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衍生集團(國際)控股有限公司

Hin Sang Group (International) Holding Co. Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6893)

VOLUNTARY ANNOUNCEMENT TERMINATION OF COOPERATION AGREEMENT

Reference is made to the announcement of Hin Sang Group (International) Holding Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 December 2021 (the “**Announcement**”) in relation to a cooperation agreement (the “**Cooperation Agreement**”) entered into between Hin Sang Health and Medical (Guangdong) Company Limited* (衍生健康醫藥(廣東)有限公司) (“**Hin Sang Guangdong**”), a wholly-owned subsidiary of the Company, and Hongli Homologous Biotechnology (Weihai) Company Limited* (紅力同源生物科技(威海)有限公司) (“**Hongli**”). Save as otherwise provided in this announcement, capitalized terms used herein shall have the same meanings as used in the Announcement.

THE BACKGROUND

As disclosed in the Announcement and pursuant to the Cooperation Agreement, Hin Sang Guangdong and Hongli will establish a new company and open chain stores in the name of “Pengzu Hin Sang Pavilion* (彭祖衍生館)” (the “**Chain Stores**”) in the PRC, exclusively selling products supplied by Hin Sang Guangdong. Accordingly, in January 2022, Hin Hong Homologous (Guangdong) Brand Management Company Limited* (衍康同源(廣東)品牌管理有限公司) (“**Hin Hong**”) was incorporated in the PRC, in which Hin Sang Guangdong and Hongli held 10% and 90% equity interest respectively. Hin Sang Guangdong injected the right to use of registered trademark of “Pengzu Hin Sang Pavilion* (彭祖衍生館)” into Hin Hong as the capital contribution for the 10% equity interest in Hin Hong and was granted a call option for the additional equity interests in Hin Hong (the “**Call Option**”). Due to the COVID-19 pandemic, the progress of opening of the Chain Stores was adversely delayed than anticipated.

TERMINATION OF COOPERATION AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 3 August 2022, after arm’s length negotiations, Hin Sang Guangdong and Hongli entered into a termination agreement (the “**Termination Agreement**”) to terminate the Cooperation Agreement (the “**Termination**”).

Pursuant to the Termination Agreement, the 10% equity interest in Hin Hong held by Hin Sang Guangdong will be transferred to Hongli at nil cash consideration, but the right to use the registered trademark “Pengzu Hin Sang Pavilion* (彭祖衍生館)” granted by Hin Sang Guangdong to Hin Hong will cease. The Call Option will also be lapsed. Upon execution of the Termination Agreement, no party to the Cooperation Agreement shall have any obligations towards or claims against each other.

The Board considers that the Termination is in the interest of the Company and the shareholders of the Company as a whole and has no material adverse impact on the existing business and/or the financial position of the Group. The Group is still actively seeking other opportunities to further consolidate the distribution channels of its products and seize potential opportunities in the fast-growing healthcare market in the PRC.

By Order of the Board
Hin Sang Group (International) Holding Co. Ltd.
Pang Siu Hin
Chairman

Hong Kong, 3 August 2022

As at the date of this announcement, the executive Directors are Mr. Pang Siu Hin and Ms. Kwan Lai Man, the non-executive Directors are Ms. Wong Wai Ling and Ms. Tian Shanshan, and the independent non-executive Directors are Mr. Lau Chi Kit, Mr. Lee Luk Shiu and Dr. Tang Sing Hing, Kenny.

* For identification purpose only