

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Hsin Chong Group Holdings Limited (the "Company"), you should at once hand this circular and the enclosed proxy form to the purchaser or transferee, or to the bank, stockbroker, registered dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

- (1) PROPOSALS IN RELATION TO RE-ELECTION OF DIRECTORS;
(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(3) CHANGE OF AUDITOR;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at 2nd Floor, Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Friday, 2 June 2017 at 11:00 a.m. is set out on pages 17 to 20 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and sign the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. **Completion and return of the proxy form shall not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting thereof should you so wish.**

29 April 2017

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 2nd Floor, Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Friday, 2 June 2017 at 11:00 a.m. or any adjournment thereof;
“AGM Notice”	the notice convening the AGM as set out on pages 17 to 20 of this circular;
“associates”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“Bye-laws”	the bye-laws of the Company, as amended from time to time, and “Bye-law” construes any bye-law thereof;
“Company”	Hsin Chong Group Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange;
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	26 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the share option scheme adopted by the Shareholders on 22 May 2008;
“Optionholder(s)”	holder(s) of the Option(s);

DEFINITIONS

“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong and the Macau Special Administrative Region of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)” or “member(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs published by Securities and Futures Commission, as amended from time to time; and
“%”	per cent.

LETTER FROM THE BOARD



HSIN新昌
CHONG

HSIN CHONG GROUP HOLDINGS LIMITED

新昌集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00404)

Non-executive Chairman:

Mr. LIN Zhuo Yan

Executive Directors:

Ir Joseph CHOI Kin Hung (*Co-Chief Executive Officer*)

Mr. ZHOU Wei (*Chief Strategic Officer*)

Mr. Wilfred WU Shek Chun (*Chief Risk Officer*)

Mr. Eric TODD

Non-executive Directors:

Mr. YAN Jie

Mr. CHEN Lei

Mr. CHUI Kwong Kau

Mr. LUI Chun Pong

Independent Non-executive Directors:

Mr. CHENG Sui Sang

Ms. LEE Jai Ying

Mr. KWOK, Shiu Keung Ernest

Mr. George YUEN Kam Ho

Registered Office:

Clarendon House

2 Church Street

Hamilton, HM 11

Bermuda

Principal Place of Business

in Hong Kong:

Hsin Chong Center

107-109 Wai Yip Street

Kwun Tong

Kowloon

Hong Kong

29 April 2017

To the Shareholders, and for information only, the Optionholders,

Dear Sir or Madam

**(1) PROPOSALS IN RELATION TO RE-ELECTION OF DIRECTORS;
(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(3) CHANGE OF AUDITOR;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

(A) INTRODUCTION

The purpose of this circular is to provide you with the AGM Notice, and the information regarding the resolutions to be proposed at the AGM relating to (i) the re-election of the Directors who are going to retire and stand for re-election at the AGM; (ii) the grant to the Directors of the Issue Mandate (as defined below), the Repurchase Mandate (as defined below) and the extension of the Issue Mandate (as defined below) to include the Shares repurchased (if any) under the Repurchase Mandate (as defined below).

LETTER FROM THE BOARD

(B) RE-ELECTION OF DIRECTORS

In accordance with Bye-law 98(A), at each annual general meeting one-third of the directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every director (including those appointed for a specific term) shall be subject to retirement at least once every three years. The directors to retire in every year shall be those who have been longest in office since their last re-election or appointment but as between persons who became directors on the same day, those to retire shall (unless they otherwise agree between themselves) be determined by lot.

Accordingly, Ir Joseph CHOI Kin Hung, Mr. CHEN Lei, Mr. CHUI Kwong Kau and Mr. CHENG Sui Sang shall retire by rotation, being eligible, have expressed their willingness to offer themselves for re-election at the AGM.

Mr. George YUEN Kam Ho was appointed by the Board as an Independent Non-executive Director of the Company with effect from 12 July 2016 and Mr. Eric TODD was appointed by the Board as an executive Director with effect from 9 March 2017. In accordance with bye-law 101(B) of the Bye-laws, they shall retire from office, but being eligible, have offered themselves for re-election at the AGM. Their biographical details are set out in Appendix I to this circular.

Any Shareholder duly qualified to attend and vote at the AGM (other than the person to be proposed) may propose a person to stand for election as a Director at the AGM in accordance with Bye-law 102. Any Shareholder wishing to do so must lodge at the Company's principal place of business in Hong Kong at Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong or the office of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong a notice in writing signed by such Shareholder of his/her intention to propose such person for election as a Director together with a notice in writing signed by the person to be proposed of his/her willingness to be elected on or before Thursday, 25 May 2017. If valid notices in accordance with Bye-law 102 are received from any Shareholder after the despatch of this circular, the Company shall issue an announcement or a supplementary circular to inform the Shareholders the biographical details of the additional candidate proposed.

(C) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on Thursday, 19 May 2016, general mandates were granted to the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares and repurchase issued and fully paid Shares. These general mandates will lapse at the conclusion of the AGM and, therefore, ordinary resolutions will be proposed at the AGM to grant fresh general mandates as follows:

- (i) to grant to the Directors a general and unconditional mandate to allot, issue and deal with additional Shares not exceeding twenty per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant ordinary resolution (i.e. not exceeding 1,141,334,020 Shares based on the share capital of the Company in issue of 5,706,670,104 Shares as at the Latest Practicable Date and on the assumption that no further Shares will be issued and allotted prior to the passing of the relevant ordinary resolution at the AGM) (the "Issue Mandate");

LETTER FROM THE BOARD

- (ii) to grant to the Directors a general and unconditional mandate to exercise all the powers of the Company to purchase or repurchase issued Shares not exceeding ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant ordinary resolution (the "Repurchase Mandate"); and
- (iii) conditional upon the passing of the ordinary resolutions to grant the Issue Mandate and the Repurchase Mandate, to extend the Issue Mandate by the addition thereto of the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

Full text of the relevant ordinary resolutions in relation to the general mandates described in (i), (ii) and (iii) above are set out as resolutions nos. 3(1), 3(2) and 3(3) respectively in the AGM Notice.

An explanatory statement in compliance with Rule 10.06(1)(b) of the Listing Rules for providing Shareholders with all the information reasonably necessary to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate is set out in Appendix II to this circular.

(D) CHANGE OF AUDITOR

PricewaterhouseCoopers ("PwC") will retire as auditor of the Company upon the expiration of its current term of office, and will not offer itself for re-appointment at the conclusion of the AGM. The Board will propose the appointment of new auditor of the Company following the retirement of PwC, subject to approval by the shareholders of the Company at the forthcoming general meeting. The resolution to authorise the Directors to fix the remuneration of the new auditor will also be proposed at the forthcoming general meeting.

(E) CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM

The AGM is scheduled to be held on Friday, 2 June 2017. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 29 May 2017 to Friday, 2 June 2017, both days inclusive, during which period no transfer of Shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of Shares of the Company should ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 26 May 2017.

LETTER FROM THE BOARD

(F) AGM

The AGM Notice convening the AGM to be held at 2nd Floor, Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Friday, 2 June 2017 at 11:00 a.m. is set out on pages 17 to 20 of this circular.

Enclosed with this circular is the proxy form for use at the AGM. Whether or not you are able to attend the AGM, you are requested to complete, sign and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules and bye-law 69(1) of the Bye-laws, any vote of shareholders at a general meeting must be taken by way of poll, subject to certain exceptions.

(G) RECOMMENDATION

The Directors are pleased to recommend that the Shareholders vote for the re-election of all the retiring Directors who are going to stand for re-election at the AGM. Besides, the Directors consider that (i) the grant of the Issue Mandate; (ii) the grant of the Repurchase Mandate; and (iii) the extension of the Issue Mandate all are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors also recommend that the Shareholders vote in favour of the relevant resolutions to be proposed at the AGM.

(H) GENERAL

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.

Yours faithfully,
For and on behalf of the Board of
Hsin Chong Group Holdings Limited
LIN Zhuo Yan
Non-Executive Chairman

To enable the Shareholders to make an informed decision on the re-election of the retiring Directors, we set out below the biographical details of the retiring Directors for the information of Shareholders.

1. Ir Joseph CHOI Kin Hung *BSc, RPE, CEng, FHKIE, FHKIHT, MICE (Aged 69)*

Ir Joseph CHOI Kin Hung (“Ir Choi”) is an Executive Director and the Co-Chief Executive Officer of the Company. He is a member of each of the Executive Committee, the Nomination Committee and the Remuneration Committee. He is also a director of certain subsidiaries of the Company.

Ir Choi is a fellow and the President of the Hong Kong Institution of Engineers (“HKIE”). He is an ex-officio member of the Administration Board of HKIE for session 2016/17, the vice chairman of Council of China’s Foreign Trade of the China Council for the Promotion of International Trade, and a fellow and a council member of the Hong Kong Institution of Highways and Transportation. He has also been a member of the Infrastructure Development Advisory Committee of the Hong Kong Trade Development Council since 1 April 2016.

Ir Choi is a member of the Institution of Civil Engineers of the UK, a chartered engineer of the UK, a registered professional engineer of Hong Kong and a member of the Departmental Advisory Committee for the Department of Civil and Environmental Engineering of the Hong Kong Polytechnic University.

Ir Choi joined the Group in August 2009 as Assistant Managing Director and has been subsequently promoted to his current positions. He has over 45 years of multi-dimensional and multi-functional experience in construction industry across contracting and client organisations in Hong Kong, Chinese Mainland, Taiwan, Macau and overseas. Before joining the Group, he was the general manager of the Kowloon-Canton Railway Corporation and MTR Corporation Limited, responsible for the design and construction of various new railway lines.

Ir Choi graduated from the University of Aston in Birmingham, United Kingdom with a degree of Bachelor of Science in Civil Engineering.

Save as disclosed above, as at the Latest Practicable Date, (i) Ir Choi does not hold any other major appointments and has not held any position or directorship in any other listed public companies during the last three years preceding the Latest Practicable Date; and (ii) Ir Choi does not have any relationship with any other Directors, senior management, or substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Ir Choi has 1,334,000 share options granted pursuant to the share option scheme adopted by the Company on 22 May 2008. Save as disclosed, Ir Choi does not have any other interest in the Shares within the meaning of Part XV of the SFO.

A service agreement dated 22 March 2016 was entered into between Ir Choi and the Company regarding the appointment of an Executive Director of the Company for a term of three years commencing from 22 March 2016 to 21 March 2019 (subject to termination by three month's notice in writing or payment in lieu of notice). Ir Choi is subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with the Bye-laws.

For the financial year ended 31 December 2016, the total amounts received or receivable by Ir Choi from the Group are (i) director's fees of HK\$387,000; and (ii) other emoluments of HK\$11,663,000. The remuneration of Ir Choi is determined with reference to his duties and responsibilities in the Group, the Company's remuneration policy and the prevailing market situation (subject to review by the Board from time to time).

2. **Mr. Eric TODD** *BSc, AICPA (Aged 55)*

Mr. Eric TODD ("Mr. Todd") joined the Group on 9 March 2017 as an Executive Director of the Company. He is also a member of the Executive Committee.

Mr. Todd possesses extensive professional experience in auditing, financial management and investment. Mr. Todd holds a Bachelor of Science degree in Business Administration from Boston University in the United States. He was a certified public accountant in the State of California, the United States from 1989 to 2010.

Mr. Todd started his career with the Hong Kong office of KPMG (formerly known as KPMG Peat Marwick) and subsequently joined the Standard Chartered Bank Group. Prior to joining the Company, he had been a business consultant and also served as finance director for several companies engaged in the media and investment industry. Mr. Todd has been appointed as a Non-executive Director of Leyou Technologies Holdings Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Stock Code: 1089) since July 2015, an Independent Non-executive Director of Ngai Shun Holdings Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 1246) since July 2016, and as the Chairman and an Executive Director of Kong Shum Union Property Management (Holding) Limited (a company listed on the GEM Board of the Stock Exchange, Stock Code: 8181) since August 2016.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Todd does not hold any other major appointments and has not held any position or directorship in any other listed public companies during the last three years preceding the Latest Practicable Date; and (ii) Mr. Todd does not have any relationship with any other Directors, senior management, or substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Todd does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Pursuant to Mr. Todd's service agreement with the Company, he is appointed for a term of two years commencing from 9 March 2017 up to and including 8 March 2019 (which is renewable upon expiry). Mr. Todd is also subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with the Bye-laws. Pursuant to the said service agreement, Mr. Todd is entitled to a monthly director's fee of HK\$50,000 to act as an Executive Director, which is determined with reference to his duties and responsibilities in the Company, the Company's remuneration policy and the prevailing market situation (subject to review by the Board from time to time).

3. **Mr. CHEN Lei** (*Aged 33*)

Mr. CHEN Lei ("Mr. Chen") has been appointed as a Non-executive Director since 23 May 2015.

Mr. Chen joined Tewoo Import and Export Trade Co., Ltd.* (天津物產進出口貿易有限公司), a subsidiary of Tewoo Group, in January 2015 as the deputy general manager. Mr. Chen served as an officer of the Beijing court system and held various positions such as the deputy department head of the legal affair department of Tianjin Er-shang Group Co., Ltd.* (天津二商集團有限公司).

He has extensive experience in the fields of corporate legal affair, risk prevention and control. Mr. Chen has been redesignated as the deputy department head of corporate development department of Tewoo Group in July 2015.

Mr. Chen obtained a Bachelor degree in Management from the Beijing University of Chemical Technology (北京化工大學) and a Master degree in Law from the Tsinghua University (清華大學). He has obtained various professional qualifications such as legal qualification (Mainland China) and corporate legal counsel.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Chen does not hold any other major appointments and has not held any position or directorship in any other listed public companies during the last three years preceding the Latest Practicable Date; (ii) Mr. Chen does not have any relationship with any other Directors, senior management, or substantial or controlling shareholders of the Company; and (iii) Mr. Chen does not hold any other position with the Company and its subsidiaries.

As at the Latest Practicable Date, Mr. Chen does not have any interest in the Shares within the meaning of Part XV of the SFO.

* for identification purposes only

Pursuant to Mr. Chen's letter of appointment with the Company, he is appointed for a term of two years commencing from 23 May 2015 up to and including 22 May 2017 (which is renewable upon expiry). He is also subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with the Bye-laws. Pursuant to the said letter of appointment, Mr. Chen is entitled to an annual director's fee of HK\$250,000 to act as a Non-executive Director which is determined with reference to his duties and responsibilities in the Company, the Company's remuneration policy and the prevailing market situation (subject to review by the Board from time to time).

4. Mr. CHUI Kwong Kau (Aged 50)

Mr. CHUI Kwong Kau ("Mr. Chui") has been appointed as a Non-executive Director since 23 May 2015. He is also a member of the Audit Committee.

Mr. Chui is a Non-executive Director of Ngai Shun Holdings Limited (stock code: 1246) and DeTai New Energy Group Limited (stock code: 559) respectively, the shares of which are all listed on the Main Board of the Stock Exchange. He is also an Executive Director of Hong Kong Life Sciences and Technologies Group Limited (stock code: 8085), the share of which is listed on the Growth Enterprise Market of the Stock Exchange.

Mr. Chui was an Executive Director of China Energy Development Holdings Limited (stock code: 228) from 5 October 2005 to 30 June 2016. Further, he was an Independent Non-executive Director of Aurum Pacific (China) Group Limited (stock code: 8148) from 17 March 2010 to 16 March 2016.

He has over 20 years' experience in financial management, accounting and auditing fields.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Chui does not hold any other major appointments and has not held any position or directorship in any other listed public companies during the last three years preceding the Latest Practicable Date; (ii) Mr. Chui does not have any relationship with any other Directors, senior management, or substantial or controlling shareholders of the Company; and (iii) Mr. Chui does not hold any other position with the Company and its subsidiaries.

As at the Latest Practicable Date, Mr. Chui does not have any interest in the Shares within the meaning of Part XV of the SFO.

Pursuant to Mr. Chui's letter of appointment with the Company, he is appointed for a term of two years commencing from 23 May 2015 up to and including 22 May 2017 (which is renewable upon expiry). He is also subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with the Bye-laws. Pursuant to the said letter of appointment, Mr. Chui is entitled to (i) an annual director's fee of HK\$250,000 to act as a Non-executive Director; and (ii) for the financial year ended 2016, an annual fee of HK\$30,000 to act as a member of the Audit Committee, which are determined with reference to his duties and responsibilities in the Company, the Company's remuneration policy and the prevailing market situation (subject to review by the Board from time to time).

* for identification purposes only

5. **Mr. CHENG Sui Sang** *MBA, BEc, CPA (Aged 73)*

Mr. CHENG Sui Sang (“Mr. Cheng”) has been appointed as an Independent Non-executive Director since 1 January 2014. He is also the chairman of both the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee.

Mr. Cheng has extensive experience in banking, finance and investment fields. He is an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Cheng was a Director of Cosmopolitan International Holdings Limited, a company listed on the Stock Exchange, from August 2006 to June 2014 and a Director of Chi Cheung Investment Company, Limited (now known as LT Holdings Limited), a company listed in the Stock Exchange, from 1997 to 2000.

He has held senior management positions in companies in Hong Kong and overseas, as well as several companies listed on the Stock Exchange. He has also been involved in private consulting working in the PRC and Hong Kong. He holds a Bachelor’s degree in Economics and a Master’s degree in Business Administration.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Cheng does not hold any other major appointments and has not held any position or directorship in any other listed public companies during the last three years preceding the Latest Practicable Date; (ii) Mr. Cheng does not have any relationship with any other Directors, senior management, or substantial or controlling shareholder of the Company; and (iii) Mr. Cheng does not hold any other position with the Company and its subsidiaries.

As at the Latest Practicable Date, Mr. Cheng does not have any interest in the Shares within the meaning of Part XV of the SFO.

Pursuant to Mr. Cheng’s letter of appointment with the Company, he is appointed for a term of two years commencing from 1 January 2016 up to and including 31 December 2017 (which is renewable upon expiry). Mr. Cheng is subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with the Bye-laws.

For the financial year ended 31 December 2016, Mr. Cheng is entitled to (i) an annual director’s fee of HK\$250,000 from the Group for acting as an Independent Non-executive Director; (ii) an annual fee of HK\$60,000 to act as the chairman of the Audit Committee; (iii) an annual fee of HK\$20,000 to act as the chairman of the Remuneration Committee; and (iv) an annual fee of HK\$10,000 to act as a member of the Nomination Committee, which are determined with reference to his duties and responsibilities in the Company, the Company’s remuneration policy and the prevailing market situation (subject to review by the Board from time to time).

6. Mr. George YUEN Kam Ho (*Aged 73*)

Mr. George YUEN Kam Ho (“Mr. Yuen”) has been appointed as an Independent Non-executive Director since 12 July 2016. He is also a member of each of the Audit Committee, Remuneration Committee and Nomination Committee respectively.

Mr. Yuen is currently an Independent Non-executive Director of Easy One Financial Group Limited (formerly known as “PNG Resources Holdings Limited”), a company listed on the Stock Exchange and an Independent Non-executive Director of Industrial and Commercial Bank of China (Asia) Limited which was listed on the Stock Exchange before being privatised on 21 December 2010. He was a director of Visteon Corporation, a company listed on the New York Stock Exchange.

Mr. Yuen is currently a special adviser of China National Committee for Pacific Economic Cooperation, a Standing Committee member of the University of Hong Kong Convocation, a member of the Court of the University of Hong Kong and a business advisory council member of U.N. Economic and Social Commission for Asia and the Pacific.

Mr. Yuen graduated from The University of Hong Kong with a Bachelor’s Degree (Honours) in Economics and Political Science. Mr. Yuen has attended post-graduate studies in International Marketing Management at the International Marketing Institute, Cambridge, Massachusetts, U.S.A. and has completed the Hong Kong Administrators Course (commissioned by the Hong Kong Government) in Public Administration and International Relations at Oxford University, the United Kingdom, and the International Executive Program in INSEAD, France respectively. In June 2003, Mr. Yuen was admitted to the Leadership in Development Program organised by Kennedy School of Government, Harvard University, U.S.A. In June 2004, Stanford University, California, U.S.A. had also invited Mr. Yuen to participate in its “Corporate Governance” forum and in early 2006, the University awarded a fellowship to Mr. Yuen as a non-profit leader at its Center for Social Innovation.

Mr. Yuen has been Chief Executive Officer of “The Better Hong Kong Foundation” for nine years from September 1997. Prior to his joining “The Better Hong Kong Foundation”, Mr. Yuen was the Assistant Director and Acting Deputy Director of the Information Services Department of the Hong Kong Government. Mr. Yuen played an active role in organising significant international conferences in Hong Kong and held multiple public offices, including being a board member of the East-west Strategic Development Commission. From 2003 to 2007, Mr. Yuen was a member of the Pan-Pearl River Delta Panel of the Central Policy Unit (“CPU”) of the HKSAR Government. From January 2006 to January 2013, Mr. Yuen was a member of the Committee of Guangxi Zhuang Autonomous Region, the Chinese People’s Political Consultative Conference, an adviser of the Institute of Finance and Trade Economics, Chinese Academy of Social Sciences, an adviser of Center for Hong Kong and Macao Research, Shanghai Academy of Social Sciences, China, and an adviser of Guangzhou Municipal Board for International Investment, China.

Mr. Yuen is a fellow member of the Hong Kong Institute of Directors, a member of the British Institute of Management and the Institute of Marketing, U.K., and was also commended by the U.S. President, George W. Bush for his efforts in support of coalition's campaign against global terrorism.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Yuen does not hold any other major appointments and has not held any position or directorship in any other listed public companies during the last three years preceding the Latest Practicable Date; (ii) Mr. Yuen does not have any relationship with any other Directors, senior management, or substantial or controlling shareholder of the Company; and (iii) Mr. Yuen does not hold any other position with the Company and its subsidiaries.

As at the Latest Practicable Date, Mr. Yuen does not have any interest in the Shares within the meaning of Part XV of the SFO.

Pursuant to Mr. Yuen's letter of appointment with the Company, he is appointed for a term of two years commencing from 12 July 2016 up to and including 11 July 2018 (which is renewable upon expiry). Mr. Yuen is also subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with the Bye-laws. Pursuant to the said letter of appointment, Mr. Yuen is entitled to (i) an annual director's fee of HK\$250,000 to act as an Independent Non-executive Director; and (ii) for the financial year ended 2016, an annual fee of HK\$30,000 to act as a member of the Audit Committee; (iii) for the financial year ended 2016, an annual fee of HK\$10,000 to act as a member of the Remuneration Committee; and (iv) for the financial year ended 2016, an annual fee of HK\$10,000 to act as a member of the Nomination Committee, which are determined with reference to his duties and responsibilities in the Company, the Company's remuneration policy and the prevailing market situation (subject to review by the Board from time to time).

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders in respect of the re-election of the abovenamed retiring Directors.

This appendix contains the explanatory statement, as required under the Listing Rules, to provide the Shareholders with the requisite information in connection with the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the Company has a total of 5,706,670,104 issued Shares.

Subject to the passing of the ordinary resolution no. 3(2) set out in the AGM Notice for approving the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 570,667,010 Shares during the period in which the Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Repurchase Mandate must be fully paid-up.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net assets and/or earnings per Share. The Directors will decide on the number of Shares to be repurchased on each occasion and the price and other terms upon which the same is repurchased at relevant time having regard to the circumstances then pertaining and they will do so only when they believe that such repurchases will benefit the Company and the Shareholders as a whole. At present, the Directors have no intention to repurchase any Shares.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company will only apply funds legally available for such purpose in accordance with the Bye-laws and the applicable laws of Bermuda. It is envisaged that such repurchases would be paid out of the capital paid up on the repurchased Shares, or the funds of the Company otherwise available for dividend or distribution, or the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a repurchase would be provided out of funds of the Company otherwise available for dividend or distribution or the Company's share premium account.

In the event that the Repurchase Mandate were to be exercised in full at any time during the period which the Repurchase Mandate remains in force, there would not be a material adverse impact on the working capital or the gearing position of the Company as compared to the consolidated financial position of the Company as at 31 December 2016 (being the date to which the latest published audited consolidated financial statements of the Company were made up). The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse impact on the working capital or the gearing position of the Company which in the opinion of the Directors is from time to time appropriate for the Company.

4. CONNECTED PERSONS AND DIRECTORS' UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates have any present intention to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

5. EFFECT OF THE TAKEOVERS CODE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Summit View Holdings Limited and Neo Summit Limited were interested in 991,041,796 Shares and 475,816,993 Shares respectively, representing approximately 17.37% and 8.34% of the total Shares in issue respectively.

In the event that the Repurchase Mandate were to be exercised in full, then (if the present shareholdings otherwise remained the same) the shareholding in the Company of Summit View Holdings Limited and Neo Summit Limited would increase to approximately 19.30% and 9.26% respectively of the total Shares in issue. It is considered that such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would give rise to this obligation.

The Directors do not intend to exercise the Repurchase Mandate to an extent which will result in the number of Shares held in the hands of the public falling below the prescribed limit under the Listing Rules.

6. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 calendar months preceding the Latest Practicable Date and up to that date were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
2016		
March	0.640	0.550
April	0.870	0.500
May	0.830	0.700
June	0.780	0.650
July	0.780	0.680
August	0.710	0.630
September	0.690	0.248
October	0.430	0.345
November	0.400	0.320
December	0.430	0.330
2017		
January	0.375	0.335
February	0.435	0.355
March	0.420	0.345
April (up to the Latest Practicable Date)	Suspended	Suspended

* *Trading in the Shares on the Stock Exchange has been suspended since 3 April 2017.*

7. SHARE PURCHASES MADE BY THE COMPANY

The Company did not purchase any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



HSIN CHONG GROUP HOLDINGS LIMITED

新昌集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00404)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of Hsin Chong Group Holdings Limited (the “**Company**”) will be held at 2nd Floor, Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Friday, 2 June 2017 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the directors’ report and the independent auditor’s report of the Company for the financial year ended 31 December 2016.
2. To re-elect the following retiring directors of the Company and authorise the board of directors of the Company to fix the directors’ remuneration:
 - (1) to re-elect Ir Joseph CHOI Kin Hung as an executive director;
 - (2) to re-elect Mr. Eric TODD as an executive director;
 - (3) to re-elect Mr. CHEN Lei as a non-executive director;
 - (4) to re-elect Mr. CHUI Kwong Kau as a non-executive director;
 - (5) to re-elect Mr. CHENG Sui Sang as an independent non-executive director;
 - (6) to re-elect Mr. George YUEN Kam Ho as an independent non-executive director; and
 - (7) to authorise the board of directors of the Company to fix the directors’ remuneration for the year ending 31 December 2017.
3. As special business, to consider and, if thought fit, pass with or without modifications the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

- (1) “**THAT:**
 - (a) subject to paragraph (b) of this resolution no. 3(1), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights of subscription for or conversion into shares of the Company) which would or might require the exercise of such powers during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of share capital allotted, issued or otherwise dealt with, or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with, (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this resolution no. 3(1), otherwise than pursuant to or in consequence of:
- (i) a Rights Issue (as hereinafter defined); or
 - (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company; or
 - (iii) the exercise of any options granted under any share option scheme or similar arrangement for the time being adopted by the Company for the grant or issue to eligible participants of shares of the Company or rights to acquire shares of the Company; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company from time to time; or
 - (v) a specific authority granted by the shareholders of the Company in general meeting,

shall not exceed twenty per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution no. 3(1), and the said approval shall be limited accordingly; and

- (c) for the purposes of this resolution no. 3(1), "Relevant Period" means the period from (and including) the date of the passing of this resolution no. 3(1) until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
 - (iii) the revocation or variation of the authority given under this resolution no. 3(1) by the passing of an ordinary resolution by the shareholders of the company in general meeting, and

"Rights Issue" means an offer of shares of the Company, or an offer of warrants, options or other securities which carry rights to subscribe for or purchase shares of the Company, open for a period fixed by the directors of the Company to holders of shares of the Company on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory outside Hong Kong)."

NOTICE OF ANNUAL GENERAL MEETING

- (2) **“THAT:**
- (a) subject to paragraph (b) of this resolution no. 3(2), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase or repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the shares of the Company may be listed and is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of the shares of the Company which may be purchased or repurchased by the Company pursuant to the approval in paragraph (a) of this resolution no. 3(2) shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution no. 3(2), and the said approval shall be limited accordingly; and
 - (c) for the purposes of this resolution no. 3(2), **“Relevant Period”** means the period from (and including) the date of the passing of this resolution no. 3(2) until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
 - (iii) the revocation or variation of the authority given under this resolution no. 3(2) by the passing of an ordinary resolution by the shareholders of the Company in general meeting.”
- (3) **“THAT** conditional upon the passing of resolutions nos. 3(1) and 3(2) set out in the notice of this meeting, the general mandate granted to the directors of the Company pursuant to resolution no. 3(1) set out in the notice of this meeting and for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights of subscription for or conversion into shares of the Company) be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the shares of the Company purchased or repurchased by the Company under the authority granted pursuant to resolution no. 3(2) set out in the notice of this meeting, provided that such extended amount shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution.”

By order of the Board
Hsin Chong Group Holdings Limited
CHAN Chi Fai, David
Company Secretary

Hong Kong, 29 April 2017

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) Any member entitled to attend and vote at the Meeting shall be entitled to appoint a proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy. A proxy need not be a member of the Company.
- (ii) In the case of joint holders of any share, any one of such joint holders may vote, either in person or by proxy or in case of a corporation by its duly authorized representative, in respect of such share at the annual general meeting as if he were solely entitled thereto, but if more than one of such joint holders be present in person or by proxy or in case of a corporation by its duly authorized representative at the meeting, then one of the persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) To be valid, any instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or other authority, shall be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting or any adjourned meeting thereof. Completion and delivery of the proxy form will not preclude a member from attending and voting in person at the Meeting or any adjourned meeting thereof should he so wish.
- (iv) The register of members of the Company will be closed from Monday, 29 May 2017 to Friday, 2 June 2017, both days inclusive (Hong Kong time), for the purpose of ascertaining shareholders' entitlement to attend and vote at the Meeting. In order to be eligible to attend and vote at the Meeting, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 26 May 2017 (Hong Kong time). During the period mentioned above, no transfers of shares will be registered.
- (v) With regard to the proposed resolutions under agenda item 2 of this notice of the Meeting, the board of directors of the Company recommends that the retiring directors, namely, Ir Joseph CHOI Kin Hung, Mr. Eric TODD, Mr. CHEN Lei, Mr. CHUI Kwong Kau, Mr. CHENG Sui Sang and Mr. George YUEN Kam Ho be re-elected as directors of the Company.
- (vi) With regard to the proposed resolutions under agenda item 3 of this notice of the Meeting, the directors of the Company wish to state that they have no immediate plans to issue any new shares or repurchase any shares of the Company pursuant to the general mandates referred thereunder.
- (vii) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange, all resolutions to be proposed at the Meeting will be decided by way of a poll, subject to certain exceptions.