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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 – DISPOSAL OF A SUBSIDIARY**

#### **THE SP AGREEMENT**

The Board is pleased to announce that on 21 November 2014, after trading hours, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the SP Agreement pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Share, representing the entire issued share capital of the Subsidiary, at a consideration of RMB22,104,100 (equivalent to approximately HK\$28,001,000).

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

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

\* For identification purpose only

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## **THE SP AGREEMENT**

Major terms of the SP Agreement are set out below.

### **Date**

21 November 2014

### **Parties**

- (a) Vendor: Luxury Field Limited, a wholly owned subsidiary of the Company
- (b) Purchaser: Jovial Investment Limited

The Purchaser is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

### **Subject matter**

The Sale Share, which represents 100% of the issued share capital of the Subsidiary.

### **Consideration**

The Consideration is RMB22,104,100 (equivalent to approximately HK\$28,001,000), which shall be payable by the Purchaser in cash in RMB or equivalent Hong Kong Dollars to the Vendor (or as it may direct) upon Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms based on the amount the Vendor has actually injected into the Subsidiary Group. Upon Completion, the Company expects to record a gain on disposal of approximately HK\$289,000, being the difference between the Consideration and the unaudited consolidated net asset value of the Subsidiary as at 30 September 2014. The actual gain or loss as a result of the Disposal to be recorded by the Company is subject to audit and will be assessed after Completion.

### **Completion**

Completion shall take place on a date agreed by the parties in writing which shall be a date falling within 90 days from the date of the SP Agreement (or on such later date as the parties may agree in writing).

### **INFORMATION ABOUT THE SUBSIDIARY GROUP**

The Subsidiary is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. The principal asset of the Subsidiary is the WFOE, a company established in the PRC with limited liability and is principally engaged in investment holding and consulting. The WFOE owns and controls the Foshan Company through contractual arrangement and the Foshan Company in turn holds 40% equity interest of the PRC JV Company. As at the date of this announcement, the PRC JV Company has not yet commenced business and has a paid up registered capital of RMB50 million. The capital injection by the Foshan Company into the PRC JV Company is currently recognised as advance to a potential investee in the financial statements of the Group.

As at the date of the SP Agreement, the Subsidiary is a direct wholly-owned subsidiary of the Vendor. The current contractual arrangement between the WFOE and the Foshan Company was only established in June 2014. Prior to that, the contractual arrangement was established between another indirect wholly-owned subsidiary of the Company and the Foshan Company. Set out below is a summary of certain financial information of each of the members of the Subsidiary Group for its latest two financial years:

## The Subsidiary

	<b>For the period from 13 July 2012 (date of incorporation) to 31 March 2013 (Audited)</b>	<b>For the year ended 31 March 2014 (Audited)</b>
Turnover	–	–
Loss before and after taxation	HK\$7,900	HK\$31,369

## The WFOE

	<b>For the period from 22 April 2013 (date of incorporation) to 31 December 2013 (Audited)</b>
Turnover	–
Loss before and after taxation	RMB22,401.83

## The Foshan Company

	<b>For the year ended 31 December 2012 (Audited)</b>	<b>For the year ended 31 December 2013 (Audited)</b>
Turnover	–	–
Loss before and after taxation	RMB29,855.09	RMB39,435.98

The unaudited consolidated total asset value and net asset value of the Subsidiary as at 30 September 2014 were approximately HK\$27,906,000 and HK\$27,712,000 respectively.

Immediately after Completion, each member of the Subsidiary Group will cease to be a wholly-owned subsidiary of the Company and the Company will cease to have any interest in the Subsidiary Group and the PRC JV Company.

### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group principally engages in (i) manufacturing and sales of printing products; (ii) trading of printing products; (iii) music and entertainment businesses; (iv) securities trading; and (v) property development and investment.

The Company considers that it is in the interest of the Company and the Shareholders to dispose of the Subsidiary because the project originally intended to be carried out through the Subsidiary Group in Fuzhou in the cultural and entertainment industry has been put on hold due to the uncertainty in obtaining the local government approval. The Company considers that it will be more beneficial to the Group to use the sales proceed from the Disposal to invest in other potential projects with higher return on investment. The Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors expect that the net proceeds from the Disposal will be approximately HK\$27,933,000 which will be used to invest in the potential business projects which the Group may identify.

## IMPLICATIONS UNDER THE LISTING RULES

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

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“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
“Completion”	completion of the Disposal
“Consideration”	RMB22,104,100 (or equivalent Hong Kong Dollars), being the consideration for the Sale Share payable by the Purchaser to the Vendor in respect of the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share by the Vendor
“Foshan Company”	佛山市星宏投資管理有限公司, a company established in the PRC with limited liability
“Group”	the Company and its subsidiaries

“Hong Kong Dollars/HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC JV Company”	匯金泛亞(福建)有限公司, a company established in the PRC with limited liability. 40% of the equity interest of the PRC JV Company is owned by the Foshan Company
“Purchaser”	Jovial Investment Limited, a company incorporated in Hong Kong with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share”	one ordinary share of the Subsidiary, representing the entire issued share capital of the Subsidiary
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“SP Agreement”	the agreement dated 21 November 2014 entered into between the Vendor and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	Marble Arch Investments Limited ( 薈萃投資管理有限公司 ), a company incorporated in Hong Kong with limited liability
“Subsidiary Group”	the Subsidiary, the WFOE and the Foshan Company collectively

“Vendor”	Luxury Field Limited, a company incorporated in the British Virgin Islands with limited liability
“WFOE”	中星宏盛信息諮詢（深圳）有限公司, a company established in the PRC with limited liability

*In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of HK\$1.00 to RMB0.7894. 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.*

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

Hong Kong, 21 November 2014

*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 Kwing Choi, Warren and Mr. Wong Sun Fat being the non-executive Directors; and Mr. Tse Tin Tai, Ms. Lui Lai Ping, Cecily and Mr. Lee Kwok Wan, being the independent non-executive Directors; and Mr. Lau Kam Cheong being the alternate Director to Dr. Ng Wai Kwan.*