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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 substantial decrease in profit or even a loss for FY 2018, as compared to a profit of approximately HK\$47.9 million for FY 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 substantial decrease in profit or even a loss for the year ended 31 December 2018 (“**FY 2018**”), as compared to a profit of approximately HK\$47.9 million for the year ended 31 December 2017 (“**FY 2017**”). The Board considers that such drop was primarily attributable to (i) the increase of approximately HK\$8.2 million in fair value loss on held-for-trading investments as compared to that of FY 2017 recorded during FY 2018 (FY 2017: fair value loss of approximately HK\$19.2 million); and (ii) the absence of one-off gain of approximately HK\$46.6 million arising from a swap of land in Qingyuan City recorded in FY 2017.

The Company is still in the process of finalising the consolidated results of the Group for FY 2018, especially the amount of the impairment loss (if any) on certain trade receivables and the fair value of the Group’s other financial assets and investment properties. 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 audited consolidated results of the Group for FY 2018 are expected to be announced by the end of March 2019.

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, 21 January 2019

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.