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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)

APPOINTMENT OF EXECUTIVE DIRECTOR AND VICE CHAIRMAN; AND CHANGES OF SIZE AND MEMBERS OF AUDIT, RISK MANAGEMENT AND CORPORATE GOVERNANCE COMMITTEES

APPOINTMENT OF EXECUTIVE DIRECTOR AND VICE CHAIRMAN

The board of directors (the “**Board**”) of Hsin Chong Group Holdings Limited (the “**Company**”) announces that Mr. WANG Guozhen (“**Mr. Wang**”) has been appointed as the Executive Director and Vice Chairman with effect from 3 September 2018.

Mr. Wang, aged 60, holds an executive master’s degree in business administration with Cheung Kong Graduate School of Business. He joined the Ministry of Finance of the People’s Republic of China in 1982 and has served as heads of various departments. He held various positions such as the general manager of Debao Hotel operated by the Ministry of Finance, the deputy general manager of Debao Industrial Corporation and the deputy officer of Bureaucratic Service Center of the Ministry of Finance. He was also officer of General Office and Bureaucratic Service Center of National Council for Social Security Fund, the standing member of council of Beijing Charity Association and the member of 11th and 12th Beijing Municipal Committee of the Chinese People’s Political Consultative Conference.

As at the date hereof, Mr. Wang has not entered into any service contract with the Company. His remuneration has been determined by the Company's Remuneration Committee. An announcement on his entering into of a service contract with the Company (if any) will be made as and when applicable.

Mr. Wang will hold office until the next annual general meeting of the Company and will be subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. He will be entitled to directors' fee determined by the Remuneration Committee of the Company with reference to their duties and responsibility in the Company and the market benchmark.

Save as disclosed above and as at the date of this announcement, Mr. Wang does not hold any position in the Company or any of its subsidiaries or have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company. He has not held any directorship in other listed companies in Hong Kong or overseas or other major appointments and qualifications in the past three years. Save as disclosed herein, Mr. Wang does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance as at the date of this announcement.

In relation to Mr. Wang's appointment as an Executive Director, 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 Rules Governing the Listing of Securities (the "**Listing Rule**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and there is no other matters that need to be brought to the attention of the holders of securities of the Company or the Stock Exchange.

The Board noted that following the appointment of Mr. Wang, the number of the Independent Non-executive Directors has fallen below the minimum number required under Rule 3.10A of the Listing Rule.

The Company will seek a suitable candidate to fill the expected replacement to be appointed within three months from 3 September 2018 pursuant to Rule 3.11 of the Listing Rules. The Company will make further announcement as and when appropriate.

The Board would like to express its warm welcome to Mr. Wang on his new appointment.

CHANGES OF SIZE AND MEMBERS OF AUDIT, RISK MANAGEMENT AND CORPORATE GOVERNANCE COMMITTEES

The Board is pleased to further announce that:

(a) Audit Committee

Dr. LAM Lee G. has been appointed as a member of the Audit Committee with effect from 3 September 2018. The membership of Audit Committee has increased from four to five, comprising:

Chairman of Audit Committee

Mr. CHENG Sui Sang (Independent Non-executive Director)

Members

Mr. George YUEN Kam Ho (Independent Non-executive Director)

Mr. CHUI Kwong Kau (Non-executive Director)

Dr. LAM Lee G. (Independent Non-executive Director)

Dr. LO Wing Yan William (Independent Non-executive Director)

(b) Risk Management Committee

Dr. LAM Lee G. has been appointed as chairman of the Risk Management Committee with effect from 3 September 2018. The membership of Risk Management Committee has increased from three to four, comprising:

Chairman of Risk Management Committee

Dr. LAM Lee G. (Independent Non-executive Director)

Members

Mr. CHENG Sui Sang (Independent Non-executive Director)

Mr. George YUEN Kam Ho (Independent Non-executive Director)

Dr. LO Wing Yan William (Independent Non-executive Director)

(c) Corporate Governance Committee

Dr. LO Wing Yan William and Dr. LAM Lee G. have been appointed as chairman and a member of the Corporate Governance Committee with effect from 3 September 2018 respectively. Mr. George YUEN Kam Ho has been redesignated from chairman to a member of the Corporate Governance Committee with effect from 3 September 2018. The membership of Corporate Governance Committee has increased from three to four, comprising:

Chairman of Corporate Governance Committee

Dr. LO Wing Yan William (Independent Non-executive Director)

Members

Mr. CHENG Sui Sang (Independent Non-executive Director)

Mr. George YUEN Kam Ho (Independent Non-executive Director)

Dr. LAM Lee G. (Independent Non-executive Director)

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. Conditions of the resumption of trading have been set out in the Company's announcement dated 12 June 2017.

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, 3 September 2018

As at the date of this announcement, the Board comprises Mr. LIN Zhuo Yan as the Non-executive Chairman and Non-executive Director; Mr. WANG Guozhen (Vice Chairman), 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.