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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Neway Group Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(1) MAJOR TRANSACTIONS:
PROVISION OF TRANSITIONAL GUARANTEE(S)
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the SGM to be held at Unit 1103, Level 11, Tower II, Grand Century Place, 193 Prince Edward Road West, Mongkok, Kowloon, Hong Kong on Friday, 17 March 2023 at 10:30 a.m. is set out on pages SGM-1 to SGM-3 of this circular. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 10:30 a.m. on Wednesday, 15 March 2023 or not later than 48 hours before the time appointed for holding any adjourned meeting or postponed meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM should you so wish and in such event, the proxy form previously submitted shall be deemed to be revoked.

28 February 2023

* for identification purpose only

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“Bank of China”	the Guangzhou Dongshan Branch of Bank of China Ltd., a joint stock company listed on the Main Board of the Stock Exchange with stock codes 3988 and 4619 (preference shares), and the Shanghai Stock Exchange with stock code 601988
“Bank of China Cooperation Agreement”	the cooperation agreement dated 9 December 2022 and entered into between Zhongda Qingyuan and the Bank of China in respect of the provision of the Transitional Guarantee(s)
“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
“Cooperation Agreements”	the Qingyuan Bank Cooperation Agreement and the Bank of China Cooperation Agreement
“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) independent of the Company and its connected person(s) (having the meaning ascribed to it under the Listing Rules)
“Latest Practicable Date”	24 February 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Lending Banks”	the Qingyuan Bank and the Bank of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Mortgage Loan(s)”	the proposed loan(s) which may be granted by any of the Lending Banks to the Purchaser(s) for the acquisition of the Property(ies)
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property(ies)”	all or any of the industrial buildings under construction in the first stage of development of the Zhongxing Industrial Park
“Purchaser(s)”	the purchaser(s) who/which will apply for the Mortgage Loan(s) from one of the Lending Banks to fund the acquisition of the Property(ies)
“Qingcheng Land”	a parcel of land owned by Zhongda Qingyuan and located in the Qingyuan High-Tech Development Zone at District A, Dongkeng Cun Committee (東坑村委會), Yuanan Town (North of Lianhu Industrial Park), Qingcheng District, Qingyuan City, Guangdong Province, the PRC
“Qingyuan Bank”	廣東清遠農村商業銀行股份有限公司東城支行 (unofficial English translation being the Dongcheng Branch of Guangdong Qingyuan Rural Commercial Bank Co., Ltd.)
“Qingyuan Bank Cooperation Agreement”	the cooperation agreement dated 9 December 2022 and entered into between Zhongda Qingyuan and the Qingyuan Bank in respect of the provision of the Transitional Guarantee(s)
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Security Money”	the amount of security money to be deposited by Zhongda Qingyuan into the Security Money Account(s) in connection with the Transitional Guarantee(s)
“Security Money Account(s)”	special designated account(s) to be opened by Zhongda Qingyuan at each of the Lending Banks for the purpose of maintaining the Security Money

DEFINITIONS

“SGM”	a special general meeting of the Company convened to be held at 10:30 a.m. on Friday, 17 March 2023 at Unit 1103, Level 11, Tower II, Grand Century Place, 193 Prince Edward Road West, Mongkok, Kowloon, Hong Kong for the purposes of, among other matters, considering and, if thought fit, approving the Cooperation Agreements and the transactions contemplated thereunder, the notice of which is set out on pages SGM-1 to SGM-3 of this circular
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transitional Guarantee(s)”	irrevocable transitional guarantee(s) to be provided by Zhongda Qingyuan in favour of the Lending Banks in respect of the repayment obligations of the Purchaser(s) as borrower(s) of the Mortgage Loan(s)
“Zhongda Qingyuan”	中大印刷(清遠)有限公司 (unofficial English translation being Zhongda Printing (Qingyuan) Co., Ltd.), a wholly-owned subsidiary of the Company
“Zhongqing”	清遠市中清房地產開發有限公司 (unofficial English translation being Qingyuan City Zhongqing Real Estate Development Co., Ltd.), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company
“Zhongxing Industrial Park”	an industrial park named “中星工業園” (unofficial English translation being Zhongxing Industrial Park) located on the Qingcheng Land and under development by Zhongda Qingyuan
“%”	per cent.

In this circular, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.14. 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.

LETTER FROM THE BOARD



NEWAY GROUP HOLDINGS LIMITED

中星集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00055)

Executive Directors:

Mr. SUEK Ka Lun, Ernie (*Chairman*)
Mr. SUEK Chai Hong (*Chief Executive Officer*)

Non-executive Directors:

Dr. NG Wai Kwan
Mr. CHAN Kwing Choi, Warren
Mr. WONG Sun Fat

Independent non-executive Directors:

Mr. LEE Kwok Wan
Mr. LAI Sai Wo, Ricky
Mr. CHU Gun Pui

Registered office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Principal place of business in Hong Kong:

Units Nos. 1103 and 1105-1111, Level 11,
Tower II, Grand Century Place,
193 Prince Edward Road West,
Mongkok, Kowloon,
Hong Kong

28 February 2023

To the Shareholders,

Dear Sir or Madam

**MAJOR TRANSACTIONS:
PROVISION OF TRANSITIONAL GUARANTEE(S)**

1. INTRODUCTION

Reference is made to the announcements of the Company dated 9 December 2022 in respect of the Qingyuan Bank Cooperation Agreement and the Bank of China Cooperation Agreement respectively. The purpose of this circular is to provide you with information on (i) each of the Cooperation Agreements; (ii) other information required to be disclosed under the Listing Rules; and (iii) the notice of the SGM.

* For identification purposes only

LETTER FROM THE BOARD

2. BACKGROUND

The Group, through its wholly-owned subsidiary, Zhongda Qingyuan, is principally engaged in property development in the PRC. At present, Zhongda Qingyuan is developing the Zhongxing Industrial Park, which comprises an array of industrial buildings, commercial buildings, apartments and dormitories for lease or sales. The Group has started the sales and marketing activities of the first stage of development of the Zhongxing Industrial Park.

It is the usual commercial practice in the real estate industry in the PRC that property developers shall provide a transitional guarantee in favour of the mortgage banks for the buyers of properties which are still under development if the buyers will settle the purchase price of the property partly by mortgage loan.

Given that the construction work of the first stage of development of the Zhongxing Industrial Park has not been completed at present, in line with the usual commercial practice in the PRC, Zhongda Qingyuan will also provide transitional guarantees in favour of the mortgage banks for its customers of the Zhongxing Industrial Park.

3. THE COOPERATION AGREEMENTS

To cater for the needs of the Purchasers of the Properties which are still available for sale, the Board has entered into two Cooperation Agreements with the Lending Banks, pursuant to which Zhongda Qingyuan agreed to provide the Transitional Guarantee(s) in respect of the repayment obligations of the Purchaser(s) under the Mortgage Loan(s) which may be granted by the Lending Banks to the Purchaser(s).

The principal terms of the Cooperation Agreements are summarised as follows:

	Qingyuan Bank Cooperation Agreement	Bank of China Cooperation Agreement
Date	9 December 2022	9 December 2022
Parties	(1) The Qingyuan Bank, as lender; and (2) Zhongda Qingyuan, as guarantor.	(1) The Bank of China, as lender; and (2) Zhongda Qingyuan, as guarantor.
Maximum amount of the Transitional Guarantee(s)	Up to an aggregate maximum principal amount of RMB330.55 million (equivalent to approximately HK\$376.83 million)	Up to an aggregate maximum principal amount of RMB100 million (equivalent to HK\$114 million)
	The amount guaranteed by Zhongda Qingyuan under the Transitional Guarantee(s) shall include the principal amount of the Mortgage Loan(s), accrued interest thereon (including penalty interest, default interest etc.), damages and all expenses arising from the enforcement of creditor's rights by the Qingyuan Bank in respect of the Mortgage Loan(s), including but not limited to litigation fees, legal fees, travel expenses, valuation fees etc.	The amount guaranteed by Zhongda Qingyuan under the Transitional Guarantee(s) shall include the principal amount of the Mortgage Loan(s), accrued interest thereon (including penalty interest, default interest etc.), damages and all expenses arising from the enforcement of creditor's rights by the Bank of China in respect of the Mortgage Loan(s), including but not limited to litigation fees, legal fees, preservation fees etc.

LETTER FROM THE BOARD

	Qingyuan Bank Cooperation Agreement	Bank of China Cooperation Agreement
Security Money	Zhongda Qingyuan is required to open the Security Money Account(s) at the Qingyuan Bank and deposit the Security Money therein, which represents approximately 12% of the loan amount guaranteed by Zhongda Qingyuan. If any Purchaser fails to repay the principal and interest on time as stipulated in the relevant loan agreement(s) for the Mortgage Loan(s), Zhongda Qingyuan is liable to repay it on such Purchaser's behalf within thirty (30) days upon receipt of the written notice(s) issued by the Qingyuan Bank and the Qingyuan Bank has the right to deduct the amount payable by Zhongda Qingyuan from the Security Money Account(s) directly.	Zhongda Qingyuan is required to open the Security Money Account(s) at the Bank of China and deposit the Security Money therein, which represents approximately 10% of the loan amount guaranteed by Zhongda Qingyuan. If any Purchaser fails to repay the principal and interest on time as stipulated in the relevant loan agreement(s) for the Mortgage Loan(s), Zhongda Qingyuan is liable to repay it on such Purchaser's behalf and the Bank of China has the right to deduct the amount payable by Zhongda Qingyuan from the Security Money Account(s) directly. Zhongda Qingyuan shall make up any shortfall in the Security Money within five (5) working days thereafter.
Term	Zhongda Qingyuan's guarantee obligation under the Transitional Guarantee(s) will commence from the respective date(s) on which the Qingyuan Bank releases the Mortgage Loan(s) to the Purchaser(s) as stipulated in the loan agreement(s) until the end of three (3) years from the respective maturity date(s) of the Mortgage Loan(s) (including the due dates of instalments and the early maturity dates as may be notified by the Qingyuan Bank), provided that upon the completion of the relevant mortgage registration(s) over the Property(ies) as security of the Mortgage Loan(s), the guarantee obligation of Zhongda Qingyuan under the Transitional Guarantee(s) in respect of the relevant Mortgage Loan(s) shall cease immediately.	Zhongda Qingyuan's guarantee obligation under the Transitional Guarantee(s) will commence from the respective effective date(s) of the relevant loan agreement(s) and shall remain in force until the completion of the relevant mortgage registration(s) over the Property(ies) as security of the Mortgage Loan(s).
Condition precedent	The performance of the parties' obligations under each of the Cooperation Agreements is conditional upon the passing of the relevant resolution(s) approving the relevant Cooperation Agreements and the transactions contemplated thereunder by the Shareholders in accordance with the requirements of the Listing Rules at the SGM.	

To facilitate the sale of the Property(ies) and cater for the varying financial needs of the Purchasers, Zhongda Qingyuan entered into the Cooperation Agreements with the Lending Banks which offered different mortgage plans and has successfully negotiated for the highest possible limit for the Mortgage Loans. The terms of each of the Cooperation Agreements, including the maximum loan amount which may be offered by the Lending Banks and the amount of the Security Money, were negotiated and agreed between Zhongda Qingyuan and the respective Lending Banks on an arm's length basis and are on normal commercial terms.

LETTER FROM THE BOARD

As each of the Lending Banks has different business strategies and considerations when formulating their mortgage plans, there was no uniform basis upon which the respective loan amounts and the percentages of loan amount as Security Money under the Cooperation Agreements were determined. It was purely a commercial decision for the respective Lending Banks to make after considering, among other factors, the size of the construction project and the intended selling price of the Properties. The maximum loan amounts under the Qingyuan Bank Cooperation Agreement and the Bank of China Cooperation Agreement represent approximately 91% and 27% respectively of the total expected selling price of the Properties which were still available for sale as at the date of the relevant Cooperation Agreement (calculated based on the average intended selling price of RMB3,224 per square metre).

The maximum loan amount under each of the Cooperation Agreements is only a cap which the relevant Lending Bank is willing to commit for the possible grant of the Mortgage Loans. Depending on the financial needs of the Purchasers and the results of their mortgage applications with the Lending Banks, such maximum limit may or may not be fully utilitised and therefore the amount of the guaranteed liabilities of Zhongda Qingyuan under the Transitional Guarantee(s) may also vary. Although the maximum loan amount under the Bank of China Cooperation Agreement represents a relatively low percentage of the total expected selling price of the Properties which were still available for sale as at the date thereof, the Board considers that the maximum loan amount under the Qingyuan Bank Cooperation Agreement is large enough to serve as alternative and cover the Purchasers' borrowing need for the Mortgage Loans. The Board therefore considers that each of the maximum loan amounts and hence the amount of the guaranteed liabilities of Zhongda Qingyuan under the Cooperation Agreements are fair and reasonable.

The entirety of the Mortgage Loan(s) to be granted by the Lending Banks (after deducting the Security Money) will be paid to Zhongda Qingyuan for the partial settlement of the purchase price of the Property(ies). Such sale proceeds will form part of the general working capital of Zhongda Qingyuan. In the event that any Purchaser defaults on the Mortgage Loan(s), any payment obligations of Zhongda Qingyuan arising from the Transitional Guarantee(s) will be satisfied from its general working capital. In order to minimise its exposure to the accrued interests and expenses arising from the enforcement of creditor's rights by the Lending Banks in respect of the Mortgage Loan(s), Zhongda Qingyuan will perform its payment obligations arising from the Transitional Guarantee(s) as soon as practicable upon receipt of any written notice(s) issued by the Lending Bank(s).

LETTER FROM THE BOARD

Pursuant to the sale and purchase agreement(s) to be entered into between Zhongda Qingyuan and the Purchaser(s) in respect of the Property(ies) (“SPA”), each of the Purchasers shall have an obligation to repay the Mortgage Loan (if applicable) on time in accordance with the loan agreement with the relevant Lending Bank and any default by the Purchaser on the Mortgage Loan which results in Zhongda Qingyuan having to perform its repayment obligation under the relevant Transitional Guarantee shall constitute a fundamental breach of the SPA on the part of the Purchaser. In such circumstances, Zhongda Qingyuan shall have right to the following:

- (i) claim against the defaulting Purchaser which shall be obliged to indemnify Zhongda Qingyuan against all payments made by Zhongda Qingyuan on behalf of the defaulting Purchaser under the Transitional Guarantee(s) within five (5) days, failing which the defaulting Purchaser shall be liable to pay liquidated damages to Zhongda Qingyuan. If the defaulting Purchaser fails to perform the above payment obligations, Zhongda Qingyuan shall be entitled to suspend or terminate the procedures for applying for the property certificate and postpone the delivery of the relevant Property(ies) without any liability to the defaulting Purchaser; or
- (ii) unilaterally terminate the SPA and in such event, the defaulting Purchaser shall be liable to pay a liquidated damages representing 20% of the total purchase price of the relevant Property(ies) to Zhongda Qingyuan and shall indemnify Zhongda Qingyuan for all the losses and expenses incurred by it (including but not limited to legal fees, litigation fees, preservation fees etc.). Where the defaulting Purchaser has already gained possession of the relevant Property(ies) at the time of default, Zhongda Qingyuan shall also be entitled to a depreciation fee from the defaulting Purchaser at a rate of 0.6% of the total purchase price of the relevant Property(ies) and Zhongda Qingyuan shall have right to regain possession of the relevant Property(ies). Zhongda Qingyuan may set off all the above payments liable to be made by the defaulting Purchaser against the purchase price to be returned to such Purchaser and any shortfall shall be paid by the defaulting Purchaser to Zhongda Qingyuan.

In view of the above, the Board is of the view that the Company’s and the Shareholders’ assets and interests are sufficiently safeguarded in the event of default by any Purchaser.

After the construction of the relevant Property(ies) is completed, it is anticipated that it will typically take around eighteen (18) months from the commencement of the acceptance inspection procedures of the relevant Property(ies) to complete the relevant mortgage registration(s).

Although there is no definite term for the continuation of the Transitional Guarantee(s) under the Bank of China Cooperation Agreement, Article 692 of the Civil Code of the PRC provides in general that in the case where the parties have not agreed upon the duration of the guarantee period, the guarantee period shall last until the end of six (6) months from the expiry date of the time limit for performance of the principal obligation (i.e. from the maturity date of the underlying debt).

LETTER FROM THE BOARD

In other words, in the event that the relevant mortgage registration(s) cannot be completed, Zhongda Qingyuan's guarantee obligation under the Transitional Guarantee(s) may be prolonged until the end of three (3) years from the respective maturity date(s) of the Mortgage Loans (as agreed under the Qingyuan Bank Cooperation Agreement), or the end of six (6) months from the respective maturity date(s) of the Mortgage Loans (as stipulated under Article 692 of the Civil Code of the PRC in the case of the Bank of China Cooperation Agreement).

4. CURRENT STATUS OF THE PROPERTIES

The whole first stage of development of the Zhongxing Industrial Park comprises 19 industrial buildings, with a total gross floor area of approximately 133,000 square metres. As at the Latest Practicable Date, Zhongda Qingyuan had sold the industrial buildings No. 13, No. 14, No. 15, No. 17 and the first and second floors of the industrial building No. 20 in the Zhongxing Industrial Park ("**Sold Properties**"). Except for the industrial building No. 15, Zhongda Qingyuan has entered into separate cooperation agreements with banks for the provision of transitional guarantee(s) for the Sold Properties, details of which were disclosed in the announcements of the Company dated 31 October 2022, 1 November 2022, 25 November 2022, 2 December 2022, 5 January 2023 and 24 February 2023.

Zhongda Qingyuan currently does not intend to sell the Property(ies) to Purchaser(s) who is/are connected person(s) of the Group. However, if circumstances arise such that Zhongda Qingyuan sells the Property(ies) to Purchaser(s) who is/are connected person(s) of the Group, the Company will comply with all the applicable requirements under Chapter 14A of the Listing Rules as and when necessary.

The total gross floor area of the Properties, which were still available for sale as at the Latest Practicable Date, was approximately 91,000 square metres. The average intended selling price of the Properties available for sale is approximately RMB3,224 (equivalent to approximately HK\$3,675) per square metre, which was determined by the Group after taking into account factors including, but not limited to, the market price of comparable properties situated in the vicinity of the Qingcheng Land based on market information publicly available. Based on the market research conducted by the Group, the average selling price of the properties in eight (8) other comparable industrial parks in Qingyuan City, the PRC ranges from RMB3,100 to RMB3,800 per square metre. The average selling price of the Properties was determined after taking into account the aforesaid market comparables and adjusted with, among others, differences in location, the size of the Properties and the ancillary facilities in the surrounding areas.

LETTER FROM THE BOARD

5. INFORMATION OF THE PARTIES

Qingyuan Bank

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, (i) the Qingyuan Bank is a PRC commercial bank principally engaged in the provision of a range of banking services and related financial services; (ii) as at the Latest Practicable Date, the Qingyuan Bank had a diverse shareholder base comprising 3,324 individual shareholders and 13 corporate shareholders, none of whom/which held more than one-third of the equity interest of the Qingyuan Bank; (iii) as at the Latest Practicable Date, the single largest shareholder of the Qingyuan Bank holding approximately 14.20% of its equity interest was 鄭州市華馳薄板科技有限公司 (unofficial English translation being Zhengzhou Huachi Sheet Technology Co., Ltd.), the last known ultimate beneficial owner of which, according to the public records available as at the Latest Practicable Date, was an individual named Lin Wen (林文) holding 100% of its equity interest; and (iv) the Qingyuan Bank and its ultimate beneficial owners are Independent Third Parties.

Bank of China

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, (i) the Bank of China is a state-owned commercial bank established in the PRC principally engaged in the provision of a range of banking services and related financial services; and (ii) the Bank of China and its ultimate beneficial owners are Independent Third Parties.

6. REASONS FOR AND BENEFITS OF THE PROVISION OF THE TRANSITIONAL GUARANTEE(S)

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.

As it will take a considerable amount of time for property purchasers to obtain the property certificates in the PRC which is a prerequisite for the completion of the mortgage registration, it is not uncommon for property developers in the PRC to provide a transitional guarantee in favour of the banks which offer mortgage loans to the purchasers in respect of the purchasers' repayment obligations thereunder in order to facilitate the sale of properties and realise the capital recovery.

LETTER FROM THE BOARD

Having considered the prevalence of the provision of a transitional guarantee by property developers in the PRC, the Directors consider that the provision of the Transitional Guarantee(s) by Zhongda Qingyuan is in line with the relevant policy requirements and the usual commercial practice in the real estate industry in the PRC and is incidental to the ordinary and usual course of the Group's property development business.

The Directors (including the independent non-executive Directors) are also of the view that the terms of each of the Cooperation Agreements are on normal commercial terms, fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

7. IMPLICATIONS UNDER THE LISTING RULES

The provision of the Transitional Guarantee(s) under each of the Cooperation Agreements constitutes a major transaction for the Company and is therefore subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

8. SGM

The SGM will be held at Unit 1103, Level 11, Tower II, Grand Century Place, 193 Prince Edward Road West, Mongkok, Kowloon, Hong Kong on Friday, 17 March 2023 at 10:30 a.m. for the purpose of, among other matters, considering and, if thought fit, approving the Cooperation Agreements and the transactions contemplated thereunder. The notice of the SGM is set out on pages SGM-1 to SGM-3 of this circular. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 10:30 a.m. on Wednesday, 15 March 2023 or not later than 48 hours before the time appointed for holding any adjourned meeting or postponed meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM should you so wish and in such event, the proxy form previously submitted shall be deemed to be revoked.

In accordance with the Listing Rules, the resolutions will be voted on by way of poll at the SGM.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Cooperation Agreements or the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting on the resolutions to be proposed at the SGM in respect of the Cooperation Agreements and the transactions contemplated thereunder.

LETTER FROM THE BOARD

9. CLOSURE OF REGISTER OF MEMBERS

For determining the identity of the Shareholders entitled to attend and vote at the SGM, the register of members of the Company will be closed for registration of transfers of Shares from Tuesday, 14 March 2023 to Friday, 17 March 2023, both dates inclusive. In order to be entitled to attend and vote at the SGM, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 13 March 2023.

10. RECOMMENDATION

The Directors are of the view that it is fair and reasonable and in the interest of the Company and the Shareholders as a whole to enter into the Cooperation Agreements. Accordingly, the Directors recommend all Shareholders to vote in favour of the resolutions to be proposed at the SGM.

11. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information as set out in the appendices to this circular.

On behalf of the Board
NEWAY GROUP HOLDINGS LIMITED
Suek Ka Lun, Ernie
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the audited consolidated financial statements of the Group for the years ended 31 December 2019, 2020 and 2021 and the unaudited financial statements of the Group for the six months ended 30 June 2022 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://www.newwaygroup.com.hk>):

- (i) the unaudited consolidated financial information of the Group for the six months ended 30 June 2022 is disclosed in the interim report of the Company for the six months ended 30 June 2022 published on 27 September 2022, from pages 3 to 37 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0927/2022092700460.pdf>);
- (ii) the audited consolidated financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 27 April 2022, from pages 136 to 305 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042701483.pdf>);
- (iii) the audited consolidated financial information of the Group for the year ended 31 December 2020 is disclosed in the annual report of the Company for the year ended 31 December 2020 published on 29 April 2021, from pages 124 to 301 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042902491.pdf>); and
- (iv) the audited consolidated financial information of the Group for the year ended 31 December 2019 is disclosed in the annual report of the Company for the year ended 31 December 2019 published on 28 April 2020, from pages 118 to 297 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0428/2020042801478.pdf>).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 December 2022, being the latest practicable date for the purpose of ascertaining this indebtedness statement prior to the printing of this circular, the Group had aggregate outstanding borrowings of approximately HK\$125.8 million comprising (i) secured and guaranteed bank borrowings of approximately HK\$109.5 million, which were secured by the Group's land and properties situated in Hong Kong and the PRC and guaranteed by the Company and certain subsidiaries of the Company; and (ii) unsecured and unguaranteed amount due to a non-controlling shareholder of a subsidiary of the Company of approximately HK\$16.3 million.

As at 31 December 2022, the Group had outstanding lease payments in respect of leasehold land and buildings and motor vehicle of approximately HK\$63.5 million comprising (i) secured and unguaranteed lease payments of approximately HK\$28.4 million, which were secured by rental deposits paid by the Group and motor vehicle; and (ii) unsecured and unguaranteed lease payments of approximately HK\$35.1 million.

Save as disclosed above and apart from intra-group liabilities, the Group did not have any debt securities issued and outstanding or authorised or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, mortgages, charges, contingent liabilities or guarantees as at 31 December 2022.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, after taking into account the present financial resources available to the Group including but not limited to revenue generated by its principal businesses, cash and cash equivalents on hand and the banking facilities currently available, the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of publication of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. EFFECTS OF THE PROVISION OF THE TRANSITIONAL GUARANTEE(S) ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

As at 30 June 2022, the unaudited consolidated total assets and total liabilities of the Group amounted to approximately HK\$1,195.66 million and HK\$349.20 million respectively.

It is expected that there will be no financial impact on the assets and liabilities of the Group and the earnings of the Group as a result of the provision of the Transitional Guarantee(s) as it will not be recorded on the statements of financial positions of the Group until a Purchaser actually defaults on the Mortgage Loan.

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Lending Business

Given the deteriorating economic environment caused by the coronavirus disease 2019 pandemic and the keen market competition, the Group will take a calculated risk when expanding the loan portfolio. The Group will continue to use the online money lending platform to identify new customers and allocate more financial resources to expand the business scale by enlarging the loan portfolio in a cautious manner.

Manufacturing and Sales Business

The recovery of the global economy is much slower than expected and some countries have even experienced a negative economy growth rate this year. The poor economy has further suppressed the desire and the purchasing power of customers for all types of products in different extent. Although the ease of restrictions by most of the countries over the world has increased the mobility of people travelling, it still takes some time to return to normal. The prolonged political and economic tensions between the PRC and other countries and the war between Russia and Ukraine may further intensify the uncertainty of global economy. To cope with these issues, most of our customers adopted a more conservative approach this year, such as reducing inventories level and slowing down new product development progress, etc. The number of purchase orders received from both overseas and domestic customers decreased. All these factors have a negative impact on both overseas and domestic sales of printing products. To tackle these uncertainties and difficulties, the Group will carefully revise its sales strategy for expanding this segment and spare sufficient cash flow to cope with any sudden or prolonged adverse situation beyond its expectation. The Group will continue to streamline the operation flow to enhance production efficiency and reduce the operating costs. In addition, the Group will allocate more resources to the sourcing of materials to lower the overall material costs. Furthermore, to ensure proper credit control on receivables, the Group will closely monitor the collection of receivables and be cautious of any risks of bad debts from our customers.

Music and Entertainment Business

The Group will continue to allocate more resources to enhance the online sales platform to strengthen the sales of physical albums and enlarge the membership subscription. In addition, the Group will cooperate with various artistes, provide distribution services for their musical contents, and explore more opportunities to invest in potential projects in the PRC and overseas to further expand the music licensing business by acquiring or licensing existing music labels from other song master owners.

Property Development Business

At present, the Group has two property development projects. One project involves Zhongqing. The other involves Zhongda Qingyuan.

Zhongqing

The Group has commenced the compulsory enforcement proceedings against Zhongqing to put the land owned by Zhongqing for sales in an auction (“**Compulsory Enforcement**”). More details of the Compulsory Enforcement were disclosed in the circular of the Company dated 24 June 2022. The Shareholders passed the resolution to approve the Compulsory Enforcement at the special general meeting held on 15 July 2022 and the Group submitted the application to the PRC court to commence the Compulsory Enforcement in July 2022. The PRC court is working on the internal procedures to verify the land information and the process is not yet completed. The Company will provide further update to the Shareholders as and when appropriate.

Zhongda Qingyuan

The Group has started the sales and marketing activities of the first stage of development of the Zhongxing Industrial Park.

The tightening epidemic prevention measures adopted by the PRC government in the second half of year 2022 have severely affected all business activities in different aspects. The sales and marketing activities of the Zhongxing Industrial Park were also adversely affected as the customers were not able to visit the site as planned. The tightening measures and the slowdown of the economic activities in the PRC have further reduced the desire of the potential buyers for the expansion of their existing operations. The overall business environment has improved upon the release of all epidemic prevention measures in the forth quarter of year 2022 and the Group will continue to devote more resources to push up the sales, which is the top priority of this business in 2023.

Property Investment Business

The property investment business involves the leasing of several commercial units in Hong Kong and the PRC and no material change in respect of the terms and conditions of the lease agreement is expected.

Securities Trading and Equity Investments Business

The Group will carefully study the market and the information related to prospective investees before purchasing any securities, and will closely monitor the performance of the investments after every purchase as well as revise the investment strategy in a cautious manner as and when necessary to minimise the impact of market volatility.

Trading Business

The Group will continue to increase its financial resources to recruit more talents to expand the trading business in Hong Kong and overseas and provide more value-added services to the existing and target customers.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares and underlying Shares

Name of Director	Capacity	Number of Shares held	Approximate percentage of the issued share capital of the Company
Mr. Suet Ka Lun, Ernie ("Mr. Ernie Suet")	Founder of a discretionary trust who can influence how the trustee exercises his discretion ¹	39,872,000	
	Interest of controlled corporation ²	16,730,000	
	Beneficial owner	<u>1,580,000</u>	
		<u>58,182,000</u>	22.96%
Mr. Suet Chai Hong	Beneficial owner	<u>700,000</u>	0.28%
Dr. Ng Wai Kwan	Beneficial owner	<u>8,000</u>	0.01% (rounded up to 2 decimal places)
Mr. Wong Sun Fat	Beneficial owner	100,000	0.04%

Notes:

1. These Shares are beneficially owned by CNA Company Limited (“CNA”) which is in turn beneficially owned by the Preserve Capital Trust, a discretionary trust set up by Mr. Ernie Suek, the beneficiaries of which include a family member of Mr. Ernie Suek and a charitable institution set up in Hong Kong.
2. These Shares are beneficially owned by Longoing Limited, which is a company wholly-owned by Mr. Ernie Suek.

Long positions in the shares and underlying shares of associated corporations

As at the Latest Practicable Date, CNA beneficially owned deferred non-voting shares in the following subsidiaries of the Company:

Name of subsidiary	Number of deferred non-voting shares held
New Box Mini Storage Limited	2
Chung Tai Printing (China) Company Limited	100
Chung Tai Printing Company Limited	3,000
The Greatime Offset Printing Company Limited	9,500

CNA is beneficially owned by the Preserve Capital Trust, a discretionary trust set up by Mr. Ernie Suek and the beneficiaries of which include a family member of Mr. Ernie Suek and a charitable institution set up in Hong Kong. Mr. Ernie Suek is deemed to be interested in all the deferred non-voting shares owned by CNA in the above subsidiaries of the Company.

Save as disclosed above, as at the Latest Practicable Date, no other Directors or chief executive of the Company had any interest or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange.

(ii) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than the Directors or chief executive of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of the issued share capital of the Company
CNA ¹	Beneficial owner	39,872,000	15.74%
Alpadis Trust (HK) Limited ¹	Trustee	39,872,000 ²	15.74%
Alpadis Group Holding AG ¹	Interest of controlled corporation	39,872,000 ²	15.74%
Alain Esseiva ¹	Interest of controlled corporation	39,872,000 ²	15.74%
Wei Lee Teo ³	Interest of spouse	39,872,000 ²	15.74%
Dominik Philipp Heer ¹	Interest of controlled corporation	39,872,000 ²	15.74%
Krinya Heer ⁴	Interest of spouse	39,872,000 ²	15.74%
Longoing Limited ⁵	Beneficial owner	16,730,000 ⁵	6.60%

Notes:

1. CNA is beneficially owned by the Preserve Capital Trust, a discretionary trust set up by Mr. Ernie Suek, the beneficiaries of which include a family member of Mr. Ernie Suek and a charitable institution set up in Hong Kong. Alpadis Trust (HK) Limited, which is wholly-owned by Alpadis Group Holding AG, is the trustee of Preserve Capital Trust. Alpadis Group Holding AG is owned as to 53.34% by Alain Esseiva and 40.60% by Dominik Philipp Heer.
2. These 39,872,000 Shares duplicate with those held by CNA.
3. Spouse of Alain Esseiva.
4. Spouse of Dominik Philipp Heer.
5. Longoing Limited is a company wholly-owned by Mr. Ernie Suek. These 16,730,000 Shares duplicate with 16,730,000 Shares which Mr. Ernie Suek is interested in.

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, there was no other person, other than the Directors or chief executive of the Company, who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Ernie Suek is a director of CNA and Longoing Limited. Save as aforesaid, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by the members of the Group within two (2) years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the construction agreement (“**Construction Agreement**”) dated 13 September 2021 entered into between Zhongda Qingyuan with 清遠市建明建築工程有限公司 (unofficial English translation being Qingyuan City Jianming Construction Engineering Company Limited)(“**Jianming**”), pursuant to which Zhongda Qingyuan agreed to engage Jianming for the provision of construction services on the Qingcheng Land for a total contract price of approximately RMB194.80 million, details of which are set out in the announcement of the Company dated 13 September 2021;
- (b) the provisional agreement for sale and purchase dated 21 October 2021 entered into among Chung Tai Printing Holdings Limited (“**Chung Tai Printing**”), SP (BVI) 1 Limited and Supreme Cycle Inc., a wholly-owned subsidiary of the Company, pursuant to which Chung Tai Printing conditionally agreed to sell and SP (BVI) 1 Limited agreed to purchase the entire issued shares owned by Chung Tai Printing in Profit Link Investment Limited at an initial consideration of HK\$231,000,000 (subject to adjustment), details of which are set out in the circular of the Company dated 17 December 2021;
- (c) the termination agreement dated 22 October 2021 entered into between Zhongda Qingyuan and Jianming in respect of the termination of the Construction Agreement with effect from 22 October 2021, details of which are set out in the announcement of the Company dated 22 October 2021; and

- (d) the construction agreement dated 27 October 2021 entered into between Zhongda Qingyuan with 廣東偉恒建築集團有限公司 (unofficial English translation being Guangdong Weiheng Construction Group Company Limited) (“**Guangdong Weiheng**”), pursuant to which Zhongda Qingyuan agreed to engage Guangdong Weiheng for the provision of construction services on the Qingcheng Land for a total contract price of approximately RMB191.90 million, details of which are set out in the announcement of the Company dated 27 October 2021.

4. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation other than statutory compensation.

5. LITIGATION

Zhongqing held the land use rights of two commercial land parcels in Qingyuan, the PRC. On 18 June 2014, 深圳市中星國盛投資發展有限公司 (unofficial English being Shenzhen Zhongxing Guosheng Investment Development Co. Ltd.) (“**Zhongxing Guosheng**”), a wholly-owned subsidiary of the Company, initiated civil proceedings against Zhongqing in the People’s Court of Baoan District (“**Court of Baoan**”) for, among other matters, the repayment of a shareholder’s loan contributed by Zhongxing Guosheng in an amount of RMB23,479,330 (“**Litigation**”). On 19 June 2014, according to an application made by Zhongxing Guosheng to freeze and preserve the assets of Zhongqing in a total value of RMB23,400,000, an order was granted by the Court of Baoan to freeze and preserve the two land parcels owned by Zhongqing for a period from 24 June 2014 to 23 June 2016 (“**Freeze Order**”). The Freeze Order aimed to ensure that Zhongqing would have sufficient assets to repay the shareholder’s loan to the Group. Two hearing sessions of the Litigation were held on 18 August 2014 and 25 September 2014, respectively. On 15 October 2014, the Group received a civil mediation document dated 30 September 2014 and issued by the Court of Baoan (“**Mediation Document**”), acknowledging that: (i) the Group and Zhongqing confirmed that Zhongqing was indebted to Zhongxing Guosheng in a sum of RMB23,479,330; (ii) Zhongqing agreed to repay to Zhongxing Guosheng a sum of RMB23,479,330, together with the interests accrued from 18 June 2014 until the repayment date which was supposed to be within 15 days of the effective date of the Mediation Document; and (iii) where Zhongqing failed to repay the agreed amount, Zhongxing Guosheng would be entitled to request Zhongqing to pay default interests calculated at two times of the lending rate of the People’s Bank of China over the same period.

As advised by the Group's legal advisers in the PRC, the effective date of the Mediation Document was 15 October 2014 and thus, the deadline for the repayment by Zhongqing was 30 October 2014. Zhongqing did not repay the outstanding shareholder's loan and accrued interest to Zhongxing Guosheng by 30 October 2014. On 27 May 2016, Zhongxing Guosheng submitted an application to the Court of Baoan for the extension of the term of the Freeze Order and the application was accepted. The extended term of the Freeze Order was from 13 June 2016 until 12 June 2019. The period covered by the Freeze Order was further extended to 12 May 2022 by the Court of Baoan in 15 May 2019 and was further extended to 12 May 2025 in 14 April 2022.

During the six months ended 30 June 2022, after assessing the market condition of Qingyuan City, the government policies and recent development projects, as well as the professional expertise and financial resources of the Group, the Board considered that it was time to commence the Compulsory Enforcement. More details of the Compulsory Enforcement were disclosed in the circular of the Company dated 24 June 2022. The Shareholders passed the resolution to approve the Compulsory Enforcement at the special general meeting held on 15 July 2022 and the Group submitted the application to the PRC court to commence the Compulsory Enforcement in July 2022. The PRC court is working on the internal procedures to verify the land information and the process is not yet completed.

So far as is known to the Directors, save as disclosed above, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was pending or threatened against any member of the Group as at the Latest Practicable Date.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

7. INTERESTS IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group. As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the businesses of the Group.

8. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.
- (b) The principal place of business of the Company in Hong Kong is at Units Nos. 1103 and 1105-1111, Level 11, Tower II, Grand Century Place, 193 Prince Edward Road West, Mongkok, Kowloon, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Ms. Cheung Yuk Shan, who is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (e) The English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website and the Company's website for 14 days from the date of this circular:

- (a) the Qingyuan Bank Cooperation Agreement;
- (b) the Bank of China Cooperation Agreement; and
- (c) the material contracts referred to in the section headed "Material Contracts" in this Appendix.

NOTICE OF SGM



NEWAY GROUP HOLDINGS LIMITED

中星集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00055)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“**Meeting**”) of Neway Group Holdings Limited (“**Company**”) will be held at 10:30 a.m. on Friday, 17 March 2023 at Unit 1103, Level 11, Tower II, Grand Century Place, 193 Prince Edward Road West, Mongkok, Kowloon, Hong Kong to consider and, if thought fit, pass the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the cooperation agreement dated 9 December 2022 and entered into between 中大印刷(清遠)有限公司 (unofficial English translation being Zhongda Printing (Qingyuan) Co., Ltd.), a wholly-owned subsidiary of the Company, and 廣東清遠農村商業銀行股份有限公司東城支行 (unofficial English translation being the Dongcheng Branch of Guangdong Qingyuan Rural Commercial Bank Co., Ltd.) in respect of the provision of the transitional guarantee(s) (“**Qingyuan Bank Cooperation Agreement**”) (a copy of which is marked “A” and signed by the chairman of the Meeting for identification purpose and has been tabled at the Meeting), the details of which are set out in the circular of the Company dated 28 February 2023, be and is hereby confirmed, approved and ratified;
- (b) the transactions contemplated under the Qingyuan Bank Cooperation Agreement be and are hereby approved; and
- (c) any one of the directors of the Company be and is hereby authorised to sign and execute all such documents or agreements or deeds on behalf of the Company and to do all such other things and to take all such actions as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Qingyuan Bank Cooperation Agreement and the transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of such director, in the interest of the Company and its shareholders as a whole.”

* For identification purposes only

NOTICE OF SGM

2. “**THAT**

- (a) the cooperation agreement dated 9 December 2022 and entered into between 中大印刷(清遠)有限公司 (unofficial English translation being Zhongda Printing (Qingyuan) Co., Ltd.), a wholly-owned subsidiary of the Company, and the Guangzhou Dongshan Branch of Bank of China Ltd. in respect of the provision of the transitional guarantee(s) (“**Bank of China Cooperation Agreement**”) (a copy of which is marked “B” and signed by the chairman of the Meeting for identification purpose and has been tabled at the Meeting), the details of which are set out in the circular of the Company dated 28 February 2023, be and is hereby confirmed, approved and ratified;
- (b) the transactions contemplated under the Bank of China Cooperation Agreement be and are hereby approved; and
- (c) any one of the directors of the Company be and is hereby authorised to sign and execute all such documents or agreements or deeds on behalf of the Company and to do all such other things and to take all such actions as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Bank of China Cooperation Agreement and the transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of such director, in the interest of the Company and its shareholders as a whole.”

On behalf of the board of directors
NEWAY GROUP HOLDINGS LIMITED
Suek Ka Lun, Ernie
Chairman

Hong Kong, 28 February 2023

Registered office:
Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Principal place of business in Hong Kong:
Units Nos. 1103 and 1105-1111, Level 11,
Tower II, Grand Century Place,
193 Prince Edward Road West,
Mongkok,
Kowloon,
Hong Kong

NOTICE OF SGM

Notes:

- (1) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
- (2) The Company does not in any way wish to diminish the opportunity available to the members of the Company to exercise their rights and to vote, but is conscious of the pressing need to protect the members from possible exposure to the coronavirus pandemic. For the health and safety of the members, the Company would like to encourage members to exercise their right to vote at the Meeting by appointing the chairman of the Meeting as their proxy instead of attending the Meeting in person. Physical attendance is not necessary for the purpose of exercising shareholders' rights.
- (3) The proxy form shall be signed under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In order to be valid, the proxy form must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 10:30 a.m. on Wednesday, 15 March 2023 or no later than 48 hours before the time appointed for holding the adjourned meeting or the postponed meeting, as the case may be.
- (4) Completion and return of the proxy form will not preclude a member of the Company from attending and voting in person at the Meeting or any adjournment or postponement thereof should he/she/it so wish and in such event the proxy form previously submitted shall be deemed to be revoked.
- (5) As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolutions will be decided by way of poll.
- (6) For determining the identity of the members of the Company entitled to attend and vote at the Meeting, the register of members of the Company will be closed for registration of transfers of shares of the Company from Tuesday, 14 March 2023 to Friday, 17 March 2023, both dates inclusive. In order to be entitled to attend and vote at the Meeting, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 13 March 2023.
- (7) If a tropical cyclone warning signal no. 8 or above is hoisted, or "extreme conditions" caused by a super typhoon or a black rainstorm warning is in force at or at any time after 7:30 a.m. on the date of the Meeting, the Meeting will be postponed. The Company will post an announcement on the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the website of the Company (<http://www.newaygroup.com.hk>) to notify the shareholders of the Company of the date, time and place of the rescheduled meeting. The Meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force. Shareholders of the Company should decide on their own whether they would attend the Meeting under bad weather condition bearing in mind their own situations.
- (8) References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the board of directors of the Company 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.