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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 LOAN**

#### **THE LOAN AGREEMENT**

The Board announces that on 6 December 2022, the Lender, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrowers and the Mortgagors. Pursuant to the Loan Agreement, the Lender agreed to grant to the Borrowers the Loan in the principal amount of HK\$4,900,000 for a repayment term of 12 months.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan exceeds 5% but is less than 25%, the provision of the Loan constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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\* *For identification purpose only*

The principal terms of the Loan Agreement are summarized as follows:

Date	:	6 December 2022
Parties	:	(1) Grand Prospects Finance International Limited (華泰財務國際有限公司), as Lender, being a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) principally engaging in money lending business;  (2) Borrower A and Borrower B, collectively as Borrowers; and  (3) Mortgagors.
Principal amount	:	HK\$4,900,000.
Term	:	12 months commencing from the loan drawdown date.
Drawdown date	:	7 December 2022.
Maturity date	:	6 December 2023.
Interest rate	:	16.62% per annum for the first month of the loan term and 12% per annum for the second to twelfth month of the loan term.
Repayment	:	The Borrowers shall repay the interest on the principal in 12 monthly instalments and the principal amount at loan maturity.

The Lender shall have a right to demand immediate repayment of the Loan and the interest accrued thereon and to enforce the security upon occurrence of an event of default (as defined in the Loan Agreement).

- Prepayment : The Borrowers may, by giving not less than one month's prior written notice to the Lender, prepay before the maturity date all or part of the Loan in accordance with the terms of the Loan Agreement.
- Security : A first legal charge/mortgage in respect of a residential property located at Waterloo Road, Kowloon, Hong Kong, the valuation of which, as conducted by an independent property valuer on 18 November 2022, was HK\$7,700,000.

## **FUNDING OF THE LOAN**

The Loan to be granted under the Loan Agreement to the Borrowers will be funded by the internal resources of the Group.

## **INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN**

The grant of the Loan is collateralised. The collateral provided by the Borrowers for the Loan is sufficient as the loan-to-value ratio of the mortgaged property for the Loan is approximately 63.64% based on the value of the mortgaged property for the Loan as determined by an independent property valuer.

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

## **INFORMATION OF THE BORROWERS**

Borrower A is a retiree and is the father of Borrower B.

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

Borrower A and Borrower B are new customers of the Company with no previous business relationship prior to the entering of the Loan Agreement.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Borrower A and Borrower B are the Independent Third Parties and not connected with the Group.

## **REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN**

The Group is principally engaged in (i) money lending; (ii) manufacturing and sales 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.

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

Having considered the financial background of the Borrowers, the security provided and the interest income to be received by the Group, the Directors consider that the terms of the Loan Agreement is on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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## DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Board”	the board of Directors
“Borrower A”	Mr. Wong Shiu Luen (黃少聯先生), one of the Borrowers under the Loan Agreement, being an Independent Third Party
“Borrower B”	Mr. Wong Ying Kit Eddie (黃英傑先生), one of the Borrowers under the Loan Agreement, being an Independent Third Party
“Borrowers”	collectively, Borrower A and Borrower B, who are also the Mortgagors
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) who is/are independent of the Company and its connected person(s) (as defined in the Listing Rules)
“Lender”	Grand Prospects Finance International Limited (華泰財務國際有限公司), a wholly-owned subsidiary of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the principal amount of HK\$4,900,000 granted by the Lender to the Borrowers pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 6 December 2022 entered into among the Lender, the Borrowers and the Mortgagors in respect of the Loan
“Mortgagors”	the Borrowers
“Shareholders”	holders of 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, 6 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.*