by the Subscriber C in accordance to the terms and conditions of the Subscription Agreement C
“Subscriptions”	together the Subscription A, Subscription B and Subscription C
“Subscription Agreement A”	the subscription agreement dated 19 March 2025 and entered into between the Company and Subscriber A in respect of the Subscription A
“Subscription Agreement B”	the subscription agreement dated 19 March 2025 and entered into between the Company and Subscriber B in respect of the Subscription B
“Subscription Agreement C”	the subscription agreement dated 19 March 2025 and entered into between the Company and Subscriber C in respect of the Subscription C
“Subscription Agreements”	together, the Subscription Agreement A, the Subscription Agreement B and the Subscription Agreement C
“Subscription Price”	HK\$1.00 per Subscription Shares
“Subscription Shares”	new Shares to be subscribed by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“US\$”	U.S. dollars, the lawful currency of United States of America
“%”	per cent.

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

Hong Kong, 19 March 2025

As at 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, 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 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.