NEWAY GROUP HOLDINGS LIMITED
中星集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00055)

PROFIT WARNING

The Board wishes to inform the shareholders and potential investors of the Company that based on the preliminary review and analysis of the unaudited consolidated management accounts of the Group currently available, the Group is expected to record a loss for 1H 2018 in a range from approximately HK$32 million to approximately HK$47 million, as compared to a profit of approximately HK$3.9 million for 1H 2017.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Neway Group Holdings Limited ("**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

* *For identification purpose only*

The board ("**Board**") of directors ("**Directors**") of the Company wishes to inform the shareholders and potential investors of the Company that based on the preliminary review and analysis of the unaudited consolidated management accounts of the Group currently available, the Group is expected to record a loss for the six months ended 30 June 2018 ("**1H 2018**") in a range from approximately HK$32 million to approximately HK$47 million, as compared to a profit of approximately HK$3.9 million for the six months ended 30 June 2017 ("**1H 2017**").

The loss recorded for 1H 2018 was primarily attributable to (i) the decrease in gross profit margin of manufacturing and sales segment for 1H 2018 as compared to that of 1H 2017; (ii) the fair value loss on held-for-trading investments of approximately HK$22.4 million recorded during 1H 2018 (1H 2017: fair value loss of approximately HK$10.1 million); and (iii) the impairment loss on other investments of approximately HK$12.8 million recorded during 1H 2018 (1H 2017: nil).

The Company is still in the process of finalising the consolidated results of the Group for 1H 2018, especially the amount of the impairment loss on other investments. The information contained in this announcement is only a preliminary assessment by the management of the Company based on the unaudited consolidated management accounts of the Group currently available and have not been audited or reviewed by the auditors of the Company. The finalised unaudited consolidated results of the Group for 1H 2018 are expected to be published on 31 August 2018.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Neway Group Holdings Limited
Suek Ka Lun, Ernie
Chairman

Hong Kong, 14 August 2018

As at the date of this announcement, the Board comprises Mr. Suek Ka Lun, Ernie (Chairman) and Mr. Suek Chai Hong (Chief Executive Officer) being the executive Directors; Dr. Ng Wai Kwan, Mr. Chan Kwing Choi, Warren and Mr. Wong Sun Fat being the non-executive Directors; Mr. Lee Kwok Wan, Mr. Lai Sai Wo, Ricky and Mr. Chu Gun Pui being the independent non-executive Directors; and Mr. Lau Kam Cheong being the alternate Director to Dr. Ng Wai Kwan.