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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)

**CONNECTED TRANSACTIONS
FORMATION OF JOINT VENTURE**

**CONNECTED TRANSACTIONS IN RESPECT OF FORMATION OF
JOINT VENTURE**

The Board is pleased to announce that on 8 June 2017 (after trading hours), Hin Feng (an indirect subsidiary of the Company) entered into the Investment Cooperation Agreements with Nanjing Fullshare Health Institute in relation to the JV Formation to engage in the establishment and operation of Chinese medical clinics in Nanjing, the PRC. Pursuant to each of the Investment Cooperation Agreements, the capital contribution will be RMB20,000,000, and it will be contributed as to 70% by Hin Feng and as to 30% by Nanjing Fullshare Health Institute.

Nanjing Fullshare Health Institute is a wholly-owned subsidiary of Nanjing Fullshare Industry (which is held by Mr. Ji as to approximately 79.74% (directly and indirectly)). Mr. Ji is the controlling shareholder of Fullshare holding approximately 51.35% of its issued share capital as at the date of this announcement. Fullshare is a substantial Shareholder holding 22.96% of the Company's issued share capital and hence Nanjing Fullshare Health Institute is a connected person of the Company. Accordingly, entering into of the Investment Cooperation Agreements constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. As applicable percentage ratio calculated for the transactions contemplated under the Investment Cooperation Agreements is more than 0.1% but less than 5%, entering into of the Investment Cooperation Agreements is only subject to the reporting and announcement requirements but exempted from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 8 June 2017 (after trading hours), Hin Feng (an indirect subsidiary of the Company) entered into the Nanjing Shuangzha Agreement and the Nanjing Yuhua Ke Ting Agreement (the Investment Cooperation Agreements) with Nanjing Fullshare Health Institute respectively in relation to the JV Formation.

INVESTMENT COOPERATION AGREEMENTS

Nanjing Shuangzha Agreement

Pursuant to the Nanjing Shuangzha Agreement, Hin Feng (an indirect subsidiary of the Company) and Nanjing Fullshare Health Institute will form a joint venture company intended to be named as 南京衍生雙闌中醫門診部有限公司 (*Nanjing Hin Sang Shuangzha Chinese Medical Clinic Company Limited) for the establishment and operation of a Chinese medical clinic in Jiangye District of Nanjing City. Material terms of the Nanjing Shuangzha Agreement are set out as below:

Date:	8 June 2017
Parties and respective equity interests in the joint venture:	Hin Feng and Nanjing Fullshare Health Institute shall hold 70% and 30% equity interest in the joint venture company.

Aggregate capital contribution: RMB20,000,000

Capital contribution by the parties to the joint venture:

- (1) RMB14,000,000 to be contributed by Hin Feng, representing 70% of the total capital contribution
- (2) RMB6,000,000 to be contributed by Nanjing Fullshare Health Institute, representing 30% of the total capital contribution

The capital contribution of Hin Feng and Nanjing Fullshare Health Institute was determined after arm's length negotiations amongst the parties, having taken into account the expected capital requirements of the joint venture company. The parties should pay the capital contribution in cash within 5 business days after obtaining the relevant business registration and opening of the bank account.

Business scope: Establishing and operating of Chinese medical clinic in Nanjing, the PRC.

Obligations of the parties: Hin Feng shall be responsible for the establishment and operation of the subject clinic, and among other matters, obtaining business registration, approvals and licences from relevant government departments.

Nanjing Fullshare Health Institute shall assist Hin Feng in obtaining various approvals and licences from relevant government departments. Nanjing Fullshare Health Institute will not participate in the daily operation of the subject clinic.

Nanjing Yuhua Ke Ting Agreement

Pursuant to the Nanjing Yuhua Ke Ting Agreement, Hin Feng (an indirect subsidiary of the Company) and Nanjing Fullshare Health Institute will form a joint venture company intended to be named as 南京衍生雨花客廳中醫門診部有限公司 (*Nanjing Hin Sang Yuhua Ke Ting Chinese Medical Clinic Company Limited) for the establishment and operation of a Chinese medical clinic in Yuhuatai District of Nanjing City. Material terms of the Nanjing Yuahua Ke Ting Agreement are the same as those of the Nanjing Shuangzha Agreement.

BACKGROUND OF THE PARTIES TO THE INVESTMENT COOPERATION AGREEMENTS

Hin Feng is a wholly-owned subsidiary of Hin Feng Group which was established on 7 July 2016 as a joint venture between the Company and Fullshare. Hin Feng Group is mainly engaged in the development of mother and child health products, pharmaceutical factory, hospital, medical centre and related services.

Nanjing Fullshare Health Institute was established in the PRC on 5 May 2015 to mainly engage in the development, promotion of and consultation on healthcare training; development promotion of and consultation on healthcare related technology; development, manufacture and sales of healthcare products; investment, management of and consultation on hospital; and other services.

Nanjing Fullshare Health Institute is wholly-owned by Nanjing Fullshare Industry whose principle activities include medical equipment assembly and sales. Nanjing Fullshare Industry is owned as to approximately 79.74% by Mr. Ji (directly and indirectly) and as to the remaining by other independent third parties under the Listing Rules. Mr. Ji is the controlling shareholder of Fullshare holding approximately 51.35% of its issued share capital as at the date of this announcement. Fullshare and its subsidiaries are principally engaged in (a) property development; (b) tourism; (c) investment; (d) healthcare products and services business; and (e) new energy business.

FUNDING

Payment of Hin Feng's share of capital contribution under each of the Investment Cooperation Agreements will be funded by internal resources of the Group.

REASONS FOR ENTERING INTO THE INVESTMENT COOPERATION AGREEMENTS

The Group is principally engaged in the marketing, selling and manufacturing of health care products primarily targeting at children, among which “Hin Sang (衍生)” has been a long established reputable brand. The Group also trades reputable brands in skin care, personal care and slimming products. It is also developing its business in mother-infant Chinese medical healthcare as well as diagnosis and treatment services projects.

As set out in the Company's announcement and circular dated 27 April 2016 and 3 June 2016 respectively, the Group will cooperate with Fullshare to expand the business of mother-infant Chinese medical healthcare as well as diagnosis and treatment services in the PRC, Hong Kong, Southeast Asia and Australia in the future. The Clinics are intended to be established in Jiangye and Yuhuatai District of Nanjing City, the PRC respectively, to provide Chinese medical healthcare services to children by leveraging on the “two-child” policy in the PRC. The Directors consider that the JV Formation can further leverage on the financial resources, management experience and expertise of Hin Feng Group and Nanjing Fullshare Health Institute to develop its business in the Chinese medical industry for children.

Taking into account of the above factors, the Directors (including the independent non-executive Directors) consider that the terms of the Investment Cooperation Agreements are on normal commercial terms, fair and reasonable, and the entering into of the Investment Cooperation Agreements and the JV Formation are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Nanjin Fullshare Health Institute is a wholly-owned subsidiary of Nanjing Fullshare Industry (which is held by Mr. Ji as to approximately 79.74% (directly and indirectly)). Mr. Ji is the controlling shareholder of Fullshare holding approximately 51.35% of its issued share capital as at the date of this announcement. Fullshare is a substantial Shareholder holding 22.96% of the Company's issued share capital and hence Nanjing Fullshare Health Institute is a connected person of the Company. Accordingly, entering into of the Investment Cooperation Agreements constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. As applicable percentage ratio calculated for the transactions contemplated under the Investment Cooperation Agreements is more than 0.1% but less than 5%, entering into of the Investment Cooperation Agreements is only subject to the reporting and announcement requirements but exempted from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors have a material interest in the transactions contemplated under the Investment Cooperation Agreements or was required to abstain from voting on the relevant resolutions of the Board. However, certain Directors, namely Dr. Dong Meixian and Mr. Yuen Chi Ping, are appointed to the Board by Fullshare and have voluntarily abstained from voting at the Board meeting for approval of the relevant resolutions.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Board”	the board of Directors
“Clinics”	the clinics to be established in Nanjing City, the PRC, pursuant to the Investment Cooperation Agreements

“Company”	Hin Sang Group (International) Holding Co. Limited, 衍生集團(國際)控股有限公司, an exempted company incorporated with limited liability in the Cayman Islands on 28 October 2010
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the directors of the Company
“Fullshare”	Fullshare Holdings Limited, 豐盛控股有限公司, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Stock Exchange (stock code: 607)
“Group”	the Company and its subsidiaries
“Hin Feng”	Hin Feng Investment (NanJing) Co., Ltd. 衍豐投資(南京)有限公司, a company established in the PRC as wholly foreign-owned enterprise on 28 September 2016 and a wholly-owned subsidiary of Hin Feng Group
“Hin Feng Group”	Hin Feng Group (International) Holding Company Limited 衍豐集團(國際)控股有限公司, a joint venture company established in Hong Kong on 7 July 2016, owned as to 51% by the Company and as to 49% by Five Seasons VIII Limited (a wholly-owned subsidiary of Fullshare)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Investment Cooperation Agreements”	the Nanjing Shuangzha Agreement and the Nanjing Yuhua Ke Ting Agreement
“JV Formation”	the formation of joint venture companies pursuant to the Investment Cooperation Agreements
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ji”	Mr. Ji Changqun (季昌群)
“Nanjing Fullshare Health Institute”	南京南中醫豐盛健康學院有限公司 (*Nanjing South Chinese Medical Fullshare Health Institute Company Limited), a company established in the PRC with limited liability and a wholly-owned subsidiary of Nanjing Fullshare Industry
“Nanjing Fullshare Industry”	南京豐盛產業控股集團有限公司 (*Nanjing Fullshare Industry Group Holdings Company Limited), a company incorporated in the PRC with limited liability
“Nanjing Shuangzha Agreement”	the investment cooperation agreement entered into between Hin Feng and Nanjing Fullshare Health Institute on 8 June 2017 in respect of establishment of a joint venture company currently to be named as 南京衍生雙閘中醫門診部有限公司 (*Nanjing Hin Sang Shuangzha Chinese Medical Clinic Company Limited)
“Nanjing Yuhua Ke Ting Agreement”	the investment cooperation agreement entered into between Hin Feng and Nanjing Fullshare Health Institute on 8 June 2017 in respect of establishment of a joint venture company currently to be named as 南京衍生雨花客廳中醫門診部有限公司 (*Nanjing Hin Sang Yuhua Ke Ting Chinese Medical Clinic Company Limited)

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 8 June 2017

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

* *For identification purpose only.*