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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)

PROPOSED CAPITAL REORGANIZATION

The Directors proposed to implement the Capital Reorganization involving (i) the consolidation of the Shares on the basis that every 5 issued and unissued Shares of HK\$0.01 each will be consolidated into one Consolidated Share of HK\$0.05 each; (ii) the reduction of the par value of each issued Consolidated Share from HK\$0.05 to HK\$0.0001 and (iii) the sub-division of each authorized but unissued Consolidated Share into 500 New Shares of HK\$0.0001 each.

The Capital Reorganization is conditional upon fulfillment of the respective conditions in respect of the Share Consolidation, the Capital Reduction and Sub-division as described in the section headed “Conditions for Capital Reorganization” in this announcement.

A circular containing further information on the Capital Reorganization and the notice to convene the EGM will be dispatched to Shareholders as soon as practicable.

CAPITAL REORGANIZATION

The Directors proposed to reorganize the share capital of the Company in the following manner:

1. the Shares will be consolidated on the basis that every 5 issued and unissued Shares of HK\$0.01 each will be consolidated into one Consolidated Share of HK\$0.05 each;
2. subject to and after the Share Consolidation becomes effective, the par value of each issued Consolidated Share of HK\$0.05 will be reduced to HK\$0.0001 by cancelling the paid-up share capital to the extent of HK\$0.0499 on each issued Consolidated Share; and

3. upon the Capital Reduction becoming effective, each authorized but unissued Consolidated Share will be sub-divided into 500 New Shares of HK\$0.0001 each.

Effects of the Capital Reorganization

As at the date of this announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each, of which 756,629,630 Shares are in issue and are fully paid or credited as fully paid. Assuming no further Shares will be issued or repurchased after the date of this announcement, after the Share Consolidation becoming effective but before the Capital Reduction and Sub-division becoming effective, the authorized share capital of the Company will be HK\$20,000,000 divided into 400,000,000 Consolidated Shares of HK\$0.05 each, of which 151,325,926 Consolidated Shares will have been issued and fully paid or credited as fully paid. After the Capital Reduction and Sub-division becoming effective, the authorized share capital of the Company will be HK\$20,000,000 divided into 200,000,000,000 New Shares of HK\$0.0001 each, of which 151,325,926 New Shares will have been issued and fully paid or credited as fully paid.

Assuming no further Shares will be issued or repurchased after the date of this announcement, a credit of approximately HK\$7.55 million will arise as a result of the Capital Reduction. Such credit will be transferred to a distributable reserve account of the Company. The account will be applied by the Directors for such purposes permitted under the applicable laws.

The Consolidated Shares and New Shares will rank pari passu in all respects with each other in accordance with the Company's memorandum and articles of association. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Consolidated Shares regardless of the number of share certificates held by such holder.

Other than the expenses to be incurred in relation to the Capital Reorganization, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders.

Conditions for Capital Reorganization

The Share Consolidation is conditional upon the following:

1. the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;

2. the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares in issue following the Share Consolidation taking effect.

The Capital Reduction and Sub-division are conditional upon the following:

1. the passing of a special resolution by the Shareholders to approve the Capital Reduction and Sub-division at the EGM;
2. the Share Consolidation being approved by the Shareholders at the EGM and became effective;
3. the Court confirming the Capital Reduction and compliance with any conditions the Court may impose in relation to the Capital Reduction;
4. the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the New Shares in issue following the Capital Reduction and Sub-division taking effect; and
5. registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act with respect to the Capital Reduction.

The Capital Reorganization shall become effective when the respective conditions mentioned above in respect of the Share Consolidation, the Capital Reduction and Share Sub-division are fulfilled. Upon the approval by the Shareholders of the Capital Reduction and the Sub-division at the EGM, the legal advisors to the Company (as to Cayman Islands law) will apply to the Court for hearing date(s) to confirm the Capital Reduction and a further announcement will be made by the Company as soon as practicable after the Court hearing date(s) is confirmed.

Listing Application

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares and New Shares arising from the Capital Reorganization.

REASONS FOR THE CAPITAL REORGANIZATION

According to GEM Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities.

In view of the recent trading prices of the Shares, the Board proposed to implement the Capital Reorganization. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares.

In addition, the Company is prohibited from issuing new shares at below their par value under the Company's articles of association and the Companies Act. The Capital Reduction will give the Company greater flexibility in pricing any future issue of shares.

Accordingly, the Board is of the view that the Capital Reorganization is in the interests of the Company and the Shareholders as a whole.

The Board confirms that it has no intention to carry out any corporate actions offsetting the effect of the Capital Reorganization within the next 12 months.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be dispatched to the Shareholders in relation to the Capital Reorganization.

EXCHANGE OF SHARE CERTIFICATES

The new share certificates will be in the colour of red in order to distinguish them from the existing share certificates which are blue in colour. Subject to the Share Consolidation becoming effective, Shareholders may during the prescribed period submit share certificates for existing Shares to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, to exchange, at the expense of the Company, for certificates of the Consolidated Shares (on the basis of 5 existing Shares for one Consolidated Share) within the prescribed time. Thereafter, certificates of Shares will remain effective as documents of title but will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) per certificate issued or cancelled, whichever is higher, payable by Shareholders.

SHARE OPTIONS

As at the date of this announcement, there are outstanding share options granted under the Share Option Scheme to subscribe for 52,250,000 new Shares. The auditor of the Company or an independent financial adviser will be engaged by the Company in accordance with the terms of the Share Option Scheme to certify in writing as to the adjustments (if any) required to be made in respect of the share options as a result of the Capital Reorganization. The Company will make further announcements about the adjustments in due course.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Capital Reorganization:

Despatch of circular with notice of EGM	On or before Monday, 9 October 2023
Latest time for lodging transfers of Shares in order to qualify for EGM	4:30 p.m. on Thursday, 19 October 2023
Register of members closes (both days inclusive)	From Friday, 20 October 2023 to Thursday, 26 October 2023
Latest time for lodging proxy form	2:30 p.m. on Tuesday, 24 October 2023
Record date for EGM	Thursday, 26 October 2023
Date of EGM	2:30 p.m. on Thursday, 26 October 2023
Announcement on results of EGM	Thursday, 26 October 2023
Effective date for the Share Consolidation	Monday, 30 October 2023
First day for free exchange of existing share certificates for new share certificates	Monday, 30 October 2023
Dealing in Consolidated Shares commences	9:00 a.m. on Monday, 30 October 2023
Original counter for trading in Shares in board lots of 12,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Monday, 30 October 2023
Temporary counter for trading in Consolidated Shares in board lots of 2,400 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 30 October 2023
Original counter for trading in Consolidated Shares in board lots of 12,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Monday, 13 November 2023

Parallel trading in Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Monday, 13 November 2023
Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares	9:00 a.m. on Monday, 13 November 2023
Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares	4:00 p.m. on Friday, 1 December 2023
Temporary counter for trading in Consolidated Shares in board lots of 2,400 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Friday, 1 December 2023
Parallel trading in Consolidated Shares in the form of new share certificates and existing share certificates closes	4:10 p.m. on Friday, 1 December 2023
Last day for free exchange of existing share certificates for new share certificates	Tuesday, 5 December 2023
<i>The following events are conditional on the results of the EGM and the approval of the Court to the Capital Reduction. It may take approximately 2 to 3 months for the Company to obtain hearing dates before the Court which will be subject to the availability of the Court over which the Company has no control. The dates are therefore tentative.</i>	
Effective date for the Capital Reduction and Sub-division	After 4:00 p.m. on Monday, 29 January 2024

EGM AND CIRCULAR

The Capital Reorganization is subject to the Shareholders' approval(s) at the EGM. A circular containing further information on the Capital Reorganization and the notice of the EGM will be dispatched to the Shareholders as soon as possible.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Board”

the Board of directors of the Company

“Capital Reduction”	the proposed reduction of the par value of each issued Consolidated Share from HK\$0.05 to HK\$0.0001 by cancelling the paid up share capital to the extent of HK\$0.0499 on each issued Consolidated Share
“Capital Reorganization”	the proposed capital reorganization of the Company’s share capital involving (i) the Share Consolidation; (ii) the Capital Reduction and (iii) the Sub-division
“Company”	Goldway Education Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Consolidated Shares”	new ordinary share(s) of HK\$0.05 each in the share capital of the Company after the Share Consolidation becoming effective and before the Capital Reduction and Sub-division becoming effective
“Court”	the Grand Court of the Cayman Islands
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Capital Reorganization
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“New Shares”	new ordinary share(s) of HK\$0.0001 each in the share capital of the Company after the Capital Reduction and Sub-division became effective
"Share(s)"	ordinary share(s) of HK\$0.01 each in the share capital of the Company

"Shareholder(s)"	holder(s) of the Shares or Consolidated Shares or New Shares
"Share Consolidation"	the proposed consolidation of every 5 issued and unissued Shares into one Consolidated Share in the issued and unissued share capital of the Company
"Share Option Scheme"	the share option scheme of the Company adopted on 3 November 2016
"Sub-division"	the proposed sub-division of each authorized but unissued Consolidated Share into 500 New Shares of HK\$0.0001 each
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By Order of the Board of
Goldway Education Group Limited
Leung Wai Tai
Executive Director

Hong Kong, 11 September 2023

As at the date of this announcement, the executive Directors are Mr. Leung Wai Tai, Ms Ip Sin Nam Ingrid and Mr. Cheung Tung Tsun Billy, 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*