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新威斯顿集团有限公司

**NEW WESTERN GROUP LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8242)**

**TERMINATION OF DISCLOSEABLE TRANSACTION  
IN RELATION TO ACQUISITION OF 49% EQUITY INTEREST  
IN THE TARGET COMPANY**

References are made to the announcement of New Western Group Limited (the “**Company**”) dated 16 March 2020 (the “**Announcement**”) in relation to, among other things, the transaction of the Company regarding the acquisition of 49% equity interest in the Target Company. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise defined.

As disclosed in the Announcement, the completion shall take place on such date as may be mutually agreed by the Vendor and the Purchaser in writing. The Purchase has been conducting due diligence in respect of the Target Company, and as at the date of this announcement, the completion has not been taken place.

**TERMINATION NOTICE**

The Board announces that on 10 March 2021, the Purchaser decided not to proceed with the Acquisition and issued a written notice (the “**Notice**”) to the Vendor to terminate the S&P Agreement and the transactions contemplated thereunder (the “**Transactions**”). Pursuant to the Notice, the S&P Agreement shall be terminated with effect from the date of the Notice, and the Purchaser and the Vendor shall release each other from their respective and obligations under the S&P Agreement. Following the Termination, the Purchaser is seeking the repayment of the Outstanding Amount, being the principal amount of HK\$30.0 million, and its accrued interests, from the Vendor.

## **REASONS FOR THE TERMINATION**

In view of the facts that (i) the due diligence information in respect of the Target Company has not been fully obtained, (ii) the result of the existing due diligence is not satisfactory, and (iii) the Vendor is in breach of a warranty under the S&P Agreement; having duly considered all circumstances, including the interests of the Company and its Shareholders, the Company has decided not to proceed with the Acquisition.

## **IMPACT OF THE TERMINATION**

Except for the Outstanding Amount and its accrued interests, the Board considers that the termination of the Acquisition shall not have any material adverse impact on the financial position and business operation of the Group. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in securities of the Company.

By order of the Board  
**New Western Group Limited**  
**Gan Lin**

*Executive Director and Chief Executive Officer*

Hong Kong, 10 March 2021

*As at the date of this announcement, the executive Directors are Mr. Zhang Qing, Mr. Gan Lin, Ms. Li Nian, Mr. Yu Kwan Tseung Alvin and Mr. Wong Kong; and the independent non-executive Directors are Mr. Chiu Yu Wang and Dr. Gao Jinkang.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*This announcement, for which the director of the Company 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 director of the Company, 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 GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of the publication and will be published on the website of the Company at [www.newwesterngroup.com.hk](http://www.newwesterngroup.com.hk).*