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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 ALERT

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 profit in the range of approximately HK\$2.0 million to HK\$10.0 million for 1H 2021, as compared to a loss of approximately HK\$50.6 million for 1H 2020.

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 profit in the range of approximately HK\$2.0 million to HK\$10.0 million for the six months ended 30 June 2021 (“**1H 2021**”), as compared to a loss of approximately HK\$50.6 million for the six months ended 30 June 2020 (“**1H 2020**”).

The Board considers that such turnaround was primarily attributable to (i) the decrease of fair value loss on held-for-trading investments recorded during 1H 2021 to approximately HK\$770,000 as compared to that of 1H 2020 (1H 2020: fair value loss of approximately HK\$33.8 million); and (ii) the increase of fair value gain of investment properties recorded during 1H 2021 to approximately HK\$39.5 million as compared to that of 1H 2020 (1H 2020: fair value gain of approximately HK\$540,000), which was partially offset by the decrease in gross profit margin of the manufacturing and sales segment mainly due to the significant increase in raw material price in 1H 2021.

The Company is still in the process of finalising the consolidated results of the Group for 1H 2021, especially the amount of the impairment loss (if any) on financial assets and contract assets and therefore, the expected profit for 1H 2021 to be recorded by the Group may be subject to further change. 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 unaudited consolidated results of the Group for 1H 2021 are expected to be published on 27 August 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, 13 August 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.