



HSIN CHONG CONSTRUCTION GROUP LTD.

新昌營造集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00404)

**ANNOUNCEMENT
OF
RETIREMENT AND RE-DESIGNATION
OF EXISTING MANAGING DIRECTOR
AND
APPOINTMENT OF NEW MANAGING DIRECTOR
AND
CHANGE OF BOARD COMMITTEE MEMBERS**

The board of directors (the “Board”) of Hsin Chong Construction Group Ltd. (the “Company”) announces that Mr. CHAN Ka-kui will retire as the managing director and be re-designated from an executive director to a non-executive director of the Company with effect from 5 January 2009. Due to the retirement of Mr. CHAN Ka-kui, Mr. Edmund LEUNG Kwong-ho, an executive director of the Company, will be appointed as the new managing director of the Company with effect from 5 January 2009.

Mr. CHAN Ka-kui will also resign as a member of the executive committee and a trustee of the committee of trustees for employee share subscription scheme of the Board and Mr. Edmund LEUNG Kwong-ho will be appointed as a member and a trustee of the two said Board committees respectively, all with effect from 5 January 2009.

**RETIREMENT AND RE-DESIGNATION OF EXISTING
MANAGING DIRECTOR**

The Board announces that Mr. CHAN Ka-kui will retire as the managing director and be re-designated from an executive director to a non-executive director of the Company with effect from 5 January 2009.

Mr. CHAN Ka-kui was formerly the managing director of the Company from its flotation in 1991 until 1998 and then rejoined the Company in August 2006. He has contributed significantly to the Company and its subsidiaries (collectively, the “Group”) by leading the Group towards diversification, development of its human resources pool and shaping of the Group’s culture. During his tenure as the managing director, Mr. CHAN Ka-kui has steered the Group towards business growth and success. The Board would like to take this opportunity to express its heart-felt thanks to Mr. CHAN Ka-kui for his contributions and look forward to continuing to benefit from his knowledge, experience and advice as a non-executive director.

The biographical details of Mr. CHAN Ka-kui are set out below.

Mr. CHAN Ka-kui (“Mr. CHAN”), *BBS, JP*, aged 58, was appointed an executive director and the managing director of the Company on 19 August 2006. He is currently a member of the executive committee and the committee of trustees for employee share subscription scheme of the Board and a director of a number of subsidiaries of the Group. Mr. CHAN will be re-designated as a non-executive director of the Company with effect from 5 January 2009.

Mr. CHAN is a fellow member of The Royal Institution of Chartered Surveyors and The Chartered Institute of Arbitrators. He has 36 years of experience in the construction field. He is a member of the Executive Committee of Hong Kong Housing Society, a member of the board of directors of the Agency For Volunteer Service and the Friends of Caritas, an Honorary Professor of The University of Hong Kong and an Adjunct Professor of The Hong Kong Polytechnic University. Previously, Mr. CHAN had served as the chairman of the Construction Industry Training Authority, a member of the Town Planning Board and other government advisory committees. Mr. CHAN was a non-executive director of Synergis Holdings Limited, an non-wholly owned subsidiary of the Company listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), from 16 September 2008 up to and including 31 October 2008. Save as disclosed above, Mr. CHAN did not hold any other directorships in other listed public companies in the past three years preceding the date of this announcement.

Mr. CHAN does not have any relationship with any other directors, senior management, or substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. CHAN owns 6,000,000 shares of the Company and has an option in respect of 2,000,000 shares of the Company granted under the Company's share option scheme. Save for the aforesaid, Mr. CHAN does not have any other interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as at the date of this announcement.

Due to Mr. CHAN's re-designation as a non-executive director with effect from 5 January 2009, his existing service agreement dated 27 March 2008 as amended by a supplemental deed dated 5 December 2008 (the "March Service Agreement") entered into with the Company in respect of his appointment as the managing director of the Company will be terminated with effect from 5 January 2009. On the other hand, a letter of appointment dated 5 December 2008 has been issued by the Company and accepted by Mr. CHAN pursuant to which Mr. CHAN has given his consent to act as a non-executive director of the Company for a term of two years commencing from 5 January 2009 up to and including 4 January 2011. Following his re-designation as a non-executive director, Mr. CHAN will be entitled to receive remuneration as recommended by the remuneration committee of the Company (the "Remuneration Committee") and determined by the Board and, if required, under the authority given by the shareholders of the Company in general meeting. Mr. CHAN will be entitled to receive a director's fee of HK\$150,000 (in addition to Mr. CHAN's other remuneration, including monthly remuneration, bonus and other benefits and allowances, received or receivable pursuant to the March Service Agreement) for the financial period ending 31 December 2008, which is calculated on a pro-rata basis due to the change of the financial year end date of the Company. The remuneration of Mr. CHAN for the financial year ending 31 December 2009 shall be determined by reference to his duties and responsibilities in the Group as well as the overall performance of the Company and the Group and the prevailing market situation.

In accordance with the bye-laws of the Company, Mr. CHAN shall be subject to retirement by rotation and re-election at least once every three years at the annual general meetings of the Company.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") nor are there any other matters that need to be brought to the attention of the shareholders of the Company in respect of Mr. CHAN's retirement and re-designation.

APPOINTMENT OF NEW MANAGING DIRECTOR

Mr. Edmund LEUNG Kwong-ho, currently an executive director, will be appointed the new managing director of the Company with effect from 5 January 2009 to fill the vacancy caused by Mr. CHAN's retirement.

The biographical details of Mr. Edmund LEUNG Kwong-ho are set out below.

Mr. Edmund LEUNG Kwong-ho ("Mr. LEUNG"), *OBE, JP, BSc (Eng), CEng, R.P.E., FHKIE, FIMechE, FCIBSE, FIEAust, FHKEng, FHKIoD*, aged 62, was appointed as an independent non-executive director of the Company on 23 January 2008 and re-designated as an executive director on 1 October 2008. Mr. LEUNG will be appointed as the managing director of the Company with effect from 5 January 2009.

Mr. LEUNG graduated from The University of Hong Kong with a degree of Bachelor of Science in Engineering. He is a professional mechanical engineer and previously served as the chairman of the Greater China Region of Hyder Consulting Limited from 1995 to 2002. Since then, he has served as advisors and non-executive directors for various organisations, mainly related to engineering, management consultancy and transport. Mr. LEUNG was the President of The Hong Kong Institution of Engineers for 1995/1996, and is currently the deputy chairman of The Hong Kong Institute of Directors. He is a board member of the Airport Authority Hong Kong, a member of the Town Planning Board, a panel member of the Administrative Appeals Board, the chairman of the Energy Advisory Committee and the chairman of the Process Review Panel of the Financial Reporting Council. Mr. LEUNG is also an independent non-executive director of CIG Yangtze Ports PLC, which is listed on the growth enterprise market of the Stock Exchange. Save as disclosed above, Mr. LEUNG did not hold any other directorships in other listed public companies in the past three years preceding the date of this announcement.

Mr. LEUNG does not have any relationship with any other directors, senior management, or substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. LEUNG has an option in respect of 1,000,000 shares of the Company pursuant to the Company's share option scheme. Save for the aforesaid, Mr. LEUNG does not have any other interest in the shares of the Company within the meaning of Part XV of the SFO as at the date of this announcement.

Mr. LEUNG has already entered into a service agreement dated 25 September 2008 (the “September Service Agreement”) with the Company in respect of his appointment as an executive director for a term up to (and including) 4 January 2009. Due to his appointment as the new managing director of the Company with effect from 5 January 2009, a new service agreement dated 5 December 2008 (the “New Service Agreement”) has been entered into between Mr. LEUNG and the Company pursuant to which Mr. LEUNG will be appointed as the managing director of the Company for the period from 5 January 2009 up to and including 30 September 2011, unless determined prior thereto by either party giving to the other not less than 3 months’ notice in writing or payment in lieu of notice. Pursuant to the New Service Agreement, Mr. LEUNG will be entitled to a monthly remuneration of HK\$300,000 (exclusive of any director’s fees payable by the Group) which is subject to annual review as well as bonus, and other benefits and allowances. Mr. LEUNG may also be granted such options under the share option scheme of the Company as recommended by the Remuneration Committee and approved by the Board, subject to the relevant requirements of the Listing Rules. The terms of the New Service Agreement have been reviewed and approved by the Remuneration Committee and the Board. The remuneration of Mr. LEUNG was determined by reference to his duties and responsibilities in the Group as well as the overall performance of the Company and the Group and the prevailing market situation. Mr. LEUNG will be entitled to receive a director’s fee of HK\$150,000 (in addition to Mr. LEUNG’s other remuneration, including monthly remuneration and other benefits and allowances, received or receivable pursuant to the September Service Agreement) for the financial period ending 31 December 2008, which is calculated on a pro-rata basis due to the change of the financial year end date of the Company. For the financial year ending 31 March 2009, Mr. LEUNG will also be entitled to receive director’s fee as recommended by the Remuneration Committee and determined by the Board under the authority given by the shareholders of the Company in general meeting.

In accordance with the bye-laws of the Company, as the managing director of the Company, Mr. LEUNG shall be subject to retirement and re-election at least once every three years at the annual general meetings of the Company.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the shareholders of the Company in respect of Mr. LEUNG’s appointment as the new managing director.

CHANGE OF BOARD COMMITTEE MEMBERS

Executive Committee

Due to Mr. CHAN's retirement and re-designation, he will resign as a member of the executive committee of the Board (the "Executive Committee") with effect from 5 January 2009. Following the aforesaid changes, the Executive Committee will comprise five members, namely, Mr. WONG Ying-wai, Mr. LEUNG, Mr. Barry John BUTTIFANT, Mr. LAW Wai-tai (director of certain subsidiaries of the Company) and Mr. KAM Yuk-fai (the qualified accountant of the Company and the financial controller of the Group) with effect from 5 January 2009.

Committee of Trustees for Employee Share Subscription Scheme

Mr. CHAN will also resign and Mr. LEUNG will be appointed as a trustee of the committee of trustees for employee share subscription scheme of the Board (the "Committee of Trustees for ESSS"), both with effect from 5 January 2009. Following the aforesaid changes, the Committee of Trustees for ESSS will comprise three trustees, namely, Mr. WONG Ying-wai, Mr. LEUNG and Mr. Barry John BUTTIFANT with effect from 5 January 2009.

By order of the Board

Hsin Chong Construction Group Ltd.

LEUNG Wai-yee

Company Secretary

Hong Kong, 5 December 2008

Website: <http://www.hsinchong.com>

As at the date of this announcement, the Board comprises Dr. David CHU Shu-ho as non-executive chairman; Mr. WONG Ying-wai (executive deputy chairman), Mr. CHAN Ka-kui (managing director), Mr. Barry John BUTTIFANT and Mr. Edmund LEUNG Kwong-ho as executive directors; Dr. Kenneth CHU Ting-kin as non-executive director; and Mr. Jeffrey LAM Kin-fung, Dr. Peter LAU Kwok-kuen, and Hon. Abraham SHEK Lai-him as independent non-executive directors.

**For identification purpose only*

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