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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)

**VOLUNTARY ANNOUNCEMENT –
DESIGN AGREEMENT**

On 1 April 2021, Zhongda Qingyuan, a wholly-owned subsidiary of the Company, entered into the Design Agreement with the Design Company, pursuant to which Zhongda Qingyuan engaged the Design Company for the provision of the Design Works in relation to the Project for an estimated total contract price of approximately RMB8,370,000 (equivalent to approximately HK\$9,876,600).

THE DESIGN AGREEMENT

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The Board would like to make this announcement to disclose the principal terms of the Design Agreement on a voluntary basis in order to keep the Shareholders informed of the recent development of the Group.

* *For identification purpose only*

A summary of the principal terms of the Design Agreement is set out as follows:

Date: 1 April 2021

Parties: (i) Zhongda Qingyuan; and
(ii) the Design Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Design Company is principally engaged in construction engineering design, construction decoration engineering design, construction curtain wall engineering design, light steel structure engineering design, construction intelligent system design, lighting engineering design and fire safety facility engineering design; blueprinting services; engineering consultancy; housing safety appraisal; (ii) the ultimate beneficial owner of the Design Company who controls one-third or more of the Design Company is Huang Qishan (黃岐山); and (iii) each of the Design Company and its ultimate beneficial owners is an Independent Third Party.

Scope of services: The Design Company shall provide certain design works in relation to the Project which shall comprise (i) the overall conceptual planning design ("**Stage 1 Design**"); (ii) architectural design ("**Stage 2 Design**"); and (iii) construction design ("**Stage 3 Design**") (together, the "**Design Works**").

Contract price: The total contract price for the Design Works is estimated to be approximately RMB8,370,000 (equivalent to approximately HK\$9,876,600), among which the contract price in respect of the Stage 1 Design is fixed at RMB600,000 (equivalent to approximately HK\$708,000) while the actual contract price in respect of the Stage 2 Design and the Stage 3 Design will be determined based on the designed area submitted for approval and multiplied by the relevant unit price per square metre.

As at the date of signing of the Design Agreement, the contract price for the Stage 2 Design and the Stage 3 Design is estimated to be approximately RMB3,612,000 (equivalent to approximately HK\$4,262,160) and approximately RMB4,158,000 (equivalent to approximately HK\$4,906,440) respectively.

The contract price under the Design Agreement was determined after arm's length negotiations between Zhongda Qingyuan and the Design Company with reference to the market price for comparable services.

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

Payment schedule: 10% of the total contract price shall be paid as deposit (“**Deposit**”) within 3 days upon signing of the Design Agreement.

The remaining 90% of the contract price in respect of each stage of the Design Works shall be paid by Zhongda Qingyuan to the Design Company in the following manner:

Stage 1 Design

- (a) 50% shall be paid within 3 days upon Zhongda Qingyuan approving and confirming the submission proof of the Stage 1 Design proposal; and

- (b) 40% shall be paid within 3 days upon the submitted Stage 1 Design proposal being approved by Zhongda Qingyuan and the relevant governmental department(s).

Stage 2 Design

- (a) 50% shall be paid within 3 days upon Zhongda Qingyuan approving and confirming the submission proof of the Stage 2 Design proposal; and
- (b) 40% shall be paid within 3 days upon the submitted Stage 2 Design proposal being approved by the relevant governmental department(s).

Stage 3 Design

- (a) 30% shall be paid within 3 days upon the Design Company submitting the Stage 3 Design proposal to the design review entity engaged by Zhongda Qingyuan;
- (b) 40% shall be paid within 3 days upon the Design Company submitting the Stage 3 Design proposal that has been approved by Zhongda Qingyuan and the relevant governmental department(s); and
- (c) 20% shall be paid within 3 days upon Zhongda Qingyuan receiving the completion acceptance report in respect of the entire Project.

Termination and refund of the Deposit: In the event that Zhongda Qingyuan terminates the Design Agreement unilaterally:

- 1) if the Design Works have not been commenced, 80% of the Deposit paid shall be refunded to Zhongda Qingyuan; and
- 2) if the Design Company has commenced the Design Works, Zhongda Qingyuan shall pay the Design Company according to the actual work completed (whereby if the actual work done is less than 50% of the relevant stage, half of the contract price for the relevant stage will be payable, while if the actual work done is more than 50% of the relevant stage, the total contract price for the relevant stage will be payable) and the Deposit paid shall be applied towards the settlement of the contract price calculated as above.

REASONS FOR AND BENEFIT OF ENTERING INTO THE DESIGN AGREEMENT

The Group is principally engaged in (i) money lending; (ii) manufacturing and sale of printing and other products; (iii) artistes management, production and distribution of music albums; (iv) property development and investment; (v) securities trading; and (vi) trading of printing products.

The Design Works involve the overall planning and design for the construction of the Project and the entering into of the Design Agreement is in line with the Group's business plan. The Qingcheng Land has a total site area of approximately 208,000 square metres. The total construction area of the Project is expected to be approximately 420,000 square metres. The Project is planned to be carried out in three phases and is expected to be completed within three years.

The Directors consider that the terms of the Design Agreement are on normal commercial terms and are fair and reasonable and that it is in the interests of the Company and the Shareholders as a whole.

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
“Design Agreement”	the design agreement dated 1 April 2021 and entered into between Zhongda Qingyuan and the Design Company in relation to the Design Works
“Design Company”	廣東廣築工程設計有限公司 (unofficial English translation being Guangdong Guangzhu Engineering Design Co., Ltd.), a limited liability company established in the PRC
“Design Works”	the design works to be provided by the Design Company under the Design Agreement which are broadly described in the paragraph headed “Scope of services” under the section headed “The Design Agreement” in this announcement
“Director(s)”	director(s) of the Company
“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
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected person(s) (having the meaning ascribed to it under the Rules Governing the Listing of Securities on the Stock Exchange)

“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
“Project”	the construction work to be carried out on the Qingcheng Land for the purpose of establishing a biomedical park comprising factory buildings, administrative office and living facilities for leasing or sale to research centers and relevant enterprises in the biomedical industry
“Qingcheng Land”	a parcel of land owned by Zhongda Qingyuan and located in the Qingyuan High-Tech Industrial Development Zone at District A, Dongkeng Village Committee, Yuantan Town (North of Lianhu Industrial Park), Qingcheng District, Qingyuan City, Guangdong Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhongda Qingyuan”	中大印刷(清遠)有限公司 (unofficial English translation being Zhongda Printing (Qingyuan) Company Limited), a wholly-owned subsidiary of the Company

In this announcement, for the purpose of illustration only, amounts quoted in RMB has been converted into HK\$ at the rate of RMB1 to HK\$1.18. Such exchange rates have 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, 1 April 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.