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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 - LEGAL PROCEEDINGS UPDATE

Reference is made to the legal proceeding between Hin Sang Hong Company Limited (“**Hin Sang Hong**”) as Plaintiff and Kingdom Overseas Limited (“**Kingdom Overseas**”) as Defendant, mentioned on page 176 of the Prospectus (“**Prospectus**”) of Hin Sang Group (International) Holdings Co. Ltd. (the “**Company**”) dated 30 September 2014. Hin Sang Hong is a wholly owned subsidiary under the Company.

On 18 May 2011, Hin Sang Hong entered into a distribution agreement with Kingdom Overseas pursuant to which Hin Sang Hong was appointed as the exclusive distributor in Hong Kong and Macau under the brand of “Golden Fern”. In February 2012, Kingdom Overseas issued a termination notice to Hin Sang Hong to terminate the distribution agreement forthwith. As such, Hin Sang Hong initiated legal proceedings against Kingdom Overseas for breach of distribution agreement.

On 20 April 2016, the Court has granted a judgement in favor of Hin Sang Hong. The Court has decided that Kingdom Overseas has wrongfully terminated an Agreement on 13 February 2012 and therefore Kingdom Overseas is liable to pay loss and damages to Hin Sang Hong. Kingdom Overseas shall pay HK\$12.6 million being damages to Hin Sang Hong, among others and HK\$208,672 being fix damages to Hin Sang Hong.

By order of the board

Hin Sang Group (International) Holding Co. Ltd.

Pang Siu Hin

Chairman

Hong Kong, 3 May 2016

As at the date of this announcement, the executive directors are Mr. Pang Siu Hin and Ms. Kwan Lai Man, the non-executive director is Ms. Wong Wai Ling, and the independent non-executive directors are Mr. Lee Luk Shiu, Dr. Tang Sing Hing, Kenny and Mr. Tsui Nam Hung.