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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 AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY

THE ACQUISITION

The Board is pleased to announce that, on 28 May 2019 (after trading hours), the Purchaser as purchaser, a direct wholly-owned subsidiary of the Company, and Mr. Cheung Lick Keung and Mr. Cheung Luk Sun as vendors entered into the Agreement, pursuant to which Mr. Cheung Lick Keung and Mr. Cheung Luk Sun have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Property at the consideration of HK\$7,500,000.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition, are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, (i) Mr. Cheung Lick Keung is indirectly interested in 166,810,000 Shares, representing approximately 31.93% of the issued share capital of the Company and is an executive Director; and (ii) Mr. Cheung Luk Sun is indirectly interested in 166,740,000 Shares, representing approximately 31.91% of the issued share capital of the Company and is a member of the senior management of the Company. Hence, Mr. Cheung Lick Keung and Mr. Cheung Luk Sun are regarded as connected persons of the Company. Accordingly, the transaction contemplated under the Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

* For identification purposes only

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition, are more than 5% but less than 25%, and the total consideration is less than HK\$10,000,000, the Acquisition constitutes a discloseable and connected transaction for the Company under Chapters 19 and 20 of the GEM Listing Rules, and is subject to the reporting and announcement requirements, but exempt from circular and independent Shareholders' approval requirements under the GEM Listing Rules.

As Completion of the Acquisition is subject to the fulfillment of the condition precedent under the Agreement, the Acquisition may or may not proceed to completion. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE ACQUISITION

The Board is pleased to announce that, on 28 May 2019 (after trading hours), the Purchaser as purchaser, a direct wholly-owned subsidiary of the Company, and Mr. Cheung Lick Keung and Mr. Cheung Luk Sun as vendors entered into the Agreement, pursuant to which Mr. Cheung Lick Keung and Mr. Cheung Luk Sun have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Property.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date: 28 May 2019

Parties:

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

Vendors: Mr. Cheung Lick Keung and Mr. Cheung Luk Sun

As at the date of this announcement, Mr. Cheung Lick Keung is indirectly interested in 166,810,000 Shares, representing approximately 31.93% of the issued share capital of the Company and is an executive Director; and Mr. Cheung Luk Sun is indirectly interested in 166,740,000 Shares, representing approximately 31.91% of the issued share capital of the Company and is a member of the senior management of the Company. As such, Mr. Cheung Lick Keung and Mr. Cheung Luk Sun are regarded as connected persons of the Company under Chapter 20 of the GEM Listing Rules.

Property to be acquired

The Property to be acquired by the Purchaser 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 for a period of 1 year commencing from 1 April 2018, at a monthly rental fee of HK\$10,000 (inclusive of government rates and property tax).

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

The Property was acquired by Mr. Cheung Lick Keung and Mr. Cheung Luk Sun in September 2001 at the aggregate consideration of HK\$1,200,000. The Property is owned by Mr. Cheung Lick Keung and Mr. Cheung Luk Sun as tenants in common of half share each.

Consideration

The consideration is HK\$7,500,000, which shall be payable by the Purchaser by way of cash upon completion of the Agreement.

The consideration was determined after arm’s length negotiations between the parties to the Agreement by reference to the preliminary valuation of the Property, the prevailing market conditions, the location of the Property and the market price of comparable properties in the same area.

It is expected that the consideration will be financed by a combination of (i) bank financing to the extent where available; and (ii) internal resources of the Group.

Condition precedent

Completion of the Agreement is subject to and conditional upon, the vendors to the Agreement having given title to the Property in accordance with Section 13A of the Conveyancing and Property Ordinance (Cap. 219) and having proven their title to the Property at their own expense in accordance with Section 13 of the Conveyancing and Property Ordinance (Cap. 219).

Completion

Subject to the terms of the Agreement, completion of the Acquisition shall take place on or before 13 June 2019.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company. The Group is principally engaged in the provision of tutoring services to secondary school students and primary school students in Hong Kong.

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability, and a direct wholly-owned subsidiary of the Company.

The Property to be acquired is intended for self-use as tutorial centre for the business of the Group.

According to the press release of Centaline Property Agency Limited in December 2018, it was anticipated that the investment prospects in industrial and commercial properties for 2019 is optimistic. It is expected that the total investment in industrial and commercial properties will increase from HK\$135 billion in 2018 to about HK\$160 billion in 2019.

The Board (where Mr. Cheung Lick Keung (being one of the vendors) and Ms. Chan Hoi Ying Karina (being the spouse of Mr. Cheung Lick Keung) had abstained from voting in the Board meeting) considers that (i) the Acquisition is expected to improve operation independence as the Group will be able to reduce reliance on its controlling Shareholders for its ongoing business; (ii) the positive investment prospects of industrial and commercial properties in 2019; and (iii) the historical significance of the Property to the Group, as it was one of the Group's first tutorial centres.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement are on normal commercial terms and are fair and reasonable, and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

As Completion of the Acquisition is subject to the fulfillment of the condition precedent under the Agreement, the Acquisition may or may not proceed to completion. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition, are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, (i) Mr. Cheung Lick Keung is indirectly interested in 166,810,000 Shares, representing approximately 31.93% of the issued share capital of the Company and is an executive Director; and (ii) Mr. Cheung Luk Sun is indirectly interested in 166,740,000 Shares, representing approximately 31.91% of the issued share

capital of the Company and is a member of the senior management of the Company. Hence, Mr. Cheung Lick Keung and Mr. Cheung Luk Sun are regarded as connected persons of the Company. Accordingly, the transaction contemplated under the Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition, are more than 5% but less than 25%, and the total consideration is less than HK\$10,000,000, the Acquisition constitutes a discloseable and connected transaction for the Company under Chapters 19 and 20 of the GEM Listing Rules, and is subject to the reporting and announcement requirements, but exempt from circular and independent Shareholders' approval requirements under the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser as contemplated under the Agreement
“Agreement”	the formal sale and purchase agreement dated 28 May 2019 entered into among the Purchaser, Mr. Cheung Lick Keung and Mr. Cheung Luk Sun, in respect of the Acquisition and the transaction contemplated thereunder
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“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)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Property”	B10, 1/F, Goodrich Garden Shopping Arcade, 9 Leung Tak Street, Tuen Mun, New Territories, Hong Kong
“Purchaser”	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
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued 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, 28 May 2019

As at the date of this announcement, the executive Directors are Mr. Cheung Lick Keung and Ms. Chan Hoi Ying Karina; the non-executive Directors are Mr. Tsang Hin Man Terence and Ms. Wong Yi Ling; 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 Stock 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.