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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)

**SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION –
FORMATION OF A JOINT VENTURE**

Reference is made to the announcement of Neway Group Holdings Limited (“**Company**”) dated 8 March 2024 (“**Announcement**”) in relation to the formation of a joint venture. Capitalised terms used herein shall have the same meanings as defined in the Announcement, unless otherwise defined herein.

The Board wishes to provide the shareholders of the Company with additional information on the arrangement in relation to the JV Company as follows:

FURTHER INFORMATION OF THE PARTIES

The Company became acquainted with the key personnels of WEKA and Moral Step, namely Mr. Chow of WEKA and Mr. Law Man Hin of Moral Step, in early 2023 through referral by a business consultant of the Group’s entertainment business.

* *For identification purpose only*

As disclosed in the Announcement, Mr. Chow is the sole shareholder and sole director of WEKA and he is also the managing director of Orientouch. Orientouch is generally recognised as one of the top professional entertainment and event management companies in Europe. It is the forerunner in organising large-scale events, including concerts, targeting the oriental community in Europe. Orientouch has organised concerts for popular Hong Kong artists such as Charmaine Fong, Eason Chan and Aaron Kwok. Through his active participation in the management of Orientouch for over 10 years, Mr. Chow has gained substantial experience in event management business and has established a strong personal network in the entertainment industry, especially with artists and management companies in Hong Kong, Taiwan and the Mainland China.

Mr. Law Man Hin is the sole director and a shareholder of Moral Step. Mr. Law has over 3 years' experience in media production industry and is a co-founder of a marketing and production company which hosted various events and programs including brand exhibitions, concerts and film productions. It is believed that, through the leadership of Mr. Law, Moral Step will be able to contribute to the marketing and promotion activities of the JV Company.

FURTHER CAPITAL CONTRIBUTION

It was disclosed in the Announcement that Luxury Field, WEKA and Moral Step respectively agreed that subsequent to Completion, it shall, if resolved and demanded by the JV Board, make Further Capital Contribution to the JV Company subject to a maximum amount of £340,000, £100,000 and £170,000 respectively. Such maximum contribution amount was determined and agreed among the Investors after taking into account the various factors as disclosed in the Announcement, and is not pro-rata to the shareholding among Luxury Field, WEKA and Moral Step in the JV Company. Among the various factors considered, due regard was put on the solid experience and the relationship network of Mr. Chow established in the entertainment industry, the potential business opportunities which are expected to be brought into the JV Company mainly by Mr. Chow, and the undertaking given by WEKA, Mr. Chow and Orientouch in the JV Agreement to first offer any available opportunity in relation to concert and event promoter and organiser business to the JV Company. It was acknowledged among the Investors that Mr. Chow, through WEKA, would substantially contribute to the future success of the JV Company. The shareholding and the maximum amount of the Further Capital Contribution of each of the Investors were hence determined largely on this basis.

By virtue of the aforesaid, the Board considered that the terms of the JV Agreement, including the Further Capital Contribution, were fair and reasonable and in the interest of the Company and its shareholders as a whole.

As at the date of this announcement, no Further Capital Contribution has been made by any of the Investors. Luxury Field will only make Further Capital Contribution pursuant to the JV Agreement if its board of directors considers that it is in the best interest of Luxury Field and the JV Company as a whole after taking into account all the circumstances including, without limitation, the actual cashflow requirements of the JV Company for its business operation, maintenance and marketing needs, any potential business opportunities available to the JV Company, the expected return and benefits pertaining thereto, as well as other business and development prospects of the JV Company.

RELEVANT CONTRACTS

Orientouch has originally undertaken under the JV Agreement that it shall assign, among others, all its rights, entitlements, liabilities and obligations under, and the full benefit of, each of the Relevant Contracts to the JV Company within seven (7) Business Days after the date of Completion (which took place on 11 March 2024). The main contract among the Relevant Contracts is the engagement agreement signed with the artist manager of the artists involved in the Agreed Concerts (“**Engagement Agreement**”). The Relevant Contracts also include various agreements relating to the production of the Agreed Concerts such as the renting of audio system, lighting system, camera equipment as well as the engagement of the production crew members etc. The Directors consider that the Relevant Contracts are normal business contracts entered into in the ordinary and usual course of business as far as concert or event management business is concerned.

As at the date of this announcement, the aforesaid assignment has not taken place as the main Engagement Agreement contains a clause that neither party may assign, transfer or novate its rights and/or obligations thereunder to any third party without the prior written consent of the other party except for such assignment, transfer or novation by the artist manager or its affiliate. The Parties are exploring other alternative means for dealing with the Relevant Contracts. The Company will make further disclosure as and when the Parties have come to any further agreement.

Notwithstanding the above, the Company would like to emphasise that the completion of the assignment of the rights and benefits under the Relevant Contracts is neither determinative to the Group's decision to form the joint venture with WEKA and Moral Step or the proportion of the Further Capital Contribution among the Investors.

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

Hong Kong, 3 June 2024

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. Chu Gun Pui and Ms. Sin Chui Pik, Christine being the independent non-executive Directors.