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## **HSIN CHONG CONSTRUCTION GROUP LTD.**

**新昌營造集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00404)**

### **(1) SIGNING OF THE NEW PLACING AGREEMENT AND TERMINATION OF THE ORIGINAL PLACING AGREEMENT AND (2) UPDATE ON THE RIGHTS ISSUE**

**Placing Agent**



#### **SIGNING OF NEW PLACING AGREEMENT AND TERMINATION OF THE ORIGINAL PLACING AGREEMENT**

On 20 December 2014, the Company and the New Placing Agent entered into the New Placing Agreement in respect of the placing of a maximum of 1,472,960,000 New Placing Shares at HK\$1.00 per Share to not less than six independent places on a best efforts basis subject to the Commitment Notice (as defined below), to replace the Original Placing Agreement that has been terminated on the same day by agreement between the Company and the Original Placing Agents (with full release of obligations of all parties to it) in view of the change of market conditions since the issue of the Prospectus. The New Placing Agent has the right to terminate the New Placing Agreement upon the occurrence of any force majeure events as set out in the New Placing Agreement.

\* for identification purposes only

The 1,472,960,000 New Placing Shares represents: (a) approximately 51.5% of the Company's total number of Shares in issue as at the date of this announcement; (b) approximately 34.0% of the issued share capital of the Company as enlarged by the issue of the New Placing Shares; and (c) approximately 28.4% of the issued share capital of the Company as enlarged by the issue of the New Placing Shares and the Rights Shares.

The Company has stated in the Circular, the Equity Fund Raising Announcement and the Prospectus that the raising of not less than HK\$2,000 million by way of equity or equity-linked financing is a condition precedent to the completion of the Acquisition. The Company launched the Rights Issue on 9 December 2014 to raise approximately HK\$857.4 million before expenses. The New Placing Agreement, in replacement of the Original Placing Agreement, will serve to facilitate the Company to continue an equity fund raising of approximately HK\$1,472.96 million before expenses, in compliance with the terms of the specific mandate granted by Shareholders at the special general meeting held on 27 November 2014 and so that together with the proceeds of the Rights Issue, the Company will be able to meet the condition precedent relating to raising equity financing under the Acquisition.

## **UPDATE IN RESPECT OF THE RIGHTS ISSUE**

In view of the termination of the Original Placing Agreement and the entering into of the New Placing Agreement, the Company and the Underwriters of the Rights Issue have entered into a supplemental agreement on 20 December 2014:–

- to confirm that the Underwriting Agreement in respect of the Rights Issue remain in full force and effect and that neither of them will terminate the Underwriting Agreement as a result of the termination of the Original Placing Agreement and the entering into of the New Placing Agreement; and
- to amend the definition of the “Placing Agreement” referred to therein, so that it refers now to the New Placing Agreement.

Accordingly, the terms of the Rights Issue remain in all material respects unchanged.

## **WARNING OF THE RISKS OF DEALING IN SHARES**

**Shareholders and investors should note, among others, that (i) the Rights Issue is implemented in conjunction with the New Placing, and completion of the Rights Issue and the New Placing forms part of the conditions precedent for the Acquisition; (ii) each of the Rights Issue and the New Placing is conditional upon certain conditions precedent contained in the Underwriting Agreement and the New Placing Agreement, respectively; (iii) the completion of the Rights Issue will not take place if less than 1,472,960,000 New Placing Shares under the New Placing Agreement are successfully placed; and (iv) each of the Rights Issue and the New Placing is capable of being**

**terminated by the Underwriters and the New Placing Agent, respectively, upon the occurrence of any force majeure events as set out in the Underwriting Agreement or the New Placing Agreement. If either the Underwriting Agreement or the New Placing Agreement does not become unconditional or is terminated, both the Rights Issue and the New Placing will not proceed, and accordingly the Acquisition will not become unconditional and will not proceed without alternative equity or equity-linked fund raising of not less than HK\$2,000 million (before expenses).**

**Any Shareholders or other persons dealing in the Shares up to the date on which the Acquisition, the Rights Issue and the New Placing all become unconditional and the date on which the right of termination of each of the Underwriting Agreement and the New Placing Agreement ceases will accordingly bear the risk that the Rights Issue, the New Placing and the Acquisition may not become unconditional or may be terminated and may not proceed.**

**If in any doubt, Shareholders and potential investors should consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.**

Reference is made to (i) the announcements of the Company dated 15 May 2014 and 4 November 2014 (together the “**Transaction Announcements**”) in relation to, among others, the acquisition of a property development project in the People’s Republic of China involving the issue of convertible preference shares and the proposed increase in authorised share capital; (ii) the circular of the Company dated 4 November 2014 (the “**Circular**”) in relation to the acquisition of a property development project in the People’s Republic of China, a proposed rights issue and a placing of new Shares under specific mandate in conjunction with the Acquisition; (iii) the announcement of the Company dated 27 November 2014 in relation to the poll results of the special general meeting held on 27 November 2014 (the “**Poll Results Announcement**”); (iv) the announcement of the Company dated 27 November 2014 in relation to the Rights Issue and the placing under the Original Placing Agreement in conjunction with the Acquisition (the “**Equity Fund Raising Announcement**”); and (v) the prospectus of the Company dated 9 December 2014 in relation to the Rights Issue of 857,449,996 Rights Shares at HK\$1.00 each on the basis of three (3) Rights Shares for every ten (10) Shares held on the Record Date (the “**Prospectus**”). (the Transaction Announcements, Poll Results Announcement and Equity Fund Raising Announcement, together the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as ascribed to them in the Announcements, the Circular and the Prospectus.

## **SIGNING OF THE NEW PLACING AGREEMENT AND TERMINATION OF THE ORIGINAL PLACING AGREEMENT**

On 20 December 2014, the Company and the New Placing Agent entered into the New Placing Agreement in respect of the placing of a maximum of 1,472,960,000 New Placing Shares at HK\$1.00 per Share to not less than six independent placees on a best efforts basis subject to the Commitment Notice (as defined below), to replace the Original Placing Agreement that has been terminated on the same day by agreement between the Company and the Original Placing Agents (with full release of obligations of all parties to it) in view of the change of market conditions since the issue of the Prospectus.

The key terms of the New Placing Agreement are set out below.

### **The New Placing**

#### **Issuer**

The Company

#### **New Placing Agent**

Kingston Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the New Placing Agent and its associates are third parties independent of and not connected persons of the Company and its connected persons. As at the date of this announcement, the New Placing Agent and its associates are interested in 50,000,000 Shares.

#### **Placing Shares**

Under the New Placing Agreement, the New Placing Agent has conditionally agreed to procure not less than six independent placees to subscribe for a maximum of 1,472,960,000 New Placing Shares at a price of HK\$1.00 per New Placing Share on a best efforts basis subject to the Commitment Notice (as defined below).

The New Placing Agent shall notify the Company in writing by no later than 6:00 p.m. on 22 December 2014 or (if later) the trading day immediately preceding the Acceptance Date (as defined in the Prospectus) whether or not it has procured subscribers for the maximum number of New Placing Shares. If such notice confirms that the New Placing Agent has procured subscribers for the maximum number of New Placing Shares (such notice being a “**Commitment Notice**”), the New Placing Agent shall at completion of the New Placing Agreement be obliged to procure subscribers for or failing which itself to subscribe the New Placing Shares and the Company shall be obliged to issue and allot the New Placing Shares at completion of the New Placing Agreement. If the New Placing Agent, having given a Commitment Notice, fails to perform its obligations at completion of the New Placing Agreement, the Company may take the Commitment Notice as an application for the maximum number of the New Placing Shares, except when the New Placing Agreement is terminated in accordance with the terms therein. A further announcement will be made in respect of whether or not a Commitment Notice is given.

The 1,472,960,000 New Placing Shares represents: (a) approximately 51.5% of the Company’s total number of Shares in issue as at the date of this announcement; (b) approximately 34.0% of the issued share capital of the Company as enlarged by the issue of the New Placing Shares; and (c) approximately 28.4% of the issued share capital of the Company as enlarged by the issue of the New Placing Shares and the Rights Shares.

The New Placing Shares, when allotted and issued, will rank pari passu in all respects among themselves and with all other Shares then in issue on the date of allotment and issue of the New Placing Shares, including the right to receive all dividends declared, made or paid on the relevant record date for which falls on or after the Completion Date (as defined below). Holders of the New Placing Shares will not be entitled to participate in the Rights Issue.

### **Placees**

The New Placing Agent intends to place the New Placing Shares to not less than six independent placees, being independent professional, institutional, or other investor(s) who and whose ultimate beneficial owners are third parties independent of and not connected or acting in concert (as defined under the Code on Takeovers and Mergers (“**Takeovers Code**”)) with any directors, chief executive or substantial shareholder(s) of the Group and their respective associates. It is expected that none of the placees will become a substantial Shareholder immediately after completion of the New Placing Agreement.

### **Placing Price**

The Placing Price of HK\$1.00 per New Placing Share represents:

- (i) the closing price of HK\$1.00 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 0.60% to the average closing price of approximately HK\$0.994 per Share for the five consecutive trading days ended on the Last Trading Day;

- (iii) a premium of approximately 1.21% to the average closing price of approximately HK\$0.988 per Share for the ten consecutive trading days ended on the Last Trading Day; and
- (iv) a discount of approximately 32.62% over the net asset value of approximately HK\$1.484 per Share based on the audited financial statements of the Company for the year ended 31 December 2013.

The Placing Price was arrived at after arm's length negotiations between the Company and the New Placing Agent with reference to, among others, the terms of the specific mandate granted by the Shareholders on 27 November 2014 which requires it to be the same as the Subscription Price and be not more than 20% discount to the higher of the average closing price for the five trading days on the Stock Exchange for the Shares immediately preceding the date of the New Placing Agreement or the closing price on the Stock Exchange for the Shares on the date of the New Placing Agreement, and in any event not being less than HK\$1.00 per Share. The Directors consider that the Placing Price and the terms and conditions of the New Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

#### **Placing commission**

The Company will pay to the New Placing Agent a placing commission of 4.0% of the aggregate amount of the Placing Price for the number of New Placing Shares actually placed.

#### **Specific mandate to issue the Placing Shares**

The New Placing Shares will be issued under the specific mandate sought by the Directors and approved by the Shareholders by way of poll at the special general meeting of the Company held on 27 November 2014.

#### **Application for listing of the New Placing Shares**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the New Placing Shares.

#### **Conditions of the New Placing**

Completion of the New Placing is conditional upon following:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in all of the New Placing Shares;
- (b) the conditions precedent (other than the conditions precedent in relation to raising of equity or equity linked financing) under the Acquisition Agreement being fulfilled to the extent not waived;
- (c) the Underwriting Agreement not having been terminated;



- (d) completion of the Rights Issue and the Acquisition Agreement at Completion; and
- (e) the New Placing Agreement not being terminated in accordance with the terms thereof, including provisions regarding force majeure events.

Subject to the conditions precedent being fulfilled, completion of the New Placing Agreement will take place on 30 December 2014 or (if later) the Settlement Date (“**Completion Date**”). If the conditions to the New Placing Agreement are not satisfied by 5:00 p.m. on 30 December 2014 or such later date as may be agreed by the Company and the New Placing Agent in writing, the New Placing Agreement will be terminated and the New Placing will not proceed and all obligations and liabilities of the parties thereunder (other than in respect of certain confidentiality provisions of the New Placing Agreement) will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

### **Termination of the New Placing Agreement**

The New Placing Agent reserves its right to terminate the New Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in the absolute opinion of the New Placing Agent, the success of the New Placing would be materially and adversely affected by any force majeure event (as defined below).

For this purpose, a “force majeure event” refers to:

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the New Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the New Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances (inclusive of any pandemics or epidemics) which may, in the absolute opinion of the New Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the New Placing of the New Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the New Placing Agent to proceed with the New Placing; or

- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation to suspension or material restriction or trading in securities) occurs which affect the success of the New Placing (such success being the placing of the New Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the New Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the New Placing Agent to proceed with the New Placing.
- (i) In addition, if, at or prior to 9:00 a.m. on the Completion Date:
  - (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the New Placing Agreement; or
  - (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the New Placing Agreement; or
  - (c) the New Placing Agent shall become aware of the fact that any of the representations or warranties contained in the New Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate, if repeated, the New Placing Agent shall, in its absolute opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the New Placing,

The New Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the New Placing Agent from its obligations under the New Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the New Placing Agent thereunder shall cease and determine (other than in respect of certain confidentiality provisions of the New Placing Agreement) and no party to the Placing Agreement shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the New Placing Agreement, save for any antecedent breaches. The New Placing Agreement shall also automatically terminate upon the termination of the Underwriting Agreement and/or the Acquisition Agreement.

### **Completion of the placing under the New Placing Agreement**

Completion of placing under the New Placing Agreement shall take place on 30 December 2014 or (if later) the Settlement Date on which the Rights Issue will also complete, subject to the fulfillment of all the conditions set out in the paragraph headed “Conditions of the New the Placing” above. Further announcement will be made by the Company upon the completion of the New Placing.



## Reasons for entering into the New Placing Agreement and use of proceeds

The Company has stated in the Circular, the Equity Fund Raising Announcement and the Prospectus that the raising of not less than HK\$2,000 million by way of equity or equity-linked financing is a condition precedent to the completion of the Acquisition. The Company launched the Rights Issue on 9 December 2014 to raise approximately HK\$857.4 million before expenses. In view of the change of market conditions since the issue of the Prospectus, the Company and the Original Placing Agents have agreed to terminate the Original Placing Agreement with full release of the obligations of all parties thereunder. The Directors consider that the New Placing Agreement, in replacement of the Original Placing Agreement, will serve to facilitate the Company to continue an equity fund raising of approximately HK\$1,472.96 million before expenses, in compliance with the terms of the specific mandate granted by the Shareholders at the special general meeting held on 27 November 2014 and so that together with the proceeds of the Rights Issue, the Company will be able to meet the condition precedent relating to raising equity financing under the Acquisition.

In addition, the Directors believe that the New Placing will further broaden the Company's shareholder base and, where additional institutional and professional investors are to be introduced as a result, will further enhance the profile of the Company's shareholder base.

Assuming the Rights Issue and the New Placing are completed successfully and simultaneously, the estimated net proceeds, after deducting all the commissions and other expenses incurred, from the Rights Issue and the New Placing will be approximately HK\$840.3 million and HK\$1,389.0 million, respectively. The net price per New Placing Share being issued under the New Placing will therefore be approximately HK\$0.943 per New Placing Share. The net proceeds from the Rights Issue and the New Placing (being slightly less than the amount stated in the Prospectus due to higher estimated expenses of the New Placing) will be applied as follows:

Proposed usage	Net proceeds from New Placing (HK\$' million)	Net proceeds from Rights Issue (HK\$' million)
(a) in and towards repayment of the short term portion of the Permitted Debt Finance due in 2015	1,196.0	–
(b) in and towards payment of interest cost of financing	8.3	23.9
(c) in and towards the Property's phase 1 refurbishment and pre-opening costs	72.7	208.0
(d) in and towards site preparation and construction costs of phase 1 and phase 2 of the Property	60.7	16.3
(e) for operating expenses of the Property in year 2016	20.3	–
(f) for construction costs and overhead expenses in the La Viva project	31.0	340.0
(g) for financing the working capital requirements of the other construction businesses of the Group	–	168.1
(h) general working capital	–	84.0
Total	<u>1,389.0</u>	<u>840.3</u>

## Changes in the shareholding structure arising from the New Placing

Set out below is the shareholding structure of the Company on the basis of the equity issue under the Rights Issue and the New Placing, with or without conversion of Consideration Preference Shares to be issued under the Acquisition at HK\$1.20 per Consideration Preference Share and assuming (i) the minimum total consideration of HK\$6,835.0 million being payable under the Acquisition; and (ii) the maximum total consideration of HK\$10,812.5 million payable under the Acquisition (of which HK\$3,125.0 million is to be settled in cash):

	Existing shareholding as at the Last Trading Day		Immediately upon completion of the Rights Issue and the New Placing (assuming all Rights Shares will be taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares), pre conversion of Consideration Preference Shares		Immediately upon completion of the Rights Issue and the New Placing (assuming all Rights Shares will be taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares), the Vendor's maximum conversion of Consideration Preference Shares under applicable conversion restriction		Immediately upon completion of the Rights Issue and the New Placing (assuming no Rights Shares will be taken up by the Qualifying Shareholders except pursuant to the Irrevocable Undertaking Letters), pre conversion of Consideration Preference Shares		Immediately upon completion of the Rights Issue and the New Placing (assuming all Rights Shares will be taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares) and the full conversion of the 5,695,833,333 Consideration Preference Shares based on the minimum acquisition consideration		Immediately upon completion of the Rights Issue and the Underwritten Placing (assuming all Rights Shares will be taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares) and the full conversion of the 6,406,250,000 Consideration Preference Shares based on the maximum acquisition consideration			
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%		
Tewoo Group Co., Ltd	513,861,240	17.98%	668,019,612	12.87%	668,019,612	10.99%	513,861,240	9.90%	513,861,240	9.89%	668,019,612	5.76%		
Neo Summit Limited	475,816,993	16.65%	618,562,090	11.92%	618,562,090	10.18%	475,816,993	9.17%	475,816,993	9.16%	618,562,090	5.33%		
Win World Profits Limited	215,000,000	7.52%	279,500,000	5.39%	279,500,000	4.60%	215,000,000	4.14%	215,000,000	4.14%	279,500,000	2.41%		
Summit View Holdings Limited	221,850,000	7.76%	288,405,000	5.56%	288,405,000	4.74%	1,055,541,796	20.34%	1,055,541,796	20.32%	288,405,000	2.49%		
Dr. Wilfred WONG Ying-wai	20,000,000	0.70%	26,000,000	0.50%	26,000,000	0.43%	20,000,000	0.39%	20,000,000	0.38%	26,000,000	0.22%		
Mr. Clifford King CHIU	700,000	0.02%	910,000	0.02%	910,000	0.01%	700,000	0.01%	700,000	0.01%	910,000	0.01%		
Mr. ZHOU Wei	48,932,000	1.71%	63,611,600	1.23%	63,611,600	1.05%	48,932,000	0.94%	48,932,000	0.94%	63,611,600	0.55%		
The Vendor	-	-	-	-	889,997,211	14.64%	-	-	6,706,683	0.13%	5,695,833,333	55.25%		
Places	-	-	1,472,960,000	28.39%	1,472,960,000	24.23%	1,472,960,000	28.39%	1,472,960,000	28.35%	1,472,960,000	12.70%		
Miss. CHUA Kin Ming	79,194,000	2.77%	102,952,200	1.98%	102,952,200	1.69%	102,952,200	1.98%	102,952,200	1.98%	102,952,200	0.89%		
Placing Agent and its associate	50,000,000	1.75%	65,000,000	1.25%	65,000,000	1.07%	50,000,000	0.96%	50,000,000	0.96%	65,000,000	0.56%		
Other existing public Shareholders	1,232,812,422	43.14%	1,602,656,149	30.89%	1,602,656,149	26.37%	1,232,812,422	23.78%	1,232,812,422	23.74%	1,602,656,149	13.83%		
	<u>2,858,166,655</u>	<u>100.00%</u>	<u>5,188,576,651</u>	<u>100.00%</u>	<u>6,078,573,862</u>	<u>100.00%</u>	<u>5,188,576,651</u>	<u>100.00%</u>	<u>5,195,283,334</u>	<u>100.00%</u>	<u>10,884,409,984</u>	<u>100.00%</u>	<u>11,594,826,651</u>	<u>100.00%</u>

*Note:* The table above assumes no application for excess Rights Shares is made by any Shareholder and no changes to the shareholding of the named shareholders after the date of this announcement except otherwise specified.

## Equity capital raising activities during the past 12 months

The Company has conducted the following equity fund raising activities in the past twelve months immediately before the date of this announcement:

Date of Announcements/ prospectus	Equity fund raising	Net proceeds	Intended use of proceeds	Actual use of proceeds
20 December 2013/ 27 January 2014	Placing of the one year 5% coupon notes in an aggregate principal amount of HK\$156,250,000 and issue of the unlisted warrants to confer rights entitling the holders to subscribe for up to HK\$156,250,000 in aggregate in cash at HK\$1.25 per Share	Approximately HK\$150.0 million	To finance the further development of the Tieling property development project currently under construction in Shenyang, Liaoning Province and to satisfy capital needs for upcoming investment and business opportunities	Being applied as intended
27 November 2014/ 9 December 2014	Rights Issue	Approximately HK\$840.3 million	As stated in “Reasons for entering into the New Placing Agreement and use of Proceeds” in this announcement	Rights Issue not yet completed

As mentioned above, the placing of up to 1,767,552,000 new Shares at HK\$1.00 per Share under the Original Placing Agreement announced in the Equity Fund Raising Announcement has been terminated.

## UPDATE IN RESPECT OF THE RIGHTS ISSUE

In view of the termination of the Original Placing Agreement and the entering into of the New Placing Agreement, the Company and the Underwriters of the Rights Issue have entered into a supplemental agreement on 20 December 2014:–

- to confirm that Underwriting Agreement in respect of the Rights Issue remain in full force and effect and that neither of them will terminate the Underwriting Agreement as a result of the termination of the Original Placing Agreement and the entering into of the New Placing Agreement; and
- to amend the definition of the “Placing Agreement” referred to therein, so that it refers now to the New Placing Agreement.

Accordingly, the terms of the Rights Issue remain in all material respects unchanged.

## **WARNING OF THE RISKS OF DEALING IN SHARES**

**Shareholders and investors should note, among others, that (i) the Rights Issue is implemented in conjunction with the New Placing, and completion of the Rights Issue and the New Placing forms part of the conditions precedent for the Acquisition; (ii) each of the Rights Issue and the New Placing is conditional upon certain conditions precedent contained in the Underwriting Agreement and the New Placing Agreement, respectively; (iii) the completion of the Rights Issue will not take place if less than 1,472,960,000 New Placing Shares under the New Placing Agreement are successfully placed and (iv) each of the Rights Issue and the New Placing is capable of being terminated by the Underwriters and the New Placing Agent, respectively, upon the occurrence of any force majeure events as set out in the Underwriting Agreement or the New Placing Agreement. If either the Underwriting Agreement or the New Placing Agreement does not become unconditional or is terminated, both the Rights Issue and the New Placing will not proceed, and accordingly the Acquisition will not become unconditional and will not proceed without alternative equity or equity-linked fund raising of not less than HK\$2,000 million (before expenses).**

**Any Shareholders or other persons dealing in the Shares up to the date on which the Acquisition, the Rights Issue and the New Placing all become unconditional and the date on which the right of termination of each of the Underwriting Agreement and the New Placing Agreement ceases will accordingly bear the risk that the Rights Issue, the New Placing and the Acquisition may not become unconditional or may be terminated and may not proceed.**

**If in any doubt, Shareholders and potential investors should consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.**

## **DEFINITIONS**

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 15 May 2014 among the Purchaser, the Vendor and the Warrantor (as amended by a supplemental agreement dated 3 November 2014 among the same parties) in respect of the Acquisition

“associates”	has the same meaning as defined under the Listing Rules
“Company”	Hsin Chong Construction Group Ltd., a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Consideration Preference Share”	the Convertible Preference Shares that are issued or required to be issued as part of the consideration for the Acquisition
“Directors”	director(s) of the Company
“Last Trading Day”	19 December 2014, being the last trading day of the Shares on the Stock Exchange prior to the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Placing”	the placing of the New Placing Shares pursuant to the New Placing Agreement
“New Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“New Placing Agreement”	the placing agreement of 20 December 2014 entered into between the Company and the New Placing Agent in respect of the New Placing
“New Placing Shares”	up to 1,472,960,000 new Shares to be placed under the New Placing
“Original Placing Agents”	CCB International Capital Limited (建銀國際金融有限公司), a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities in Hong Kong under the Securities and Futures Ordinance and Orient Securities (Hong Kong) Limited (東方證券(香港)有限公司), a corporation licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities in Hong Kong under the Securities and Futures Ordinance

“Original Placing Agreement”	the agreement dated 27 November 2014 entered into between the Company and the Original Placing Agents in respect of the placing, on a best efforts basis, of up to 1,767,552,000 new Shares as announced under the Equity Fund Raising Announcement which was terminated by agreement between those parties on 20 December 2014
“Placing Price”	HK\$1.00 per Placing Share
“Rights Issue”	the proposed issue of the Rights Shares on the basis of three (3) Rights Shares for every ten (10) Shares held on the Record Date to the Qualifying Shareholders at a Subscription Price pursuant to the Prospectus
“Settlement Date”	30 December 2014, being the third Business Day following the Acceptance Date (or such other time or date as the Underwriter and the Company may agree in writing), as the date for settlement of the Rights Issue
“SGM”	the special general meeting held by the Company on 27 November 2014 in relation to, among other things, the Acquisition and the specific mandate for the proposed issue of new Shares under the New Placing
“Shares”	the ordinary share(s) with par value of HK\$0.1 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.00 per Rights Share
“Underwriting Agreement”	the underwriting agreement dated 27 November 2014 and entered into between the Company and Summit View Holdings Limited in relation to the underwriting and certain other arrangements in respect of the Rights Issue, as restated pursuant to two supplemental agreements dated 5 December 2014 and 20 December 2014, respectively, between the Company and the Underwriters



“Underwriters”

Summit View Holdings Limited, a company incorporated in British Virgin Islands and owned as to 50% by Dr. Wong and 50% by Ms. MA Kwing, Pony, and Ms. CHUA Kin Ming, being underwriters of the Rights Issue

By Order of the Board of  
**Hsin Chong Construction Group Ltd.**  
**Wilfred WONG Ying Wai**  
*Chairman and Chief Executive Officer*

Hong Kong, 21 December 2014

*As at the date of this announcement, the Board comprises Dr. Wilfred WONG Ying Wai (Chairman and Chief Executive Officer), Mr. Joseph CHOI Kin Hung and Mr. ZHOU Wei as Executive Directors; Mr. Clifford King CHIU, Mr. ZHANG Xiaoying and Mr. YAN Jie as Non-executive Directors; and Dr. Joseph CHOW Ming Kuen, Mr. CHENG Sui Sang, Mr. GAO Jingyuan and Ms. LEE Jai Ying as Independent Non-executive Directors.*