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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING

Placing Agent



DL Securities (HK) Limited

THE PLACING

The Board is pleased to announce that on 30 April 2021, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, of up to 104,500,000 Placing Shares, to not less than six Placées who and whose ultimate beneficial owners shall be Independent Third Parties at a price of HK\$0.57 per Placing Share.

The Placing Price of HK\$0.57 per Placing Share represents (i) a discount of approximately 9.52% to the closing price of HK\$0.63 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 5.94% to the average of the closing prices per Share of HK\$0.606 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

* *For identification purpose only*

The maximum number of the Placing Shares represents (i) approximately 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 30 April 2021 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 3 May 2021.

THE PLACING

The Board is pleased to announce that on 30 April 2021, the Company and the Placing Agent entered into the Placing Agreement in relation to the Placing.

Details of the Placing Agreement are set out below:

The Placing Agreement

Date: 30 April 2021

Parties: (i) the Company (as issuer); and
(ii) DL Securities (HK) Limited (as Placing Agent)

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

The Placing Agent will charge the Company a placing commission of 3.0% of the gross proceeds from the Placing. The placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agents.

The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Placees

The Placing Shares will be placed to not less than six (6) Placees who and whose ultimate beneficial owners, shall be Independent Third Parties.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares of up to 104,500,000 Shares under the Placing represents (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$1,045,000.

Placing Price

The Placing Price of HK\$0.57 per Placing Share represents:

- (i) a discount of approximately 9.52% to the closing price of HK\$0.63 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 5.94% to the average of the closing prices per Share of HK\$0.606 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares shall rank *pari passu* in all respects among themselves and with the existing issued Shares as at the date of this announcement.

Conditions of the Placing

The Placing is conditional upon:

- (A) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares; and
- (B) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

Completion

Completion of the Placing shall take place within five Business Days after the fulfilment of the conditions as set out in paragraph headed “Conditions of the Placing” above (or such other date as may be agreed between the Company and the Placing Agent in writing).

If the above conditions are not satisfied and/or waived (other than condition (A) above, which cannot be waived) on or before the Long Stop Date, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties thereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the grant of the listing of, and the permission to deal in, the Placing Shares.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM, subject to the limit up to 20% of the total number of issued Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 104,500,000 Shares. As at the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares is not subject to Shareholders’ approval.

Termination

The Placing Agent may terminate the Placing Agreement by notice in writing prior to 6:00 p.m. on the day immediately preceding the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances (inclusive of any pandemics or epidemics) which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 6:00 p.m. on the day immediately preceding the Completion Date,

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under this Placing Agreement; or
- (ii) any suspension in the trading of the Shares on GEM for more than ten consecutive trading days save for the purposes of clearing of any announcement(s) relating to the Placing; or

(iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated and the Placing Agent shall, in its absolute opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent thereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND THE USE OF PROCEEDS

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”.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$59.57 million and the net proceeds will be approximately HK\$57.40 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.55 per Placing Share. The Directors intend to use the net proceeds as to approximately 80% for the Group’s development and expansion of its education services, including (i) the development and promotion of mobile apps and/or internet based platform for online and real time education and tutoring services for primary, secondary and DSE students, (ii) the establishment of a flagship tutoring centre on Hong Kong Island; and (iii) the development of new online finance and investment courses for adults, and (iv) the recruitment of new tutors for the adult finance and investment courses. The remaining proceeds will be used for general working capital of the Group.

The Directors have considered various ways of raising funds and believe that the Placing represents an opportunity to raise capital for the Group while broadening the Shareholder and capital base of the Company. In addition, the proceeds of the Placing will facilitate the development of the Group's education and tutoring business to online platform. In particular, during the past year when various distancing and preventive measures to curb the spread of coronavirus were in place, the Company considers that mobile apps and/or internet based platform will be the new trend and a popular teaching mode for education and tutoring services industry in the post-pandemic era and the provision of the adult finance and investment education will expand the Group's business horizon. The Directors further consider that the opening of a new flagship tutoring centre on Hong Kong Islands will enhance the branding of the Group given that the existing tutorial centres are mainly located in New Territories and only a few in Kowloon. Accordingly, the Directors are of the view that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not conducted any fund raising activities involving issue of its securities in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing (assuming all the Placing Shares are fully placed) are set out below:

	As at the date of this announcement		Immediately after completion of the Placing assuming all the Placing Shares are fully placed	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Digital Achiever Limited (<i>note</i>)	28,762,000	5.50	28,762,000	4.59
The Placees	–	–	104,500,000	16.67
Other public Shareholders	493,738,000	94.50	493,738,000	78.74
Total	522,500,000	100.00	627,000,000	100.00

Note: Based on the disclosure of interest form of Digital Achiever Limited provided to the Company, Digital Achiever Limited is interested in 28,762,000 Shares, representing approximately 5.50% of the entire issued share capital of the Company as at the date of this announcement. 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 Securities and Futures Ordinance.

The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 30 April 2021 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 3 May 2021.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 4 September 2020
“associate(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“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 placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	within five (5) Business Days after the fulfilment of the conditions set out in the Placing Agreement (or such later date as may be agreed between the Company and the Placing Agent in writing)
“connected person(s)”	has the meanings as ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Last Trading Day”	29 April 2021, being the last trading day for the Shares on GEM immediately before the date of the Placing Agreement
“Long Stop Date”	20 May 2021 or such later date as may be agreed between the Company and the Placing Agent in writing

“Placee(s)”	any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 104,500,000 Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	DL Securities (HK) Limited, a corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 30 April 2021 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.57 per Placing Share
“Placing Shares”	up to 104,500,000 Shares to be placed under the Placing
“Share(s)”	ordinary issued share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 30 April 2021

As at the date of this announcement, the executive Directors are Mr. Cheung Lick Keung and Mr. Cheung Hiu Fung; 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 website of the Exchange at www.hkexnews.hk for at least seven days from the day of its publication. This announcement will also be published on the Company’s website at www.goldwayedugp.com.

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