

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

HIS

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)

INSIDE INFORMATION ANNOUNCEMENT PROJECT INVESTMENT AGREEMENT

This announcement is made by Hin Sang Group (International) Holding Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”).

PROJECT INVESTMENT AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 21 June 2017, the Company entered into a project investment agreement (the “**Project Investment Agreement**”) with 廣東省雲浮市雲城區人民政府 (Yuncheng District Municipal Government, Yunfu City, Guangdong Province) (“**Yuncheng District Government**”) regarding the proposed development of a production plant for health supplements targeting the infants and children market (the “**Production Plant**”) in, Yuncheng District, Yunfu City, Guangdong Province, the People’s Republic of China.

The Directors confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, the Yuncheng District Government is a third party independent of the Company and the connected persons (within the meaning of the Listing Rules) of the Company.

Location and scope of the Production Plant

The Production Plant will be situated in 雲浮市健康醫藥產業園 (*Yunfu Health Medical Industrial Park) (the “**Industrial Park**”), which is located at 雲城區河口街布務村 (*Hekou Street, Buwu Village, Yuncheng District) of Yunfu City, Guangdong Province, the PRC. Yunfu City is the main western portal of Guangdong Province, and an important link and bridgehead connecting Guangdong-Hong Kong-Macau region with Southwest China.

The Production Plant is expected to be constructed by three phases. The first phase shall be with an estimated total site area of approximately 100 mu (the “**Phase I Land**”), and the estimated investment would be RMB80 million (including consideration for the land use rights). The first phase of the Production Plant is intended for manufacture of the Group’s products, including granules products and canned beverage products.

Listing-for sale process

The Company (or through its subsidiary) will bid for the Phase I Land, when it is put up for tender, auction and listing-for-sale process (the “**TAL Process**”) by 雲浮市國土資源和城鄉規劃管理局雲城分局 (*the Yuncheng Branch Bureau of Land and Resources and Town Planning of Yunfu City) (the “**Yuncheng Bureau**”). The Phase I Land will be for industrial use and the duration of the land use rights will be 50 years. The Group plans to commence construction of the first phase of the Production Plant within three months after the Group obtains land use rights in respect of the Phase I Land through TAL Process.

Pursuant to the Project Investment Agreement, the Yuncheng District Government would put up not less than 200 mu additional land (the “**Additional Land**”) which is adjacent to the Phase I Land for TAL Process in two subsequent phases.

Consideration

If the Company succeeds in bidding for the land use rights in respect of the Phase I Land through TAL Process, the Company (or through its subsidiary) will enter into a transfer of land use rights contract (the “**Contract**”) and pay the land use rights consideration. The final consideration shall be based on the outcome of the TAL Process and the terms of the Contract.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROJECT INVESTMENT AGREEMENT

The Group is engaged in the marketing, selling and manufacturing of health care products primarily targeting the infants and children market, among which “Hin Sang (衍生)” has been a long established reputable brand. The Group also represents reputable brands in skin care, personal care and slimming product categories. Mother-infant Chinese medical healthcare as well as diagnosis and treatment services projects are underway to capture the fast-growing market.

The Industrial Park is within close proximity to centre of the Yuncheng District, Yunfu City. It is positioned to target industries such as health supplements/food and biological pharmaceutical. The Directors are of the view that a self-owned production plant would benefit the Group in facilitating the growing scale of its business, increasing the production volume and efficiency and attaining more stringent quality control. By leveraging on the resources of the Industrial Park, the Group can enhance its competitiveness in expanding existing business. Accordingly, the Board considers that entering into of the Project Investment Agreement is in the interests of the Company and the shareholders of the Company as a whole.

GENERAL

The proposed acquisition of the land use rights in respect of the Phase I Land (the “**Proposed Acquisition**”), if materialised by successful bidding, will be financed by the Group’s internal resources.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the SFO. The costs of the Proposed Acquisition and development of the first phase of the Production Plant are estimated to be approximately RMB80 million. Together with the acquisition costs of land use rights in respect of the Additional Land, this may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. The Company will make further announcement(s) as and when required in accordance with the Listing Rules.

The Company may or may not successfully bid for the Phase I Land and the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 21 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*