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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)

DISCLOSEABLE TRANSACTION – RENOVATION FRAMEWORK CONTRACT

THE FRAMEWORK CONTRACT

The Board wishes to announce that on 22 March 2019, Neway Chung Tai (SZ), a wholly-owned subsidiary of the Company, entered into the Framework Contract with the Contractor pursuant to which the Contractor has agreed to undertake the Renovation Works for Neway Chung Tai (SZ) at a total contract price of not more than RMB2.4 million (equivalent to approximately HK\$2,803,000).

IMPLICATIONS UNDER THE LISTING RULES

During the period from 23 July 2018 to 21 February 2019, the Group has signed the Previous Contracts with the Contractor for the refurbishment of the SZ Factory at an aggregate contract price of approximately RMB2.7 million (equivalent to approximately HK\$3,154,000).

The Framework Contract, when aggregated with the Previous Contracts, constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

* *For identification purpose only*

INTRODUCTION

The Board wishes to announce that on 22 March 2019, Neway Chung Tai (SZ), a wholly-owned subsidiary of the Company, entered into the Framework Contract with the Contractor pursuant to which the Contractor has agreed to undertake the Renovation Works for Neway Chung Tai (SZ). Pursuant to the Framework Contract, Individual Contracts will be entered into between Neway Chung Tai (SZ) and the Contractor in stages which will govern the detailed performance of specific aspect(s) of the Renovation Works.

THE FRAMEWORK CONTRACT

The principal terms of the Framework Contract are set out below:

Date: 22 March 2019

Parties: (i) Neway Chung Tai (SZ), a wholly-owned subsidiary of the Company; and

(ii) the Contractor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the principal business of the Contractor is the provision of renovation works for office premises and industrial buildings, construction of partition walls and outer-walls, design and construction of fire safety, air-conditioning and electricity systems, design and construction of purification equipments and systems and provision of repair and maintenance service; and trading of computer and communication accessories and office equipments; and (ii) each of the Contractor and its ultimate beneficial owner(s) is a party independent of the Company and its connected person(s) (as defined under the Listing Rules).

Renovation Works: The renovation works to be carried out in the No.5 building of the SZ Factory which include but not limited to the following:

- (i) in respect of the clean rooms on the first floor: demolition of existing buildings and decoration; demolition of partition walls; re-establishment of a machine foundation platform with load bearing capacity of 3 metric tons; construction of purification equipment and fitting out works required for class 1,000 clean rooms and construction materials dust room;
- (ii) in respect of the clean rooms on the second floor: demolition of existing buildings and decoration; demolition of partition walls; leveling of platforms; construction of purification equipment and fitting out works required for class 10,000 clean rooms; demolition of wall and installation of roller shutters; and construction of activated carbon filtration system for treatment of exhaust emissions;
- (iii) installation of closed-circuit television (CCTV) system;
- (iv) construction of elevating platform; and
- (v) laying of cables.

Total contract price: The total contract price of the Renovation Works shall be not more than RMB2.4 million (equivalent to approximately HK\$2,803,000), inclusive of the PRC value-added tax. The actual contract price will be split into and stipulated in several Individual Contracts and shall be paid by Neway Chung Tai (SZ) in the following manner:

- (i) 30% of the individual contract price shall be paid as deposit upon signing of the relevant Individual Contract;
- (ii) a further 20% of the individual contract price shall be paid upon completion of 50% of the portion of Renovation Works specified under the relevant Individual Contract; and
- (iii) the remaining 50% of the individual contract price shall be paid within 30 days after the formal inspection and acceptance by the relevant printing division and the engineering department of Neway Chung Tai (SZ) and the issuance of the relevant tax invoice by the Contractor.

The total contract price will be funded by internal resources of the Group.

The terms (including the total contract price) of the Framework Contract were determined after arm's length negotiations between the parties and with reference to the standards required for the Renovation Works, the experience, market position and job reference of the Contractor for works of similar nature.

REASONS FOR AND BENEFIT OF ENTERING INTO THE FRAMEWORK CONTRACT

The Group is principally engaged in (i) provision of technical consultancy service and sales of gaming machines; (ii) money lending; (iii) manufacturing and sale of printing products; (iv) artistes management, production and distribution of music albums and movies; (v) property development and investment; (vi) securities trading; and (vii) trading of printing products.

The purpose of the Renovation Works is to cope with the expected increase in sales orders for printing products which are required to be produced in clean rooms as the production capacity and the quality standard of the existing clean rooms in the SZ Factory are no longer able to fulfill the requirements for these sales orders.

The Directors consider that the terms of the Framework Contract are normal commercial terms and are fair and reasonable and that the Renovation Works are in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

During the period from 23 July 2018 to 21 February 2019, the Group has signed the Previous Contracts with the Contractor for the refurbishment of the SZ Factory at an aggregate contract price of approximately RMB2.7 million (equivalent to approximately HK\$3,154,000).

The Framework Contract, when aggregated with the Previous Contracts, constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	Neway Group Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange

“Contractor”	深圳市義新設計裝飾工程有限公司, a company incorporated in the PRC with limited liability
“Director(s)”	director(s) of the Company
“Framework Contract”	the renovation framework contract dated 22 March 2019 entered into between Neway Chung Tai (SZ) and the Contractor in respect of the Renovation Works
“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
“Individual Contracts”	the individual renovation contracts to be entered into between Neway Chung Tai (SZ) and the Contractor which will govern the detailed performance of specific aspect(s) of the Renovation Works
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Neway Chung Tai (SZ)”	中星中大印刷(深圳)有限公司 (unofficial English translation being Neway Chung Tai Printing (Shenzhen) Company Limited), a wholly foreign-owned enterprise established in the PRC and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Contracts”	the various contracts entered into between the Group and the Contractor during the period from 23 July 2018 to 21 February 2019 in relation to various construction, renovation and/or refurbishment works for the SZ Factory

“Renovation Works”	the renovation works to be carried out by the Contractor in the No. 5 building of the SZ Factory pursuant to the Framework Contract, the details of which are set out in the sub-paragraph headed “Renovation Works” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SZ Factory”	an industrial complex located in Bao’an Village, Henggang Town, Longgang District, Shenzhen, the PRC which is the production plant of the Group for its printing products
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

In this announcement, for the purpose of illustration only, amounts quoted in RMB has been converted into HK\$ at the rate of RMB0.856 to HK\$1. Such exchange rate has been used, where applicable, for the purpose of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 22 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.