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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
PROVISION OF FINANCIAL ASSISTANCE**

PROVISION OF FINANCIAL ASSISTANCE

On 13 December 2022, Grand Prospects and the Co-Lenders entered into Loan Agreement A with Borrower B, pursuant to which Grand Prospects and the Co-Lenders agreed to lend Loan A in the principal amount of HK\$29,000,000 to Borrower B for a repayment term of 12 months.

On the same day, Grand Prospects and the Co-Lenders entered into Loan Agreement B with Borrower A and Guarantor A, pursuant to which Grand Prospects and the Co-Lenders agreed to lend Loan B in the principal amount of HK\$23,000,000 to Borrower A for a repayment term of 12 months.

Prior to entering into of the Loan Agreements, Grand Prospects and the Co-Lenders entered into the Existing Loan Agreement for the grant of the Existing Loan on 31 October 2022 with Borrower A and the Guarantors.

* *For identification purpose only*

LISTING RULES IMPLICATIONS

As the Borrowers are associated with each other and the Loan Agreements were entered into on the same day, the transactions contemplated under the Loan Agreements are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the aggregate amount of the Loans exceeds 5% but is less than 25%, the grant of the Loans constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Borrowers are associated with each other and the Loan Agreements were entered into on a date within a 12-month period of the date of the Existing Loan Agreement, the transactions contemplated under the Existing Loan Agreement and the Loan Agreements are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the aggregate amount of the Existing Loan and the Loans exceeds 5% but is less than 25%, the grant of the Existing Loan and the Loans still constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

BACKGROUND

On 13 December 2022, Grand Prospects and the Co-Lenders entered into Loan Agreement A with Borrower B, pursuant to which Grand Prospects and the Co-Lenders agreed to lend Loan A in the principal amount of HK\$29,000,000 to Borrower B for a repayment term of 12 months.

On the same day, Grand Prospects and the Co-Lenders entered into Loan Agreement B with Borrower A and Guarantor A, pursuant to which Grand Prospects and the Co-Lenders agreed to lend Loan B in the principal amount of HK\$23,000,000 to Borrower A for a repayment term of 12 months.

The principal terms of the Loan Agreements are set out as follows:–

LOAN AGREEMENT A

Date : 13 December 2022

Lenders : Grand Prospects and the Co-Lenders

Borrower : Borrower B

Loan : in the principal amount of HK\$29,000,000, as severally committed by Grand Prospects and the Co-Lenders:

Grand Prospects – HK\$3,974,000

Lender 2 – HK\$8,342,000

Lender 3 – HK\$8,342,000

Lender 4 – HK\$8,342,000

Effective interest rate : 24.25% per annum for the first month of the loan term and 12.25% per annum for the second to twelfth month of the loan term. The total interest payable over the whole term of the loan is HK\$3,842,504, of which HK\$526,556 shall be payable to Grand Prospects.

- Term : 12 months commencing from the loan drawdown date
- Security : First legal charges/mortgages in respect of a residential property located in Tsuen Wan and two residential properties located in Tai Po, the valuation of which, as conducted by an independent property valuer on 25 October 2022, was HK\$56,800,000 in aggregate
- Repayment term : The borrower shall repay the interests on the principal in 12 monthly instalments and the principal amount at loan maturity
- Early repayment : If the borrower makes any partial repayment within 4 months from the drawdown date, she will be subject to (i) a payment of HK\$737,000 being the administration fees for early repayment; and (ii) a minimum repayment of HK\$14,500,000.

If the borrower makes any early repayment in full within 4 months from the drawdown date, she will be subject to a payment of HK\$1,474,000 being the administration fees for early repayment.

Grand Prospects and the Co-Lenders agree to bear the risks under Loan Agreement A (including the risk of default by Borrower B) and receive the interest and principal of Loan Agreement A in proportion to the amount contributed by each of them, respectively. The rights of Grand Prospects and the Co-Lenders under Loan Agreement A are concurrent and proportional and without any priority to each other.

LOAN AGREEMENT B

Date : 13 December 2022

Lender : Grand Prospects and the Co-Lenders

Borrower : Borrower A

Guarantor : Borrower B

Loan : in the principal amount of HK\$23,000,000, as severally committed by Grand Prospects and the Co-Lenders:

Grand Prospects – HK\$3,152,000

Lender 2 – HK\$6,616,000

Lender 3 – HK\$6,616,000

Lender 4 – HK\$6,616,000

Effective interest rate : 24.75% per annum for the first month of the loan term and 12.75% per annum for the second to twelfth month of the loan term. The total interest payable over the whole term of the loan is HK\$3,162,500, of which HK\$433,400 shall be payable to Grand Prospects.

- Term : 12 months commencing from the loan drawdown date
- Security : (i) First legal charges/mortgages in respect of two residential properties located in Fanling and a commercial property located in Kwai Chung, the valuation of which, as conducted by an independent property valuer on 25 October 2022, were HK\$44,600,000 in aggregate
- (ii) A deed of guarantee executed by Guarantor A in favour of Grand Prospects and the Co-Lenders, pursuant to which Guarantor A shall guarantee the repayment obligations of the borrower under Loan Agreement B
- Repayment term : The borrower shall repay the interests on the principal in 12 monthly instalments and the principal amount at loan maturity
- Early repayment : If the borrower makes any partial repayment within 4 months from the drawdown date, it will be subject to (i) a payment of HK\$603,750 being the administration fees for early repayment; and (ii) a minimum repayment of HK\$11,500,000.

If the borrower makes any early repayment in full within 4 months from the drawdown date, it will be subject to a payment of HK\$1,207,500 being the administration fees for early repayment.

Grand Prospects and the Co-Lenders agree to bear the risks under Loan Agreement B (including the risk of default by Borrower A) and receive the interest and principal of Loan Agreement B in proportion to the amount contributed by each of them, respectively. The rights of Grand Prospects and the Co-Lenders under Loan Agreement B are concurrent and proportional and without any priority to each other.

PROVISION OF THE EXISTING LOAN

Prior to entering into of the Loan Agreements, Grand Prospects and the Co-Lenders entered into the Existing Loan Agreement for the grant of the Existing Loan with Borrower A and the Guarantors. The principal terms of the Existing Loan Agreement are set out as follow:–

Date	:	31 October 2022
Lenders	:	Grand Prospects and the Co-Lenders
Borrower	:	Borrower A
Guarantors	:	Borrower B and Guarantor B
Loan	:	in the principal amount of HK\$16,000,000, as severally committed by Grand Prospects and the Co-Lenders: Grand Prospects – HK\$2,191,000 Lender 2 – HK\$4,603,000 Lender 3 – HK\$4,603,000 Lender 4 – HK\$4,603,000
Effective interest rate	:	23% per annum for the first month of the loan term and 11.25% per annum for the second to twelfth month of the loan term. The total interest payable over the whole term of the loan is HK\$1,956,667, of which HK\$267,945 shall be payable to Grand Prospects.

- Term : 12 months commencing from the loan drawdown date
- Security : (i) A first legal charge/mortgage in respect of an industrial property located in Cheung Sha Wan, the valuation of which, as conducted by an independent property valuer on 25 October 2022, was HK\$25,000,000
- (ii) A deed of guarantee executed by the Guarantors in favour of Grand Prospects and the Co-Lenders, pursuant to which the Guarantors shall guarantee the repayment obligations of the borrower under the Existing Loan Agreement
- Repayment term : The borrower shall repay the interests on the principal in 12 monthly instalments and the principal amount at loan maturity
- Early repayment : If the borrower makes any partial repayment within 4 months from the drawdown date, it will be subject to (i) a payment of HK\$373,300 being the administration fees for early repayment; and (ii) a minimum repayment of HK\$8,000,000.
- If the borrower makes any early repayment in full within 4 months from the drawdown date, it will be subject to a payment of HK\$746,600 being the administration fees for early repayment.

Grand Prospects and the Co-Lenders agree to bear the risks under the Existing Loan Agreement (including the risk of default by Borrower A) and receive the interest and principal of the Existing Loan Agreement in proportion to the amount contributed by each of them, respectively. The rights of Grand Prospects and the Co-Lenders under the Existing Loan Agreement are concurrent and proportional and without any priority to each other.

INFORMATION ON THE CREDIT RISK RELATING TO THE EXISTING LOAN AND THE LOANS

The grant of the Existing Loan and the Loans are collateralised.

The collateral provided by Borrower A for the Existing Loan is sufficient as the loan-to-value ratio of the mortgaged property for the Existing Loan is approximately 64.0% based on the value of the mortgaged property for the Existing Loan as determined by an independent valuer.

The collaterals provided by Borrower B for Loan A is sufficient as the loan-to-value ratio of the mortgaged properties for Loan A is approximately 51.1% based on the value of the mortgaged properties for Loan A as determined by an independent valuer.

The collaterals provided by Borrower A for Loan B is sufficient as the loan-to-value ratio of the mortgaged properties for Loan B is approximately 51.6% based on the value of the mortgaged properties for Loan B as determined by an independent valuer.

The advances in respect of the Existing Loan and the Loans were also made on the basis of the Company's credit assessments made on (i) the collaterals provided by the Borrowers, which are at the prime sites in Hong Kong; and (ii) the relatively short-term nature of the advances. After having taken into account the factors as disclosed above in assessing the risks of the relevant advances, the Company considers that the risks involved in the advances to the Borrowers are relatively low.

REASONS FOR AND THE BENEFIT OF THE PROVISION OF THE EXISTING LOAN AND THE LOANS

The Directors consider that the provision of the Existing Loans and the Loans is in the ordinary and usual course of the Group's money lending business. The terms (including the interest rate) of the Existing Loan Agreement and the Loan Agreements were arrived at by the parties after arm's length negotiations with reference to the prevailing market interest rates and practices.

Having taken into account the securities provided and the interest income to be received by the Group, the Directors (including the independent non-executive Directors) consider that the terms of the Existing Loan Agreement and Loan Agreements are on normal commercial terms and are fair and reasonable and the entering into of the Existing Loan Agreement and Loan Agreements are in the interests of the Company and the Shareholders as a whole.

FUNDING OF THE EXISTING LOAN AND THE LOANS

The Group has financed its portion of the Existing Loan and will finance its respective portion of the Loans with its internal resources.

LISTING RULES IMPLICATIONS

As the Borrowers are associated with each other and the Loan Agreements were entered into on the same day, the transactions contemplated under the Loan Agreements are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the aggregate amount of the Loans exceeds 5% but is less than 25%, the grant of the Loans constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Borrowers are associated with each other and the Loan Agreements were entered into on a date within a 12-month period of the date of the Existing Loan Agreement, the transactions contemplated under the Existing Loan Agreement and the Loan Agreements are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the aggregate amount of the Existing Loan and the Loans exceeds 5% but is less than 25%, the grant of the Existing Loan and the Loans still constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

Information of the Group and Grand Prospects

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; (v) property investment; (vi) securities trading; and (vii) trading of printing and other products.

Grand Prospects, an indirect wholly-owned subsidiary of the Company, is a limited liability company incorporated under the laws of Hong Kong. It is a licensed money lender under the Money Lenders Ordinance and its principal business is money lending.

Information of the Co-Lenders

Lender 2 is a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Global International Credit Group Limited, which is a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1669). Lender 2 principally engages in money lending business of providing property mortgage loans and personal loans in Hong Kong under the Money Lenders Ordinance.

Lender 3 is a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Oi Wah Pawnshop Credit Holdings Limited, which is a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1319). Lender 3 is a licensed money lender under the Money Lenders Ordinance and its principal business is money lending.

Lender 4 is a company incorporated in Hong Kong with limited liability and is ultimately and beneficially owned equally by Chan Chi Kwan, Philip, Chan Wan Man, Mable and Chan Chi Ho, Eric, respectively. Lender 4 is a licensed money lender under the Money Lenders Ordinance and its principal business is money lending.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Co-Lenders and their respective ultimate beneficial owners is an Independent Third Party.

Information of the Borrowers and Guarantor B

Borrower A is a limited liability company incorporated in Hong Kong and is principally engaged in property and investment holding. Borrower A is ultimately wholly-owned by Borrower B.

Borrower B is a merchant and the mother of Guarantor B. Borrower B is the sole ultimate beneficial owner and one of the directors of Borrower A.

Guarantor B is a merchant and the son of Borrower B.

The Borrowers and Guarantor B are new customers of the Company with no previous business relationship prior to the entering of the Existing Loan Agreement.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Borrowers and Guarantor B is an Independent Third Party.

DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Borrower A”	Shin Ho (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability, the borrower under the Existing Loan Agreement and Loan Agreement B, and an Independent Third Party
“Borrower B” or “Guarantor A”	Chen Shau Enig Liza, the borrower under Loan Agreement A, one of the guarantors under the Existing Loan Agreement and the guarantor under Loan Agreement B, being an Independent Third Party

“Borrowers”	Borrower A and Borrower B
“Co-Lenders”	Lender 2, Lender 3 and Lender 4
“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
“Director(s)”	the directors of the Company
“Existing Loan Agreement”	the loan agreement dated 31 October 2022 entered into among Grand Prospects, the Co-Lenders, Borrower A and the Guarantors in respect of the Existing Loan (as amended and supplemented by a supplemental agreement dated 22 November 2022)
“Existing Loan”	the mortgage loan in the principal amount of HK\$16,000,000 granted by Grand Prospects and the Co-Lenders to Borrower A pursuant to the Existing Loan Agreement
“Grand Prospects”	Grand Prospects Finance International Limited, a limited liability company incorporated under the laws of Hong Kong and is a licensed money lender under the Money Lenders Ordinance (Money Lender’s Licence No. 1679/2022) and an indirectly wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guarantor B”	Chan Jonathan Ka Ming, the guarantor under the Existing Loan Agreement, being an Independent Third Party
“Guarantors”	Borrower B and Guarantor B
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Independent Third Party(ies)”	a person which is a third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Lender 2”	Global International Credit Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Global International Credit Group Limited, which is a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1669)
“Lender 3”	Oi Wah Credit Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Oi Wah Pawnshop Credit Holdings Limited, which is a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1319)
“Lender 4”	Fine Talent Finance Limited, a company incorporated in Hong Kong with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	Loan A and Loan B
“Loan A”	the mortgage loan in the principal amount of HK\$29,000,000 granted by Grand Prospects and the Co-Lenders to Borrower B pursuant to Loan Agreement A
“Loan Agreement A”	the loan agreement dated 13 December 2022 entered into among Grand Prospects, the Co-Lenders and Borrower B in respect of Loan A

“Loan Agreement B”	the loan agreement dated 13 December 2022 entered into among Grand Prospects, the Co-Lenders, Borrower A and Guarantor A in respect of Loan B
“Loan Agreements”	Loan Agreement A and Loan Agreement B
“Loan B”	the mortgage loan in the principal amount of HK\$23,000,000 granted by Grand Prospects and the Co-Lenders to Borrower A pursuant to Loan Agreement B
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong)
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 13 December 2022

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; and Mr. Lee Kwok Wan, Mr. Lai Sai Wo, Ricky and Mr. Chu Gun Pui being the independent non-executive Directors.