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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)

SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POTENTIAL DISPOSAL

Financial Adviser



Euto Capital Partners Limited

Reference is made to (i) the announcement of Hsin Chong Group Holdings Limited (the “**Company**”) dated 2 May 2018 regarding the Potential Investment; and (ii) the Company’s announcement (the “**MOU Announcement**”) dated 29 August 2018 regarding the entering into of the MOU in relation to the Potential Disposal. Unless otherwise defined in this announcement, terms defined in the MOU Announcement shall have the same meanings in this announcement.

SUPPLEMENTAL MOU

As disclosed in the MOU Announcement and pursuant to the MOU, the Company agreed to offer an Exclusive Period to the Purchaser (being a major construction enterprise in the PRC) in relation to the Potential Disposal and the potential investment by the Purchaser in the Company.

On 7 September 2018 (after trading hours), the Company and the Purchaser entered into a supplemental memorandum of understanding (the “**Supplemental MOU**”) in relation to the Potential Disposal whereby the parties agreed to, among other things, amend the MOU as follows:

1. the Potential Investor shall be allowed to continue its due diligence exercises for the Potential Investment; and
2. the Company or any of its subsidiaries must obtain the written consent of the Purchaser before entering into of any agreement with any third party in relation to the Potential Investment. For the avoidance of doubt, the Company or any of its subsidiaries shall not reach or sign any agreement with any third party in relation to the Potential Investment without the prior written consent of the Purchaser.

Save for the amendments contained in the Supplemental MOU as disclosed above, there are no other changes to the terms and conditions of the MOU.

Save for those provisions relating to the exclusivity, confidentiality, costs and expenses and the governing law, the MOU and the Supplemental MOU does not have any legal effect.

The Potential Disposal and the transactions contemplated under the MOU are subject to, among others, further negotiation concerning the entering into of a Formal Agreement and the results of the due diligence to be carried out by the Purchaser. At the present stage, the terms and conditions of the Formal Agreement are yet to be finalized and agreed between the Company and the Purchaser. As such, the Potential Disposal and the transactions contemplated under the MOU may or may not proceed. Further announcement(s) in respect of the Potential Disposal or any other transactions contemplated under the MOU shall be made by the Company in the event that any Formal Agreement has been entered into. The Potential Disposal may be subject to certain conditions precedent which may not be able to be fulfilled or waived. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company.

CURRENT STATUS OF THE POTENTIAL INVESTMENT

As at the date of this announcement, the Potential Investor has not yet completed the due diligence exercises for the Potential Investment and it remains uncertain whether the Potential Investment will be completed.

Further announcement(s) in respect of the Potential Investment will be made by the Company in accordance with the Listing Rules as and when appropriate.

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, 7 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.