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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)

VOLUNTARY ANNOUNCEMENT

This announcement is made by the Company on a voluntary basis to provide shareholders, holders of the Debt Securities and potential investors an update on the business of the Company.

Reference is made to the announcements of the Company dated 2 May 2018, 17 May 2018, 18 May 2018 and 27 July 2018 regarding, among other things, the Company's financial conditions and a potential Strategic Business Cooperation with the PRC Real Estate Partner Kaisa Group Holdings Ltd. (Stock Code: 01638). Unless otherwise stated, capitalised terms used in this announcement shall have the same meaning as defined in the announcement of the Company dated 2 May 2018. The Framework Agreement signed with the PRC Real Estate Partner gave them a First Right of Refusal to sign specific agreements for each and every one of the real estate projects until 31 December 2018. The Company has recently successfully negotiated with another PRC Real Estate Partner ("**Second Real Estate Partner**") on a Co-operation Framework Agreement ("**Foshan Framework Agreement**") in relation to: (1) share arrangements; (2) project re-financing; (3) project management and (4) property sales of the Company's real estate project in the Guangdong Foshan Sanshui District. The PRC Real Estate Partner has provided a written confirmation giving up its First Right of Refusal to sign the Foshan Framework Agreement.

The Second Real Estate Partner is a Hong Kong listed company with extensive experience in the development of large scale real estate projects in PRC, substantial real estate development resources and strong connections with onshore project financiers. The Second Real Estate Partner has engaged third party service providers to conduct due diligence on the project and intend to sign a co-operation agreement shortly after the completion of the due diligence work and form a joint venture company for the project. Should a co-operation agreement be signed with the Second Real Estate Partner, the Company will work closely with them to reduce project development and finance costs and speed up the development process, thereby enhancing the value of the project and creating better commercial value which will benefit the adjacent communities.

The Board wishes to emphasise that no binding agreement in relation to the transactions contemplated under the Foshan Framework Agreement has been entered into as at the date of this announcement. As such, those transactions may or may not proceed. If those transactions materialise, they may constitute notifiable transactions on the part of the Company. Shareholders and potential investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) will be made by the Company in the event that any formal agreement has been entered into.

CONTINUED SUSPENSION OF TRADING IN THE SHARES AND DEBT SECURITIES

Trading in the Shares and Debt Securities of the Company has been suspended since 3 April 2017 and will continue to be suspended until further notice.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares and other 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, 6 August 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.