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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)

POSITIVE PROFIT ALERT

This announcement is made by Hin Sang Group (International) Holding Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the Group’s latest unaudited consolidated management accounts for the six months ended 30 September 2019 (the “**Period**”) and information currently available, the Group is expected to record a consolidated net profit for the Period as compared with a consolidated net loss of approximately HK\$4.6 million for the corresponding period in 2018 despite there is a drop of revenue for the Period compared with the corresponding period in 2018. The Directors are also mindful of the continuous weakening of retail industry subsequent to 30 September 2019 and up to the date of this announcement, and will continue to monitor the relevant economic conditions and the everchanging landscape, including cost pressure and the increasing downward pressure of the domestic economy. The consolidated net profit for the Period is attributable to the reduction of a non-cash accounting treatment in relation to the loss arising on financial assets measured at fair value through profit and loss (being listed equity securities) of approximately HK\$6.1 million and decrease in net foreign exchange loss of approximately HK\$0.9 million.

In additional, the Group is expected to record a decrease in total comprehensive expense for the Period compared with approximately HK\$124.7 million for the corresponding period in 2018. The total comprehensive expense for the Period is attributable to non-cash accounting treatment in relation to the fair value loss on equity investments (being listed equity securities) of approximately HK\$96.9 million.

The Company is still in the process of finalizing its financial results for the Period. The information contained in this announcement is only based on the preliminary assessment by the Company's management according to the Group's latest unaudited consolidated management accounts for the Period and information currently available. The above information may be subject to further adjustment based on updated information and further review by the audit committee of the Board. The information contained in this announcement is for investors' reference only. Details of the Group's financial results for the Period are expected to be published in late November 2019.

Shareholders and potential investors are advised to 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, 29 October 2019

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 Mr. Yuen Chi Ping, and the independent non-executive Directors are Mr. Lau Chi Kit, Mr. Lee Luk Shiu and Dr. Tang Sing Hing, Kenny.