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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

Placing Agent

Cheong Lee Securities Limited

On 25 August 2023, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, to not less than six independent Placees for up to 151,325,926 new Shares at a price of HK\$0.034 per Placing Share, for and on behalf of the Company.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Placing Shares. If such condition is not fulfilled, the Placing will not proceed.

The maximum number of 151,325,926 Placing Shares represents approximately 20.00% of the entire issued share capital of the Company of 756,629,630 Shares as at the date of this announcement and approximately 16.67% of the Company's entire issued share capital as enlarged by the Placing. The net proceeds from the Placing of approximately HK\$5.1 million (assuming the Placing Shares are fully placed and after all relevant expenses) will be used for general working capital.

THE PLACING AGREEMENT

Date: 25 August 2023

Placing Agent: Cheong Lee Securities Limited. To the best of the Company's knowledge, information and belief, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees: The Placing Shares will be placed to not less than six Placees who are professional, institutional and/or other investors and their ultimate beneficial owners will be Independent Third Parties. No Placee will become a substantial Shareholder (as such term is defined in the GEM Listing Rules) immediately following completion of the Placing.

Number of Placing Shares: Up to 151,325,926 new Shares, to be placed by the Placing Agent on a best effort basis. Assuming the Placing Shares are fully placed, the Placing Shares represents approximately 20.0% of the entire issued share capital of the Company of 756,629,630 Shares as at the date of this announcement and approximately 16.67% of the Company's entire issued share capital as enlarged by the Placing. The nominal value of the Placing Shares is HK\$1,513,259.

Placing Price: HK\$0.034 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on GEM. The Placing Price represents:

- (a) a discount of approximately 17.1% to the closing price of HK\$0.041 per Share as quoted on the GEM on 25 August 2023, being the date of the Placing Agreement;
- (b) a discount of approximately 19.8% to the average closing price of approximately HK\$0.042 per Share as quoted on the GEM for the last 5 full trading days of the Shares immediately before 25 August 2023 being the date of the Placing Agreement.

The Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK\$5.1 million (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK\$0.034.

Placing Commission: The Placing Agent will receive a placing commission of 0.5% on the gross proceeds of the Placing.

General Mandate: The Placing Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 4 August 2023 up to 151,325,926 Shares. As at the date of this announcement, no Share has been issued pursuant to the general mandate.

Ranking of Placing Shares: The Placing Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue an allotment of the Placing Shares.

Conditions to the Placing: The Placing is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Placing Shares.

If the above condition is not fulfilled on or prior to 15 September 2023 or such later date as may be agreed between the Company and the Placing Agent, the Placing Agreement shall terminate and none of the Parties shall have any claim against the others for costs, damages, compensation or otherwise (save in respect of any antecedent breach).

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares.

No Shareholders approval is required for the Placing.

Completion of the Placing: Subject to the satisfaction of the condition set out above, the Placing is expected to be completed on the third Business Day after fulfillment of the said condition or such later time and/or such other date as the Placing Agent and the Company may agree.

Termination: The Placing Agent may terminate the Placing Agreement prior to completion of the Placing Agreement if in the opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or is likely to be materially and adversely affected by:

(a) any material breach of any of the representations and warranties set out in the Placing Agreement; or

- (b) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than 5 trading days (other than in connection with the Placing); or
- (c) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (d) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
- (e) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (f) a change or development involving a prospective change in taxation in Hong Kong or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group or its present or prospective shareholders in their capacity as such; or
- (g) any change or deterioration in the conditions of local, national or international securities markets.

EFFECT OF THE PLACING ON SHAREHOLDING

The shareholdings in the Company as at the date of this announcement and immediately after completion of the Placing is and will be as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing assuming the Placing Shares are fully subscribed	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Rainbow Kingdom Limited (Note)	129,629,630	17.13	129,629,630	14.28
Placees	0	0.00	151,325,926	16.67
Other public Shareholders	<u>627,000,000</u>	<u>82.87</u>	<u>627,000,000</u>	<u>69.05</u>
Total	<u><u>756,629,630</u></u>	<u><u>100.00</u></u>	<u><u>907,955,556</u></u>	<u><u>100.00</u></u>

Note: The entire issued share capital of Rainbow Kingdom Limited is legally and beneficially owned by Ms. Ip Sin Nam Ingrid. Ms. Ip is deemed to be interested in the Shares in which Rainbow Kingdom Limited is interested in under Part XV of the SFO.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF THE PROCEEDS

The Group is principally engaged in the provision primary school tutoring services, secondary school tutoring services and franchising services in Hong Kong.

The Directors consider that the Placing represents a good opportunity to broaden the shareholders base and capital base of the Company and to raise capital for the Group's business operation and working capital requirements. The Directors consider the terms of the Placing Agreement to be fair and reasonable and in the interest of the Group and the Shareholders as a whole.

The Company will bear all costs and expenses of approximately HK\$0.1 million in connection with the Placing. The net proceeds of approximately HK\$5.1 million from the Placing will be used for general working capital.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities for the 12 months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
21 October 2022	Placing of new Shares	HK\$4.5 million	General working capital	Fully used as general working capital

DEFINITIONS:

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong) on which banks in Hong Kong are generally open for business
“Company”	Goldway Education Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	GEM operated by 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
“Independent Third Party(ies)”	a third party, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is independent of the Company and its connected persons (as defined under the GEM Listing Rules)
“Placee”	any professional, institutional and/or other investors procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by the Company, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	Cheong Lee Securities Limited
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 25 August 2023 in relation to the Placing
“Placing Price”	HK\$0.034 per Placing Share
“Placing Shares”	a maximum of 151,325,926 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) in the share 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
Leung Wai Tai
Executive Director

Hong Kong, 25 August 2023

As at the date of this announcement, the executive Directors are Mr. Leung Wai Tai, and Ms Ip SinNam Ingrid, and the independent non-executive Directors are Mr. Yu Lap Pan, Mr. Hu Chao and Mr. Wong Chi Man.

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.

** For identification purpose only*