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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\$300 MILLION 8.75% SENIOR NOTES DUE 2018

(Stock Code: 5513)

US\$150 MILLION 8.50% SENIOR NOTES DUE 2019

(Stock Code: 5607)

INSIDE INFORMATION IN RELATION TO APPOINTMENT OF RECEIVERS OF A SUBSIDIARY

This announcement is made by Hsin Chong Group Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09, 13.19 and 37.47B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Company and/or its subsidiaries are parties to loan agreements with various banks and financial institutions (including banks in the PRC and Hong Kong) under which the Group has borrowed money for working capital and other purposes.

On 25 July 2018, the Company received a notification from Ernst & Young Transactions Limited informing the Company that their Ms. Koo Chi Sum and Ms. Yeung Mei Lee (the “**Receivers**”) had been appointed by Industrial and Commercial Bank of China (Asia) Limited (“**ICBC**”) on 25 July 2018 as joint and several receivers and managers of the issued share capital of Wisdom Top International Limited (“**Wisdom Top**”), which is a wholly-owned subsidiary of the Company, pursuant to a share mortgage made between ICBC and Diamond Summit Limited, which is a wholly-owned subsidiary of the Company and the immediately holding company of Wisdom Top, to secure the loan facilities (the “**Loan**”) granted by ICBC to Wisdom Top, which is overdue as at the date of this announcement. Wisdom Top currently owns a commercial property for rent (“**Property**”) in Guangzhou, the PRC. Other than the holding of the Property and the leasing of it, Wisdom Top has no other material operation as at the date of this announcement. The Company considers that the business of Wisdom Top is not directly related to the principal business of the Company, and the Company has been contemplating the disposal of the Property prior to the appointment of the Receivers. Based on the estimated market value of the Property, the Company expects that in the event that the Property is disposed in the open market, the proceeds shall be sufficient in fully repayment of the Loan and the amounts due thereunder.

The Company will liaise with the Receivers and in the event that the Receivers have decided the way going forward in handling the shares of Wisdom Top and/or the Property, the Company will make further announcement(s) to update the holders of the shares and debt securities of the Company and potential investors as and when appropriate and comply with the requirement of the Listing Rules, if any.

Except the aforesaid appointment of Receivers of Wisdom Top, as of the date of this announcement, the Group is not aware of any application having been made to or order having been issued by any court of competent jurisdictions (in the PRC, Hong Kong or elsewhere) for the preservation of the assets or commencement of insolvency proceedings in respect of any member of the Group.

CONTINUED SUSPENSION OF TRADING IN THE SHARES AND DEBT SECURITIES

Trading in the ordinary shares and debt securities of the Company has been suspended since 3 April 2017 and will continue to be suspended until further notice. Holders of the shares and debt securities of the Company and potential investor are advised to exercise condition when dealing in the securities of the Company.

By Order of the Board of
Hsin Chong Group Holdings Limited
LIN Zhuo Yan
Non-executive Chairman and
Non-executive Director

Hong Kong, 27 July 2018

As at the date of this announcement, the Board comprises Mr. LIN Zhuo Yan as the Non-executive Chairman and Non-executive Director; Ir Dr Joseph CHOI Kin Hung (Chief Executive Officer), Mr. Wilfred WU Shek Chun (Chief Risk Officer) and Mr. Eric TODD as Executive Directors; Mr. YAN Jie, Mr. CHEN Lei, Mr. CHUI Kwong Kau and Mr. LUI Chun Pong as Non-executive Directors; and Mr. CHENG Sui Sang, Mr. George YUEN Kam Ho, Dr. LAM Lee G. and Dr. LO Wing Yan William, JP as Independent Non-executive Directors.