

Goldway Education Group Limited

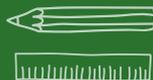
(incorporated in the Cayman Islands with limited liability)

Stock Code : 8160



2020

Interim Report



CHARACTERISTICS OF THE 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Director(s)**”) of Goldway Education Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules governing the Listing of Securities on the 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 report 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 report misleading.*

This report will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its publication. This report will also be published on the Company’s website at www.goldwayedugp.com.

Goldway Education Group Limited



FINANCIAL HIGHLIGHTS

For the six months ended 30 September 2020, unaudited operating results of the Group were as follows:

- revenue of approximately HK\$12.9 million, representing a decrease of 24.7% comparing to the same period of previous financial year;
- loss for the six months ended 30 September 2020 amounted to approximately HK\$1.2 million, which represented an decrease of 18.9% comparing to that of the same period of previous financial year; and
- the Directors do not recommend the payment of interim dividend for the six months ended 30 September 2020.





INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

The board of Directors (the “**Board**”) is pleased to announce the unaudited results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2020 (the “**Reporting Period**”) together with the comparative unaudited figures for the corresponding period in 2019 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2020

	Notes	Three months ended 30 September		Six months ended 30 September	
		2020	2019	2020	2019
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	6,317	7,724	12,859	17,077
Other income	3	575	83	2,211	113
Advertising expenses		(320)	(313)	(376)	(348)
Building management fees and rates		(207)	(245)	(408)	(511)
Depreciation expenses		(1,290)	(2,218)	(2,883)	(4,565)
Employee benefit expenses		(5,165)	(5,810)	(10,182)	(10,927)
Other operating expenses		(1,484)	(976)	(2,284)	(2,177)
Finance costs		(139)	(88)	(300)	(88)
(Loss)/Profit before income tax expense		(1,713)	(1,843)	(1,363)	(1,426)
Income tax expense	5	217	69	207	–
(Loss)/Profit and total comprehensive income attributable to owners of the Company for the period		(1,496)	(1,774)	(1,156)	(1,426)
		HK cent	HK cent	HK cent	HK cent
Basic (losses)/earnings per share attributable to equity holders of the Company for the period	6	(0.29)	(0.34)	(0.22)	(0.27)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020

	Notes	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment	8	7,628	8,147
Right-of-use assets		4,226	6,290
Deferred tax assets		3,010	2,474
Prepayment for acquisition of plant and equipment		1,107	1,107
Deposit		1,481	1,481
		17,452	19,499
Current assets			
Account receivables	9	530	1,033
Prepayments, deposits and other receivables	10	1,157	1,317
Amount due from a substantial shareholder of the Company		94	94
Tax recoverable		387	457
Cash and cash equivalents		26,355	27,628
		28,523	30,529
Current liabilities			
Accruals, receipt in advance and other payables	11	1,320	2,413
Lease liabilities		3,954	4,215
Tax payable		259	-
		5,533	6,628
Net current assets		22,990	23,901
Total assets less current liabilities		40,442	43,400





		30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
	<i>Notes</i>		
Non-current liabilities			
Lease liabilities		2,988	4,790
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Total assets less current liabilities		37,454	38,610
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EQUITY			
Equity attributable to owners of the Company			
Share capital	12	5,225	5,225
Reserves		32,229	33,385
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Total equity		37,454	38,610
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	Attributable to owners of the Company				
	Share capital	Share premium	Capital reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 April 2019	5,225	23,509	3,372	13,526	45,632
Loss and total comprehensive loss for the year	-	-	-	(7,022)	(7,022)
At 31 March 2020 and 1 April 2020	5,225	23,509	3,372	6,504	38,610
Loss and total comprehensive loss for the period	-	-	-	(1,156)	(1,156)
Balance as at 30 September 2020 (unaudited)	5,225	23,509	3,372	5,348	37,454
Balance as at 1 April 2019	5,225	23,509	3,372	13,526	45,632
Loss and total comprehensive loss for the period	-	-	-	(1,426)	(1,426)
Balance as at 30 September 2019 (unaudited)	5,225	23,509	3,372	12,100	44,206





UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2020

	Six months ended 30 September	
	2020 HK\$'000	2019 HK\$'000
Net cash generated from operating activities	(1,254)	(3,149)
Net cash used in investing activities	(19)	(9,023)
Net cash generated financing activities	–	–
Net (decrease)/increase in cash and cash equivalents	(1,273)	(12,172)
Cash and cash equivalents at 1 April	27,628	42,131
Cash and cash equivalents at 30 September	26,355	29,959



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 19 October 2015 and its shares have been listed on the GEM of the Stock Exchange by way of placing and public offer of shares (the “**Share Offer**”) on 2 December 2016 (the “**Listing**”). The Company’s registered office and the principal place of business are at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Shop 203, Kin Sang Commercial Centre, Kin Sang Estate, Tuen Mun, New Territories, Hong Kong, respectively.

In the opinion of the directors of the Company, the ultimate controlling parties of the Group are Mr. Cheung Lick Keung and his brother Mr. Cheung Luk Sun, who collectively control the Company through shares of the Company held by Digital Achiever Limited and Golden Dust Holdings Limited, companies incorporated in the British Virgin Islands which are wholly owned by Mr. Cheung and Mr. Cheung Luk Sun respectively.

The Group is principally engaged in the provision of tutoring services in Hong Kong. The Group provides private tutoring services including primary and secondary tutoring services under the trade name of “Logic Tutorial Centre”.

2. BASIS OF PRESENTATION AND PREPARATION

The Company became the holding company of the companies now comprising the Group subsequent to the completion of reorganisation on 3 November 2016, the Group is regarded as a continuing entity resulting from the Reorganisation since the insertions of certain new holding companies at the top of Billion Bright Management Limited have no commercial substance and do not form a business combination. Accordingly, the consolidated financial statements have been prepared using the principles of merger accounting as if the reorganisation had occurred as of the beginning of the earliest period presented and the current group structure had always been in existence.

The consolidated statement of profit or loss and other comprehensive income and the consolidated statement of changes in equity of the Group for the period ended 30 June 2019 and 2020 include the financial performance of all companies now comprising the Group, as if the current structure had been in existence throughout the reporting periods, or since their respective dates of incorporation, where there is a shorter period.

All significant intra-group transactions and unrealised gains on transactions have been eliminated on consolidation. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred.





The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and also included the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM Board (“**GEM Listing Rules**”).

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

The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”) which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies adopted in preparing the unaudited condensed consolidated financial statements were consistent with those applied for the financial statements of the Group for the year ended 31 March 2020.

The condensed consolidated financial statements have not been audited by the auditors of the Company but have been reviewed by the audit committee of the Company.



3. REVENUE AND OTHER INCOME

Revenue from the Group's principal activities, which is also the Group's turnover, represents the income from provision of tutoring services. Revenue and other income are analysed as follows:

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue from contracts with customers				
Income from tutoring services	6,292	7,701	12,822	17,014
Income from continuing franchising income	25	23	37	63
	6,317	7,724	12,859	17,077
Other income				
Interest income	15	2	15	14
Others	560	81	2,196	99
	575	83	2,211	113

Note: For the six months ended 30 September 2020, government grants amounted to HK\$2.2 million (2019: nil) were rewarded to the Group for anti-epidemic.





4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker ("CODM") in order to allocate resources and assess performance of the segment. For the reporting period, management of the Company has determined that the Group has only one single business component/operating segment as the Group is only engaged in the provision of tutoring services which is the basis used by the CODM to allocate resources and assess performance. The Group's revenue from external customers is divided into the following types of services:

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Primary tutoring services	1,168	1,586	2,842	4,966
Secondary tutoring services	5,124	6,115	9,980	12,048
Income from continuing franchising income	25	23	37	63
	6,317	7,724	12,859	17,077

The Company is an investment holding company and the principal place of the Group's operation is in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its place of domicile. All the Group's revenue and non-current assets are principally attributable to Hong Kong, being the single geographical region. During the six months ended 30 September 2020, there was no single external customer that contributed 10% or more of the Group's total revenue from external customers (2019: Nil).



5. INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit during the six months ended 30 September 2019 and 2020.

6. EARNINGS PER SHARE

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Earnings				
(Loss)/Profit for the period attributable to the owners of the Company	(1,496)	(1,774)	(1,156)	(1,426)
Number of shares				
Weighted average number of shares for the purpose of calculating basic earnings per share	522,500,000	522,500,000	522,500,000	522,500,000

Diluted earnings per share amount was the same as basic earnings per share amount as there were no potential dilutive shares outstanding for the six months ended 30 September 2019 and 2020.

7. DIVIDEND

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2020.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2020, the Group acquired property, plant and equipment of approximately HK\$7,628,000 (six months ended 30 September 2019: HK\$9,023,000).





9. ACCOUNT RECEIVABLES

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Account receivables	530	1,033

For tutoring service income, there is no credit period granted as it is normally received in advance.

Ageing analysis of the Group's account receivables, based on the transaction dates which also presented the ageing analysis of account receivables which are past but not impaired, at the end of each reporting period.

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
1 to 90 days past due	530	963
Over 90 days	–	70
	530	1,033

The Group's account receivables were interest-free and relate to a large number of diversified customers and there was no significant concentration of credit risk. At 30 September 2020, there were no allowances for bad and doubtful debts provided as there was no recent history of significant default in respect of these customers (2019: Nil).

The directors of the Company consider that the fair values of account receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The maximum exposure to credit risk at the reporting date is the carrying value of the receivables. The Group does not hold any collateral as security.



10. PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Prepayments	1,293	1,458
Deposits	2,403	2,440
Other receivables	49	7
	3,745	3,905
Less: Portions classified as non-current asset	(2,588)	(2,588)
	1,157	1,317

11. ACCRUALS, RECEIPT IN ADVANCE AND OTHER PAYABLES

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Accruals	481	1,683
Other payables	188	286
Contract liabilities	651	444
	1,320	2,413

12. SHARE CAPITAL

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Authorised:		
2,000,000,000 ordinary shares of HK\$0.01 each	20,000	20,000
Issued and fully paid:		
522,000,000 ordinary shares of HK\$0.01 each	5,225	5,225





13. RELATED PARTY TRANSACTIONS

(a) Balances and transactions

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties:

	Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Operating lease charges paid to a director and close family members of a director (note)	60	90

Note: The operating leases are charges by the respective related parties at HK\$10,000 (2019: HK\$10,000) per month and the lease terms will be expired on 31 March 2021.

(b) Commitments with related parties

In respect of the operating lease arrangements entered with related parties as disclosed in above, the future minimum rental payable under non-cancellable operating leases of the Group in respect of properties was HK\$60,000 (2019: HK\$60,000) as of 30 September 2020.

(c) Senior management's emoluments

The emoluments paid or payable to members of senior management of the Group and the Company (including directors' emoluments) are as follows:

	Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Salaries, allowances and benefits in kind	1,966	1,827
Pension scheme contributions	27	27
	1,993	1,854



MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Tutorial Business

During the six months ended 30 September 2020, the Group kept focus mainly on its principal business in relation to the provision of tutoring services to secondary school students and primary school students in Hong Kong. During the six months ended 30 September 2020, the income from tutorial business decreased by 24.6% comparing to that of the same period last year. 22.2% (2019: 29.2%) of income from tutorial business generated from primary school tutoring services and 77.8% (2019: 70.8%) of income from tutorial business generated from secondary school tutoring services. The decreasing contribution from income of tutorial business generated from primary school tutoring services was mainly due to the pandemic situation in Hong Kong. Currently, we are operating 12 tutorial centres.

Franchise Business

The income from franchise program was approximately HK\$37,000 for the six months ended 30 September 2020. As at 30 September 2020, we have franchise centres covering Kowloon and the New Territories.

Outlook

The performance of tutoring services will be suffered until the end of pandemic situation. However, the Group will continuously focus on primary school and secondary school tutoring services as the experienced management team still believes that the tutoring services business will be recovered after the end of pandemic situation based on the competitive advantages of the Group like long-established brand and geographic coverage.

Financial Review

Revenue

For the six months ended 30 September 2020, the Group recorded total revenue of approximately HK\$12.6 million, representing a decrease of approximately 24.7% as compared to approximately HK\$17.1 million for the six months ended 30 September 2019. The decrease was mainly due to the decrease of approximately HK\$2.1 million or 17.2% in revenue generated from secondary school tutoring services and approximately HK\$2.1 million or 42.8% in revenue generated from primary school tutoring services. Meanwhile, the franchise business also contributed HK\$37,000 to the revenue.





Depreciation expenses

Depreciation of property, plant and equipment comprises depreciation for right-of-use asset, leasehold improvement and other equipment. Depreciation of property, plant and equipment decreased by approximately HK\$1.7 million from approximately HK\$4.6 million for the six months ended 30 September 2019 to approximately HK\$2.9 million for the six months ended 30 September 2020, which was mainly due to the adoption of HKFRS 16.

Employee benefit expenses

Employee benefit expenses mainly consist of wages and salaries, pension costs and other benefits to the staff and the Directors. Employee benefit expenses decreased by 6.8% from approximately HK\$10.9 million for the six months ended 30 September 2019 to HK\$10.2 million for the six months ended 30 September 2020, mainly due to decrease in headcount.

Net profit and net profit margin

The Group recorded a loss attributable to owners of the Company amounted to approximately HK\$1.2 million for the six months ended 30 September 2020 (2019: HK\$1.4 million). The net profit margin becomes -9.0% for the six months ended 30 September 2020 (2019: -8.4%).

Cash and cash equivalents

As at 30 September 2020, the cash and cash equivalents amounted to approximately HK\$26.4 million. The decrease comparing to the balance as at 31 March 2020 was mainly due to cash outflow in operating activities.

Contingent liabilities

As at 30 September 2020, the Group did not have any significant contingent liabilities.



INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2020, the interests and short positions of the Directors and chief executive of the Company in the shares (the “**Shares**”), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) (the “**SFO**”) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules required to be notified to the Company and the Stock Exchange, were as follows:

Long position in the Shares

Name of Director	Capacity/ Nature of interest	Number of Shares	Approximate percentage of issued share capital
Mr. Cheung Lick Keung	Interest in controlled corporation (Note 1)	166,810,000	31.96%
Ms. Chan Hoi Ying Karina	Interest of spouse (Note 2)	166,810,000	31.96%

Notes:

1. The entire issued share capital of Digital Achiever Limited is legally and beneficially owned by Mr. Cheung Lick Keung. Mr. Cheung Lick Keung is deemed to be interested in the Shares in which Digital Achiever Limited is interested in under Part XV of the SFO.
2. Ms. Chan Hoi Ying Karina is the spouse of Mr. Cheung Lick Keung. Ms. Chan Hoi Ying Karina is deemed to be interested in the Shares in which Mr. Cheung Lick Keung is interested in under Part XV of the SFO.





Save as disclosed above, as at 30 September 2020, none of the Directors and chief executive of the Company or their associates had any interest or short position in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules required to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN THE SHARES OR UNDERLYING SHARES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2020, so far as the Directors are aware, the interests or short positions owned by the following persons (other than the Directors or chief executive of the Company) in the Shares or underlying Shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Long position in the Shares

Name of Substantial Shareholders	Capacity/ Nature of interest	Number of Shares	Approximate percentage of issued share capital
Digital Achiever Limited	Beneficial owner (Note 1)	166,810,000	31.96%
Golden Dust Holdings Limited	Beneficial owner (Note 2)	166,740,000	31.94%
Mr. Cheung Luk Sun	Interest in controlled Corporation (Note 2)	166,740,000	31.94%
Ms. Wong Sau Yee Margaret	Interest of spouse (Note 3)	166,740,000	31.94%



Notes:

1. The entire issued share capital of Digital Achiever Limited is legally and beneficially owned by Mr. Cheung Lick Keung. Mr. Cheung Lick Keung is deemed to be interested in the Shares in which Digital Achiever Limited is interested in under Part XV of the SFO.
2. The entire issued share capital of Golden Dust Holdings Limited is legally and beneficially owned by Mr. Cheung Luk Sun. Mr. Cheung Luk Sun is deemed to be interested in the Shares in which Golden Dust Holdings Limited is interested in under Part XV of the SFO.
3. Ms. Wong Sau Yee Margaret is the spouse of Mr. Cheung Luk Sun. Ms. Wong Sau Yee Margaret is deemed to be interested in all the Shares in which Mr. Cheung Luk Sun is interested in under Part XV of the SFO.

Save as disclosed above and as at 30 September 2020, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executive officer of the Company) in the Shares or underlying Shares of the Company which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the six months ended 30 September 2020.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the six months ended 30 September 2020 and up to the date of this report, none of the Directors or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

SHARE OPTION SCHEMES

No share options have been granted or agreed to be granted during the Reporting Period.





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

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company during the Reporting Period.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiry to the Directors, the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transaction by Directors during the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules except the following deviation:

Chairman and Chief Executive Officer

The code provision A.2.1 of Appendix 15 to the GEM Listing Rules requires the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

However, the Board is of the view that Mr. Cheung Lick Keung ("**Mr. Cheung**") has been managing the Group's business and the overall financial and strategic planning since September 2005. The Board believes that the vesting of the roles of chairman and chief executive officer in Mr. Cheung is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. In addition, due to the presence of three independent non-executive Directors, the Board considers that no one individual has unfettered power of decision. Accordingly, the Company has not segregated the roles of its chairman and chief-executive officer as required by Code Provision A.2.1 of Appendix 15 to the GEM Listing Rules.



AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with Rule 5.28 to 5.33 of the GEM Listing Rules pursuant to a resolution of the Directors passed on 3 November 2016. The primary duties of the audit committee are mainly to make recommendations to the Board on the appointment and removal of the external auditors, review the financial statements and material advice in respect of financial reporting and oversee the internal control procedures of the Company. At present, the audit committee comprises Mr. Chan Hoi Keung Terence, Mr. Sek Ngo Chi and Mr. Ho Kin, all being the independent non-executive Directors of the Group. Mr. Chan Hoi Keung Terence is the chairman of the audit committee. The audit committee has reviewed the audited consolidated financial statements of the Group for the six months ended 30 September 2020 and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

By order of the Board
Goldway Education Group Limited
Cheung Lick Keung
Executive Director and Chairman

Hong Kong, 13 November 2020

As at the date of this report, the executive Director is Mr. Cheung Lick Keung; and the independent non-executive Directors are Mr. Chan Hoi Keung Terence, Mr. Sek Ngo Chi and Mr. Ho Kin.

