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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)

**INSIDE INFORMATION IN RELATION TO
(I) NOTICE OF DEFAULT; AND
(II) APPOINTMENT OF RECEIVERS OF SUBSIDIARIES**

This announcement is made by Hsin Chong Group Holdings Limited (“**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.19 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 certain of its subsidiaries are parties to loan agreements with various banks, financial institutions and lenders (including banks in the PRC and Hong Kong) under which the Group has borrowed money for working capital and other purposes.

I. NOTICE OF DEFAULT

On 17 December 2018, the Company received three notices of default from the solicitors of VMS Investment Group Limited (“**VMS**”) referring to a loan agreement and three share charges, in which they declared default by the Company and/or the relevant subsidiaries, and informed the Company that they would immediately exercise VMS’s rights thereunder including but not limited to enforcing VMS’s security over the share capital of the relevant subsidiaries of the Company, the details of which are set out in the table below.

	Notice of Default One	Notice of Default Two	Notice of Default Three
Date of the Notice of Default	17 December 2018	17 December 2018	17 December 2018
Loan Agreement	The loan agreement dated 4 August 2017 between the Company and VMS	The loan agreement dated 4 August 2017 between the Company and VMS	The loan agreement dated 4 August 2017 between the Company and VMS
Share Charge	The share charge dated 4 August 2017 between the Company and VMS	The share charge dated 4 August 2017 between Hsin Chong Construction Management Services Limited and VMS	The share charge dated 4 August 2017 between Hsin Chong Property Holdings Limited and VMS
The company which has its shares subject to the share charge	Hsin Chong Construction (BVI) Ltd.	Hsin Chong Construction (Macau) Limited	Diamond Summit Limited

The Company will seek legal advice on the matter. Further announcement will be made as and when appropriate.

II. APPOINTMENT OF RECEIVERS OF SUBSIDIARIES

On 20 December 2018, the Company received a letter from Ho Man Kit and Kong Sze Man Simone (“**Receivers**”) informing that they had been appointed by Ultimate Achieve Developments Limited (“**Ultimate Achieve**”) on 20 December 2018 as joint and several receivers and managers of the issued share capital of three subsidiaries of the Company under three share charges, the details of which are set out in the table below.

	Share Charge One (“HCCC Share Charge”)	Share Charge Two (“HCCA Share Charge”)	Share Charge Three (“HCCBVI Share Charge”)
Share Charge	The share charge dated 4 August 2017 between Hsin Chong Construction (BVI) Ltd. and VMS*	The share charge dated 4 August 2017 between Hsin Chong Construction (BVI) Ltd. and VMS*	The share charge dated 4 August 2017 between the Company and VMS*
The company which has its shares subject to the share charge	Hsin Chong Construction Company Limited	Hsin Chong Construction (Asia) Limited	Hsin Chong Construction (BVI) Ltd.

* The rights, title and interests of VMS were assigned to Ultimate Achieve by an assignment agreement dated 18 December 2018 as indicated in the letter from Receivers.

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 the relevant subsidiaries of the Company, 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.

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 caution when dealing in the securities of the Company.

By Order of the Board
Hsin Chong Group Holdings Limited
WANG Guozhen
Vice Chairman and Executive Director

Hong Kong, 24 December 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 and Mr. CHUI Kwong Kau 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.