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Goldway Education Group Limited

金滙教育集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8160)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY

THE DISPOSAL

The Board is pleased to announce that on 19 March 2021 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser and the Agent, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Property at the consideration of HK\$5.5 million.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25% under Rule 19.07 of the GEM Listing Rules, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

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* For identification purpose only

THE PROVISIONAL AGREEMENT

The principal terms of the Provisional Agreement are set out below:

Date: 19 March 2021

Vendor: Simple Joyous Limited, a direct wholly-owned subsidiary of the Company

Purchaser: Law Wai Kin

Agent: Shun Shing Property Agency Company

Pursuant to the Provisional Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Property.

Property to be disposed

The Property to be disposed by the Vendor is commercial premises located at B10, 1/F, Goodrich Garden Shopping Arcade, 9 Leung Tak Street, Tuen Mun, New Territories, Hong Kong, with a saleable area of approximately 334 square feet. The Property is currently occupied by the Group, for use as tutorial centre immediately prior to the Disposal.

The Property is to be sold to the Purchaser on an “as is” basis.

Consideration

The consideration for the Disposal is HK\$5.5 million, which shall be paid by the Purchaser to the Vendor in the following manner:

1. HK\$300,000 shall be paid upon signing of the Provisional Agreement as initial deposit;
2. HK\$250,000 shall be paid on or before 1 April 2021 upon signing of the Formal Agreement as further deposit; and
3. the balance in the sum of HK\$4.95 million shall be paid in full on or before 6 July 2021 upon completion of the Disposal.

Pursuant to the Provisional Agreement, the Agent shall be entitled to receive a commission in the amount of HK\$55,000 no later than 6 July 2021 from each of the Vendor and the Purchaser.

The Consideration was determined after arm’s length negotiation between the Vendor and the Purchaser with reference to the valuation of the Property made by an independent valuer as at 28 February 2021 of approximately HK\$4.5 million and the market value of comparable properties in the same district of Hong Kong.

Condition precedent

The completion of the sale and purchase of the Property is conditional upon the Vendor having shown and proved that the Vendor has and can, at Completion, give the Purchaser the good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong).

Stamp duty

All ad valorem stamp duty shall be borne by the Purchaser.

Formal agreement

Pursuant to the Provisional Agreement, a formal agreement for the sale and purchase of the Property will be signed by the Vendor and the Purchaser on or before 1 April 2021.

Completion

Completion of the Disposal shall take place on or before 6 July 2021. The Vendor shall deliver vacant possession of the Property to the Purchaser upon completion of the Disposal.

Upon Completion, the Property would cease to be held by the Group.

Additional terms in relation to mandatory quarantine in connection with COVID-19

The Vendor and the Purchaser agreed that should mandatory quarantine be imposed on either the Vendor, the Purchaser, or their respective solicitors or the business of either of their solicitors is suspended due to government actions against COVID-19, the date of payment of further deposit, the date of signing of the Formal Agreement and/or the Completion Date (as the case may be) shall be deferred to the seventh working day after the mandatory quarantine is ended or business of the solicitors is resumed (whichever is later).

INFORMATION ON THE PROPERTY

The Vendor, a direct wholly-owned subsidiary of the Company, is the owner of the Property and the details of which are set out below:

| Address | Usage | Attributable interests to the Group as at the date of this announcement and immediately before Completion |
|---|--------------|--|
| B10, 1/F, Goodrich Garden Shopping Arcade, 9 Leung Tak Street, Tuen Mun, New Territories, Hong Kong | Commercial | 100% |

INFORMATION ABOUT THE GROUP AND THE VENDOR

The Company is an investment holding company. The Group is principally engaged in the provision of tutoring services and franchising services in Hong Kong. The Group provides private tutoring services including primary and secondary tutoring services under the trade name of “Logic Tutorial Centre”. The Vendor is an investment holding company incorporated in the British Virgin Islands with limited liability, and a direct wholly-owned subsidiary of the Company.

INFORMATION ABOUT THE PURCHASER AND THE AGENT

The Purchaser is a Hong Kong citizen.

The Agent is a company incorporated in Hong Kong and operates property agencies in Hong Kong.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Purchaser, the Agent and its ultimate beneficial owner(s) are independent third parties not connected with the Company or its connected persons.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The carrying value of the Property as shown in the unaudited consolidated accounts of the Company as at 30 September 2020 was approximately HK\$7.3 million. Subject to review and confirmation by the auditors, the Group is expected to record a loss of approximately HK\$1.8 million from the Disposal, being the difference between the Consideration and the carrying value of the Property as at 30 September 2020 before any related expenses.

It is estimated that the net proceeds from the Disposal (after deduction of agency fees, legal fees and ancillary expenses) would be approximately HK\$5.3 million. The Company intends to use the net proceeds from the Disposal as general working capital of the Group.

REASONS FOR THE DISPOSAL

Having considered the current market value of the Property (with reference to the market value of similar properties within the same district), alongside with the current property market conditions in Hong Kong, as well as taking into account of the current financial position and business operation of the Group, the Board considers that the Disposal, even though it realises a loss, if materialises, still represents a good opportunity for the Company to realise the value of the Property at a reasonable price and the proceeds from the Disposal will enable the Group to re-allocate more financial resources on future potential investment opportunities and/or working capital of the Group. The Directors consider that the Disposal will not have a significant impact on the operating business of the Group.

Having considered the above, the Directors are of the view that the terms of the Provisional Agreement are on normal commercial terms that are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

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| “Agent” | Shun Shing Property Agency Company (a licenced estate agency) |
| “Board” | the board of Directors |
| “Company” | Goldway Education Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8160) |
| “Completion” | completion of the Disposal |
| “Completion Date” | date of Completion, being on or before 6 July 2021 |

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|--------------------------------|--|
| “connected person(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Consideration” | the consideration of the Disposal, being HK\$5.5 million |
| “COVID-19” | novel coronavirus (COVID-19), a coronavirus identified as the cause of an outbreak of respiratory illness in around December 2019 |
| “Director(s)” | the director(s) of the Company |
| “Disposal” | the disposal of the Property by the Vendor to the Purchaser pursuant to the Provisional Agreement |
| “Formal Agreement” | the formal agreement for the Disposal, which will be signed on or before 1 April 2021 pursuant to the Provisional Agreement |
| “GEM” | GEM of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | person(s) who is(are) independent of and not connected with the Company and its connected persons |
| “Property” | B10, 1/F, Goodrich Garden Shopping Arcade, 9 Leung Tak Street, Tuen Mun, New Territories, Hong Kong |
| “Provisional Agreement” | the Provisional Agreement dated 19 March 2021 and entered into between the Purchaser, the Vendor and the Agent in relation to the Disposal |
| “Purchaser” | Law Wai Kin, a Hong Kong citizen and an Independent Third Party |
| “Share(s)” | ordinary share(s) in the share capital of the Company of HK\$0.01 each |
| “Shareholder(s)” | the holder(s) of the issued Share(s) |

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|------------------|---|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | Simple Joyous Limited (謙亮有限公司), a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company |
| “%” | per cent |

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

Hong Kong, 19 March 2021

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

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 GEM website for at least seven days from the date of its publication. This announcement will also be published on the Company’s website at <http://www.goldwayedugp.com>.