# 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

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

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 in the range of approximately HK$25 million to HK$38 million for FY 2019, as compared to a loss of approximately HK$38 million for FY 2018.

**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) ("**SFO**").

* *For identification purpose only*

The board ("**Board**") of directors ("**Directors**") of the Company wishes to inform the shareholders of the Company ("**Shareholders**") and potential investors 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 in the range of approximately HK$25 million to HK$38 million for the year ended 31 December 2019 ("**FY 2019**"), as compared to a loss of approximately HK$38 million for the year ended 31 December 2018 ("**FY 2018**") ("**Profit Warning**"). The Board considers that such decrease in loss was primarily attributable to (i) the decrease of fair value loss on held-for-trading investments recorded during FY 2019 to approximately HK$22 million as compared to that of FY 2018 (FY 2018: fair value loss of approximately HK$36.7 million), (ii) the decrease of impairment loss on certain trade receivables and other financial assets to approximately HK$5 million as compared to that of FY 2018 (FY 2018: fair value loss of approximately HK$11 million) and (iii) the gain on disposal of Sichuan Yinghua Real Estate Co. Ltd.（四川英華房地產有限公司）("**Yinghua**") completed in FY 2019 of approximately HK$12 million, which was offset by the fair value loss of investment properties of approximately HK$18 million recorded during FY 2019 (FY 2018: fair value gain of approximately HK$11 million).

The Company is still in the process of finalising the consolidated results of the Group for FY 2019, especially the amount of the impairment loss (if any) on certain trade receivables and the fair value of the Group's other financial assets. 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 2019 are expected to be published before the end of March 2020.

Reference is made to (i) the announcement of the Company dated 10 January 2020 (the "**Rights Issue Announcement**") in relation to, among other things, the Rights Issue (as defined in the Rights Issue Announcement) and the Whitewash Waiver (as defined in the Rights Issue Announcement); and (ii) the announcement of the Company dated 31 January 2020 in relation to, among other things, the revised expected timetable in relation to the Rights Issue.

Pursuant to Rule 10 of the Hong Kong Code on Takeovers and Mergers ("**Takeovers Code**"), the Profit Warning constitutes a profit forecast and must be reported on by the Company's financial adviser and auditors or reporting accountants. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (timewise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code. The Company would like to draw the attention of the shareholders and potential investors of the Company that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus they are advised to exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Rights Issue and the Whitewash Waiver and in dealing with the securities of the Company. The announcement of the audited final results of the Company for the year ended 31 December 2019 is expected to be published before the end of March 2020, and is expected to be published prior to the despatch of the next document to be sent to the shareholders (i.e. the circular containing details of the Rights Issue and the Whitewash Waiver). Following the publication of the audited final results of the Company for the year ended 31 December 2019, the requirement to report on the Profit Warning under Rule 10 of the Takeovers Code will no longer apply.

**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, 16 March 2020

*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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, 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.*