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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

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$85 million to HK$100 million for FY 2020, as compared to a loss of approximately HK$31.0 million for FY 2019.

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$85 million to HK$100 million for the year ended 31 December 2020 ("**FY 2020**"), as compared to a loss of approximately HK$31.0 million for the year ended 31 December 2019 ("**FY 2019**").

The Board considers that such increase in loss was primarily attributable to (i) the increase of fair value loss on held-for-trading investments recorded during FY 2020 to approximately HK$32.5 million as compared to that of FY 2019 (FY 2019: fair value loss of approximately HK$21.8 million); (ii) the recognition of impairment loss on certain loan receivables of approximately HK$25.5 million (FY 2019: Nil); (iii) the exchange loss of approximately HK$8.1 million recorded in FY 2020 due to appreciation of RMB (FY 2019: gain of approximately HK$1.0 million); and (iv) the absence of 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$11.8 million.

The Company is still in the process of finalising the consolidated results of the Group for FY 2020. 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 2020 are expected to be published before the end of March 2021.

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, 10 March 2021

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.