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HSIN CHONG GROUP HOLDINGS LIMITED

新昌集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00404)

US\$100 MILLION 6% CONVERTIBLE BONDS DUE 2017 (THE “CONVERTIBLE BONDS”)

(Stock Code: 5579)

RESET OF CONVERSION PRICE OF THE CONVERTIBLE BONDS

Reference is made to the terms and conditions of the Convertible Bonds (the “**Terms and Conditions**”). Unless otherwise defined, all capitalised terms used in this announcement shall have the same meanings as defined in the Terms and Conditions.

In accordance with Condition 6.4 of the Terms and Conditions, if the average of the closing prices of the Shares for the 20 consecutive Trading Days immediately prior to 20 May 2016 (“**Reset Date**”) converted into U.S. dollars at the Prevailing Exchange Rate (“**Current Market Price**”) is less than the Conversion Price on such Reset Date, converted into U.S. dollars at the Fixed Exchange Rate, the Conversion Price shall be adjusted on a one-time basis on such Reset Date provided that the said adjustment will not be lower than HK\$0.70 per Share which is 70% of the Conversion Price on the Reset Date.

The Current Market Price, after computation, is HK\$0.78 per Share which is less than the prevailing Conversion Price of HK\$1.00 per Share. The Conversion Price has, therefore, been adjusted downwards to HK\$0.78 per Share (“**New Conversion Price**”) with effect from the Reset Date.

In the event that the Convertible Bonds are fully converted at the New Conversion Price, an aggregate of 993,615,384 Shares will be issued by the Company, representing approximately 17.50% of the existing issued Shares of the Company and approximately 14.89% of the issued Shares of the Company as enlarged by the issue of Shares under the full conversion.

Save for the above adjustment, all other terms and conditions of the Convertible Bonds remain unchanged.

By Order of the Board of
Hsin Chong Group Holdings Limited
Joseph CHOI Kin Hung
Executive Director and Chief Executive Officer

Hong Kong, 20 May 2016

As at the date of this announcement, the board of directors of the Company comprises Ir. Joseph CHOI Kin Hung (Chief Executive Officer), Mr. LUI Chun Pong (Chief Financial Officer), Mr. Wilfred WU Shek Chun and Mr. ZHOU Wei as Executive Directors; Mr. LIN Zhuo Yan (Non-executive Chairman), Mr. YAN Jie, Mr. CHEN Lei and Mr. CHUI Kwong Kau as Non-executive Directors; and Mr. CHENG Sui Sang, Mr. GAO Jingyuan, Ms. LEE Jai Ying and Mr. KWOK, Shiu Keung Ernest as Independent Non-executive Directors.