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

(Incorporated in Bermuda with limited liability)

(Stock Code: 00055)

UPDATE ON PROFIT WARNING

This announcement is made further to and an update on the profit warning announcement of the Company dated 21 January 2019 in respect of the final results of the Company for FY 2018.

The Group is expected to record a loss in the range of approximately HK$40.0 million to approximately HK$55.0 million 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*

This announcement is made further to and an update on the profit warning announcement of the Company dated 21 January 2019 in respect of the final results of the Company for the year ended 31 December 2018 ("**FY 2018**").

The board ("**Board**") of directors ("**Directors**") of the Company wishes to inform the shareholders and potential investors of the Company that after further assessment of the impairment loss on certain trade receivables and the fair value of the Group's other financial assets and investment properties, the Group is expected to record a loss in the range of approximately HK$40.0 million to approximately HK$55.0 million for 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$16.3 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); (ii) the decrease of approximately HK$9.3 million in fair value gain on investment properties as compared to that of FY 2017 recorded during FY 2018 (FY 2017: fair value gain of approximately HK$20.3 million); (iii) the net expected credit losses on trade receivables and contract assets of approximately HK$11.4 million recorded in FY 2018; (iv) the provision for deferred tax of approximately HK$12 million recorded in FY 2018 in connection with the disposal of Zen Vantage Limited (further details of which are set out in the Company's circular dated 25 June 2018); and (v) 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. 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 on 25 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, 12 March 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.