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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)

EXTENSION OF PUT OPTION PERIOD – SUPPLEMENTAL AGREEMENT

Pursuant to the SP Agreement, Dr. Suek has granted the Put Option to the Purchaser, exercisable by the Purchaser at any time during the Put Option Period to require Dr. Suek to acquire or procure the acquisition from the Purchaser all the then entire issued share capital of Neway Entertainment (and effectively the entire equity interests of the members of Neway Entertainment Group) and the then outstanding shareholders' loan (if any).

The original Put Option Period will end on 1 July 2011. As the Put Option was designed to protect to offer more protection to the Company and the independent shareholders of the Company and at the request of the Company, Dr. Suek has agreed to extend the Put Option Period for one year.

Reference is made to the announcement of Neway Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 16 June 2009 in relation to, among other matters, the acquisition of the entire issued share capital of, and shareholder's loan to, Neway Entertainment Limited by Gain Capital International Limited (a wholly-owned subsidiary of the Company) (the “**Purchaser**”) from Neway Enterprise Holdings Limited (the “**Vendor**”), a connected person of the Company (the “**Announcement**”).

* For identification purpose only

BACKGROUND

As set out in the Announcement, pursuant to the sale and purchase agreement dated 16 June 2009 (the “**SP Agreement**”) entered into between the Purchaser, the Vendor and Dr. Suek Chai Kit Christopher (“**Dr. Suek**”), Dr. Suek has granted an option (the “**Put Option**”) to the Purchaser, exercisable by the Purchaser at any time from the date of completion of the SP Agreement (the “**Completion Date**”) and ending on the second anniversary date of the Completion Date (the “**Put Option Period**”) to require Dr. Suek to acquire or procure the acquisition from the Purchaser all the then entire issued share capital of Neway Entertainment Limited (and effectively the entire equity interests of the members of Neway Entertainment Limited and its subsidiaries (the “**Neway Entertainment Group**”) and the then outstanding shareholders’ loan (if any).

Completion of the acquisition as contemplated under the SP Agreement took place on 1 July 2009. Under the SP Agreement, the original Put Option Period will end on 1 July 2011 (being the second anniversary date of the Completion Date). As the Put Option was designed to protect to offer more protection to the Company and the independent shareholders of the Company and at the request of the Company, Dr. Suek has agreed to extend the Put Option Period for one year.

EXTENSION OF PUT OPTION PERIOD - SUPPLEMENTAL AGREEMENT

On 29 June 2011, the Vendor, the Purchaser and Dr. Suek entered into a supplemental agreement to the SP Agreement (the “**Supplemental Agreement**”) pursuant to which the expiry date of the Put Option Period is extended to the third anniversary of the Completion Date (i.e. 1 July 2012).

Save for the extension of the Put Option Period, all other terms of the SP Agreement remain unchanged.

The board of directors of the Company considers that the extension of the Put Option Period would give more flexibility to the Group in assessing the performance and potential of Neway Entertainment Group. Therefore, the directors of the Company (the “**Directors**”) (including the independent non-executive Directors) are of the view that the entering into the Supplemental Agreement is in the interests of the Company and the terms of the Supplemental Agreement are on normal commercial terms and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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

Hong Kong, 29 June 2011

As at the date of this announcement, the Directors are Mr. Suek Ka Lun, Ernie (Chairman) and Mr. Suek Chai Hong (Chief Executive Officer) being the executive Directors; Dr. Ng Wai Kwan, Mr. Chan Kwong Choi, Warren and Mr. Wong Sun Fat being the non-executive Directors; and Mr. Tse Tin Tai, Mr. Cheng Chi Wai and Ms. Lui Lai Ping, Cecily being the independent non-executive Directors; and Mr. Lau Kam Cheong being the alternate Director to Dr. Ng Wai Kwan.