

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **NEWAY GROUP HOLDINGS LIMITED**

**中星集團控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00055)**

### **(1) TERMINATION AGREEMENT IN RELATION TO THE LEASE AGREEMENT; (2) VOLUNTARY ANNOUNCEMENT: THE NEW LEASE AGREEMENT**

#### **THE TERMINATION AGREEMENT**

Reference is made to the Previous Announcement.

The Board announces that on 8 January 2020, the SZ Company, being a wholly-owned subsidiary of the Company, entered into the Termination Agreement with the Previous Landlord, pursuant to which the Previous Agreements are terminated with effect from 8 January 2020 as the Previous Landlord is unable to fulfill certain conditions which are prerequisite to the use of the leased premises under the Previous Lease Agreement.

#### **THE NEW LEASE AGREEMENT**

As a result of the termination of the Previous Agreements, the Tenant entered into the New Lease Agreement with the Landlord on 8 January 2020 in respect of the lease of the Premises for a term of 5 years commencing from 8 January 2020 to 7 January 2025 (both days inclusive) for use as factory premises of the Group for the manufacturing of printing products.

The Board would like to make this announcement to disclose the details of the New Lease Agreement on a voluntary basis in order to keep the Shareholders informed of the recent development of the lease arrangement of the Group.

\* *For identification purpose only*

## **THE SUPPLEMENTAL AGREEMENT**

On 8 January 2020, the Tenant and the Landlord also entered into the Supplemental Agreement.

## **THE TERMINATION AGREEMENT**

Reference is made to the Previous Announcement.

The Board announces that on 8 January 2020, the SZ Company, being a wholly-owned subsidiary of the Company, entered into the Termination Agreement with the Previous Landlord, pursuant to which the Previous Agreements are terminated with effect from 8 January 2020 as the Previous Landlord is unable to fulfill certain conditions which are prerequisite to the use of the leased premises under the Previous Lease Agreement.

Pursuant to the Termination Agreement, the parties to the Previous Agreements unconditionally agreed to terminate the Previous Agreements.

## **THE NEW LEASE AGREEMENT**

As a result of the termination of the Previous Agreements, the Tenant entered into the New Lease Agreement with the Landlord on 8 January 2020 in respect of the lease of the Premises.

The Board would like to make this announcement to disclose the details of the New Lease Agreement on a voluntary basis in order to keep the Shareholders informed of the recent development of the lease arrangement of the Group.

The principal terms of the New Lease Agreement are set out below.

Date : 8 January 2020.

Parties : (1) the Landlord; and

(2) the Tenant.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlord is principally engaged in the sale of household appliances and office equipment, property investment as well as property leasing business, and each of the Landlord and its ultimate beneficial owners is an Independent Third Party.

- Premises : (1) Factory premises with a total floor area of 11,909 sq. m.; and  
(2) a mezzanine with a total floor area of 1,000 sq. m.,  
all of which are situated at Building No.3, No.8 Shangsha Zhongnan South Road, Shangsha Community, Chang'an Town, Dongguan City, Guangdong Province, the PRC (中國廣東省東莞市長安鎮上沙社區上沙中南南路8號3號樓).
- Term : 5 years commencing from 8 January 2020 to 7 January 2025 (both days inclusive) subject to the early termination clauses in the New Lease Agreement.
- Monthly Rental : The monthly rental for the first 3 years commencing from 8 January 2020 to 7 January 2023 shall be RMB384,627.23 (equivalent to approximately HK\$428,000) and the monthly rental for the period commencing from 8 January 2023 to 7 January 2025 shall increase by 10% to RMB423,089.95 (equivalent to approximately HK\$471,000).

The Tenant shall pay the monthly rental within 10 working days upon receiving the payment invoice for the corresponding calendar month from the Landlord.

The monthly rental is exclusive of utility charges but inclusive of tax except a land-use tax in the annual amount of RMB16,000 (subject to the actual amount assessed by the tax authority of the PRC).

Rent-free period : A rent-free period from 8 January 2020 to 20 February 2020 is granted to the Tenant.

Security deposit : An amount of RMB1,060,356 (“**Security Deposit**”) shall be paid by the Tenant to the Landlord as security deposit within 10 days from the signing of the New Lease Agreement.

The Landlord shall have right to forfeit the Security Deposit in the event that the payment of monthly rental is delayed by the Tenant for more than one month.

Subject to the Landlord’s right of forfeiture as disclosed above and the Landlord’s right to deduct any sums which may be payable by the Tenant to the Landlord from the Security Deposit, the Security Deposit shall be refunded to the Tenant without interest upon expiry or early termination of the New Lease Agreement.

Early termination : In addition to the parties’ right to terminate the New Lease Agreement upon an event of default as specified in the New Lease Agreement, either party may early terminate the New Lease Agreement by giving 3 months’ prior written notice to the other party and, upon receiving the written consent from the other party, shall pay an amount equivalent to 3 months’ rent to the other party as compensation.

In addition, the New Lease Agreement may also be early terminated by reason of force majeure.

Renewal of term : The Tenant shall enjoy pre-emptive right for renewal of the lease upon the same terms and conditions. If the Tenant intends to renew the lease, it shall give written notice to the Landlord of its intention to renew 3 months prior to the expiry of the lease. Upon consent by the Landlord which shall be given 1 month prior to the expiry of the term, the Landlord and the Tenant shall enter into a new lease agreement accordingly.

## **THE SUPPLEMENTAL AGREEMENT**

The Tenant and the Landlord also entered into the Supplemental Agreement on 8 January 2020.

Pursuant to the Supplemental Agreement, the Landlord and the Tenant acknowledge that the Tenant will establish the Project Company and the Premises will be rented and used by the Project Company upon its establishment. The Landlord and the Tenant therefore agreed that a replacement lease agreement (“**Replacement Lease Agreement**”), which shall be on substantially the same terms and conditions as those of the New Lease Agreement, shall be entered into between the Landlord as lessor and the Project Company as lessee upon the establishment of the Project Company. The Replacement Lease Agreement shall supersede the New Lease Agreement and the lease term thereunder shall commence on the signing date of the Replacement Lease Agreement and end on the expiry of the original term under the New Lease Agreement.

The New Lease Agreement shall terminate upon the signing of the Replacement Lease Agreement.

## **REASONS FOR THE NEW LEASE AGREEMENT**

The Group is principally engaged in (i) money lending; (ii) manufacturing and sale of printing 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 Group is setting up a new production plant in Dongguan City, the PRC in addition to the Group's existing production plants in Shenzhen. In view of the termination of the Previous Agreements, the New Lease Agreement was entered into by the Tenant with the Landlord in substitution. The Premises will be used by the Group as the new factory premises for the manufacturing of printing products of the Group. The Directors consider that the entering into of the New Lease Agreement is necessary for the expansion of the existing production facility of the Group for the manufacturing of printing products and is beneficial to the Group as the Premises are located in the proximity of the key customers of the Group.

The terms of the New Lease Agreement and the Supplemental Agreement were arrived at after arm's length negotiations between the Landlord and the Tenant. Having considered the open market rent of comparable properties and the reasons above, the Directors consider that the terms of the New Lease Agreement and the Supplemental Agreement are on normal commercial terms and are fair and reasonable and 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
“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 People's Republic of China

“Independent Third Party”	a third party independent of the Company and its connected person(s) (having the meaning ascribed to it under the Listing Rules)
“Landlord”	東莞市金創電器貿易有限公司 (unofficial English translation being Dongguan Jin Chuang Appliances Trading Company Limited), a company incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Lease Agreement”	the new lease agreement dated 8 January 2020 entered into between the Landlord and the Tenant in relation to the lease of the Premises
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Premises”	the premises as more particularly set out in the section headed “The New Lease Agreement” in this announcement which are to be leased by the Landlord to the Tenant pursuant to the New Lease Agreement
“Previous Agreements”	the Previous Lease Agreement and the Previous Supplemental Agreement
“Previous Announcement”	announcement of the Company dated 30 October 2019 in respect of the Previous Agreements

“Project Company”	a company to be established in Dongguan City, the PRC by the Tenant as its wholly-owned subsidiary
“Previous Landlord”	東莞市宏恒景實業投資有限公司 (unofficial English translation being Dongguan Honghengjing Real Estate Investment Company Limited), a company incorporated in the PRC with limited liability, being the landlord under the Previous Lease Agreement
“Previous Lease Agreement”	the lease agreement dated 30 October 2019 signed between the Previous Landlord and the SZ Company, details of which were set out in the Previous Announcement
“Previous Supplemental Agreement”	the supplemental agreement dated 30 October 2019 signed between the Previous Landlord and the SZ Company, details of which were set out in the Previous Announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the shares of the Company
“sq. m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 8 January 2020 entered into between the Landlord and the Tenant in respect of the New Lease Agreement
“SZ Company”	錦翰印刷(深圳)有限公司 (unofficial English translation being Kam Hon Printing (Shenzhen) Company Limited), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company



“Tenant” 雅大印刷（清遠）有限公司（unofficial English translation being The Greatime Printing (Qingyuan) Company Limited), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company

“%” per cent

*In this announcement, for the purpose of illustration only, amounts quoted in RMB has been converted into HK\$ at the rate of RMB1.00 to HK\$1.1137. Such exchange rate has been used, where applicable, for the purpose of illustration only and does 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, 8 January 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.*