

# 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)

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

### 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 announcement, 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 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.*

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\* For identification purpose only

## **FINANCIAL HIGHLIGHTS**

For the six months ended 30 September 2021, unaudited operating results of the Group were as follows:

- revenue of approximately HK\$16.5 million, representing an increase of 28.4% comparing to the same period of previous financial year;
- loss for the six months ended 30 September 2021 amounted to approximately HK\$2.4 million, which represented an increase of 105.4% 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 2021.

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

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 2021 (the “**Reporting Period**”) together with the comparative unaudited figures for the corresponding period in 2020 as follows:

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

For the six months ended 30 September 2021

	Notes	Three months ended 30 September		Six months ended 30 September	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
<b>Revenue</b>	3	<b>8,426</b>	6,317	<b>16,510</b>	12,859
Other income	3	–	575	<b>1</b>	2,211
Advertising expenses		<b>(5)</b>	(320)	<b>(35)</b>	(376)
Building management fees and rates		<b>(134)</b>	(207)	<b>(194)</b>	(408)
Depreciation expenses		<b>(1,559)</b>	(1,290)	<b>(2,848)</b>	(2,883)
Employee benefit expenses		<b>(6,855)</b>	(5,165)	<b>(12,221)</b>	(10,182)
Other operating expenses		<b>(1,999)</b>	(1,484)	<b>(3,314)</b>	(2,284)
Finance costs		<b>(124)</b>	(139)	<b>(274)</b>	(300)
<b>(Loss)/Profit before income tax expense</b>		<b>(2,250)</b>	(1,713)	<b>(2,375)</b>	(1,363)
Income tax expense	5	–	217	–	207
<b>(Loss)/Profit and total comprehensive income attributable to owners of the Company for the period</b>		<b>(2,250)</b>	(1,496)	<b>(2,375)</b>	(1,156)
		<i>HK cent</i>	<i>HK cent</i>	<i>HK cent</i>	<i>HK cent</i>
<b>Basic (losses)/earnings per share attributable to equity holders of the Company for the period</b>	6	<b>(0.43)</b>	(0.29)	<b>(0.45)</b>	(0.22)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	<i>Notes</i>	<b>30 September 2021 HK\$'000 (unaudited)</b>	31 March 2021 HK\$'000 (audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Plant and equipment	8	1,723	1,107
Right-of-use assets		115	2,391
Deferred tax assets		2,441	2,441
Deposit		1,132	1,132
		<u>5,411</u>	7,071
<b>Current assets</b>			
Account receivables	9	625	593
Prepayments, deposits and other receivables	10	2,780	1,700
Amount due from a substantial shareholder of the Company		94	94
Cash and cash equivalents		31,624	30,028
		<u>35,123</u>	32,415
Assets held for sales		–	5,427
		<u>35,123</u>	37,842
<b>Current liabilities</b>			
Accruals, receipt in advance and other payables	11	3,558	3,560
Lease liabilities		3,251	3,799
Tax payable		527	527
		<u>7,336</u>	7,886
<b>Net current assets</b>		<u>27,787</u>	29,956
<b>Total assets less current liabilities</b>		<u>33,198</u>	37,027

		<b>30 September</b>	31 March
		<b>2021</b>	2021
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>Non-current liabilities</b>			
Lease liabilities		<u>429</u>	<u>1,883</u>
<b>Net assets</b>		<u><b>32,769</b></u>	<u><b>35,144</b></u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	12	5,225	5,225
Reserves		<u>27,544</u>	<u>29,919</u>
<b>Total equity</b>		<u><b>32,769</b></u>	<u><b>35,144</b></u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners of the Company				Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Retained profits HK\$'000	
Balance as at 1 April 2020	5,225	23,509	3,372	6,504	38,610
Profit and total comprehensive income for the year	–	–	–	(3,466)	(3,466)
At 31 March 2021 and 1 April 2021	5,225	23,509	3,372	3,038	35,144
Profit and total comprehensive income for the period	–	–	–	(2,375)	(2,375)
<b>Balance as at 30 September 2021 (unaudited)</b>	<b>5,225</b>	<b>23,509</b>	<b>3,372</b>	<b>663</b>	<b>32,769</b>
Balance as at 1 April 2020	5,225	23,509	3,372	6,504	38,610
Profit and total comprehensive income for the period	–	–	–	(1,156)	(1,156)
<b>Balance as at 30 September 2020 (unaudited)</b>	<b>5,225</b>	<b>23,509</b>	<b>3,372</b>	<b>5,348</b>	<b>37,454</b>

## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

*For the six months ended 30 September 2021*

	Six months ended	
	30 September	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Net cash generated from operating activities</b>	<b>(2,772)</b>	<b>(1,254)</b>
<b>Net cash used in investing activities</b>	<b>4,368</b>	<b>(19)</b>
<b>Net cash generated financing activities</b>	<b>—</b>	<b>—</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>1,596</b>	<b>(1,273)</b>
<b>Cash and cash equivalents at 1 April</b>	<b>30,028</b>	<b>27,628</b>
<b>Cash and cash equivalents at 30 September</b>	<b>31,624</b>	<b>26,355</b>

# 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.

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 2020 and 2021 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 2021.

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		Six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue from contracts with customers				
Income from tutoring services	8,337	6,292	16,393	12,822
Income from continuing franchising income	89	25	117	37
	<u>8,426</u>	<u>6,317</u>	<u>16,510</u>	<u>12,859</u>
Other income				
Interest income	–	15	1	15
Others	–	560	–	2,196
	<u>–</u>	<u>575</u>	<u>1</u>	<u>2,211</u>

Note: For the six months ended 30 September 2020, government grants amounted to HK\$2.2 million 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		Six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Primary tutoring services	2,276	1,168	4,080	2,842
Secondary tutoring services	6,061	5,124	12,313	9,980
Income from continuing franchising income	89	25	117	37
	<u>8,426</u>	<u>6,317</u>	<u>16,510</u>	<u>12,859</u>

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 2021, there was no single external customer that contributed 10% or more of the Group's total revenue from external customers (2020: 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 2020 and 2021.

## 6. EARNINGS PER SHARE

	Three months ended 30 September		Six months ended 30 September	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
<b>Earnings</b>				
(Loss)/Profit for the period attributable to the owners of the Company	<u>(2,250)</u>	<u>(1,496)</u>	<u>(2,375)</u>	<u>(1,156)</u>
<b>Number of shares</b>				
Weighted average number of shares for the purpose of calculating basic earnings per share	<u>522,500,000</u>	<u>522,500,000</u>	<u>522,500,000</u>	<u>522,500,000</u>

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 2020 and 2021.

## 7. DIVIDEND

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2021.

## 8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2021, the Group acquired property, plant and equipment of approximately HK\$832,000 (six months ended 30 September 2020: HK\$7,628,000).

## 9. ACCOUNT RECEIVABLES

	30 September 2021 <i>HK\$'000</i> (unaudited)	31 March 2021 <i>HK\$'000</i> (audited)
Account receivables	<u>625</u>	<u>593</u>

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.

	<b>30 September 2021 HK\$'000 (unaudited)</b>	31 March 2021 HK\$'000 (audited)
1 to 90 days past due	625	558
Over 90 days	—	35
	<b>625</b>	<b>593</b>

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 2021, there were no allowances for bad and doubtful debts provided as there was no recent history of significant default in respect of these customers (2020: 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

	<b>30 September 2021 HK\$'000 (unaudited)</b>	31 March 2021 HK\$'000 (audited)
Prepayments	1,250	316
Deposits	2,662	2,493
Other receivables	—	23
	<b>3,912</b>	<b>2,832</b>
Less: Portions classified as non-current asset	<b>(1,132)</b>	<b>(1,132)</b>
	<b>2,780</b>	<b>1,700</b>

## 11. ACCRUALS, RECEIPT IN ADVANCE AND OTHER PAYABLES

	<b>30 September 2021 HK\$'000 (unaudited)</b>	31 March 2021 HK\$'000 (audited)
Accruals	2,324	2,271
Other payables	–	300
Contract liabilities	<u>1,234</u>	<u>989</u>
	<b><u>3,558</u></b>	<b><u>3,560</u></b>

## 12. SHARE CAPITAL

	<b>30 September 2021 HK\$'000 (unaudited)</b>	31 March 2021 HK\$'000 (audited)
<b>Authorised:</b>		
2,000,000,000 ordinary shares of HK\$0.01 each	<u>20,000</u>	<u>20,000</u>
<b>Issued and fully paid:</b>		
522,000,000 ordinary shares of HK\$0.01 each	<u>5,225</u>	<u>5,225</u>

## 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:

	<b>Six months ended 30 September</b>	
	<b>2021 HK\$'000 (unaudited)</b>	2020 HK\$'000 (unaudited)
Operating lease charges paid to a director and close family members of a director ( <i>note</i> )	<u>60</u>	<u>60</u>

*Note:* The operating leases are charges by the respective related parties at HK\$10,000 (2020: 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 (2020: HK\$60,000) as of 30 September 2021.

**(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:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Salaries, allowances and benefits in kind	<b>2,184</b>	1,966
Pension scheme contributions	<b>30</b>	27
	<b><u>2,214</u></b>	<b><u>1,993</u></b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

#### *Tutorial Business*

During the six months ended 30 September 2021, the Group still 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 2021, the income from tutorial business increased by 28% comparing to that of the same period last year mainly due to the recovery from pandemic situation. 24.9% (2020: 22.2%) of income from tutorial business generated from primary school tutoring services and 75.1% (2020: 77.8%) of income from tutorial business generated from secondary school tutoring services. Currently, we are operating 11 tutorial centres.

#### *Franchise Business*

The income from franchise program was approximately HK\$117,000 for the six months ended 30 September 2021 (2020: HK\$37,000). The increase was mainly due to the recovery from pandemic situation and thus more enrolments was resulted. As at 30 September 2021, we have franchise centres covering Kowloon and the New Territories.

### Outlook

The management continues to believe the business performance of our tutoring services will further be improved along with the gradual recovery of the economy and the COVID-19 pandemic situation. To catch the opportunity, the Group will keep implementing enhancements including but not limited to qualification of our tutorial team, varieties of courses, quality of our course materials, our centres, etc. The Group will continuously focus on primary school as well as secondary school tutoring services.

Our experienced management team will also look for suitable investment opportunities continuously in Hong Kong to maintain the competitiveness of the Group and creating value for all stakeholders.

## Financial Review

### *Revenue*

For the six months ended 30 September 2021, the Group recorded total revenue of approximately HK\$16.5 million, representing an increase of approximately 28.4% as compared to approximately HK\$12.6 million for the six months ended 30 September 2020. The increase was mainly due to the increase of approximately HK\$2.3 million or 23.4% in revenue generated from secondary school tutoring services and approximately HK\$1.2 million or 43.6% in revenue generated from primary school tutoring services. Meanwhile, the franchise business also contributed HK\$117,000 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 amounted to approximately HK\$2.8 million which was similar to that of the six months ended 30 September 2020 amounted to approximately HK\$2.9 million.

### *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 increased by 20.0% from approximately HK\$10.2 million for the six months ended 30 September 2020 to approximately HK\$12.2 million for the six months ended 30 September 2021, mainly due to increase in headcount and retention of talented staff.

### *Net loss and net profit margin*

The Group recorded a loss attributable to owners of the Company amounted to approximately HK\$2.4 million for the six months ended 30 September 2021 (2020: HK\$1.2 million). The net profit margin becomes -14.4% for the six months ended 30 September 2021 (2020: -9.0%).

### *Cash and cash equivalents*

As at 30 September 2021, the cash and cash equivalents amounted to approximately HK\$31.6 million. The increase comparing to the balance as at 31 March 2021 was mainly due to cash inflow in investing activities.



### *Contingent liabilities*

As at 30 September 2021, the Group did not have any significant contingent liabilities.

### *Liquidity and Financial Resources*

During the Reporting Period, the Group mainly financed its operations with its own working capital. As at 30 September 2021 and 30 September 2020, the Group had net current assets of approximately HK\$27.8 million and HK\$30.0 million respectively, including cash and bank balances of approximately HK\$31.6 million and HK\$30.0 million respectively.

Since the Group had no borrowings or payables incurred not in the ordinary course of business during the six months ended 30 September 2021 and 2020, the Group was in net cash position during the six months ended 30 September 2021 and 2020 and no gearing ratio information was presented.

### *Foreign Currency Exposure*

Most of the transactions of the Group are denominated in Hong Kong dollar and the Group is not exposed to any significant foreign exchange exposure. The Group currently does not have a foreign currency hedging policy. However, the management will monitor the foreign exchange exposure should the need arise.

### *Capital Structure*

The shares of the Company have been listed on the GEM by way of placing and public offer of shares on 2 December 2016. There have been no changes in the capital structure of the Group since that date. The capital of the Group only comprises of ordinary shares.

### *Charges of Group Asset*

As at 30 September 2021, the Group did not have charges on its assets (2020: Nil).

### *Significant Investments, Acquisitions and Disposals*

During the Reporting Period, the Group did not process any other significant investment, acquisition or disposal.

### *Further Plans for Material Investments and Capital Assets*

Saved as disclosed in this announcement, the Group did not have any plans for material investments and capital assets.

### **Fund Raising Activities – Placing of Shares under General Mandate**

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 placees who and whose ultimate beneficial owners shall be independent third parties at a price of HK\$0.57 per placing share (the “**Placing**”).

The closing price was HK\$0.63 per share as quoted on the Stock Exchange on 29 April 2021, being the last trading day immediately before the date of the placing agreement.

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 annual general meeting held on 4 September 2020. The Directors believed 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 would facilitate the development of the Group’s education and tutoring business to online platform.

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; (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.

As the conditions under the placing agreement were not fulfilled on or before 20 May 2021, being the long stop date, the placing agreement has lapsed and the Placing did not proceed. Details of the Placing are set out in the announcements of the Company dated 30 April 2021 and 20 May 2021.

## 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 2021, 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 (Note 2)
Mr. Cheung Lick Keung (“ <b>Mr. Cheung</b> ”)	Interest in controlled corporation (Note 1)	28,762,000	5.50%

#### Notes:

1. The entire issued share capital of Digital Achiever Limited is legally and beneficially owned by Mr. Cheung. Mr. Cheung is deemed to be interested in the Shares in which Digital Achiever Limited is interested in under Part XV of the SFO.
2. The percentage represents the number of Shares interested divided by the number of issued Shares as at 30 September 2021 (i.e. 522,500,000 Shares).

Save as disclosed above, as at 30 September 2021, 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 2021, 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**

<b>Name of Shareholder</b>	<b>Capacity/ Nature of interest</b>	<b>Number of Shares</b>	<b>Approximate percentage of issued share (Note 3)</b>
Digital Achiever Limited	Beneficial owner (Note 1)	28,762,000	5.50%
Ms. Chan Hoi Ying Karina	Interest in spouse (Note 2)	28,762,000	5.50%

Notes:

1. The entire issued share capital of Digital Achiever Limited is legally and beneficially owned by Mr. Cheung. Mr. Cheung 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, the former executive Director is the spouse of Mr. Cheung. Ms. Chan Hoi Ying Karina is deemed to be interested in the shares in which Mr. Cheung is interested in under Part XV of the SFO.
3. The percentage represents the number of Shares interested divided by the number of the issued Shares as at 30 September 2021 (i.e. 522,500,000 Shares).

Save as disclosed above and as at 30 September 2021, 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 2021.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

During the six months ended 30 September 2021 and up to the date of this announcement, 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. Mr. Cheung Lick Keung ("**Mr. Cheung**"), the chairman and an executive Director and a substantial shareholder of the Company, for and on behalf of Digital Achiever Limited ("**Digital Achiever**"), a company wholly-owned by Mr. Cheung, informed the Company that there were disposals of the Company's shares held by Digital Achiever on the Stock Exchange in April 2021 (the "**Disposals**"), while Mr. Cheung unintentional non-fully compliance with the Rules 5.61 and 5.62 of the GEM Listing Rules with respect to dealing in any securities by first notifying in writing a director designated by the Board and receiving a dated written acknowledgment before the Disposals.

Save as disclosed above and having made specific enquiry to the Directors, the Company confirmed that all other Directors have complied with the required standards 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 Ms. Lee Yin Ting, Mr. Sek Ngo Chi and Mr. Ho Kin, all being the independent non-executive Directors of the Group. Ms. Lee Yin Ting 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 2021 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**  
*Chairman and Executive Director*

Hong Kong, 11 November 2021

*As at the date of this announcement, the executive Directors are Mr. Cheung Lick Keung, Mr. Cheung Hiu Fung and Mr. Hou Haitao; the non-executive Directors are Ms. Tse Pui Fong and Mr. Yan Ximao; and the independent non-executive Directors are Mr. Sek Ngo Chi, Mr. Ho Kin and Ms. Lee Yin Ting.*