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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)

PROFIT WARNING

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 wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the Group’s latest unaudited consolidated management accounts for the year ended 31 March 2020 (the “**Year**”) and information currently available, the Group is expected to record a consolidated loss of approximately HK\$30 million for the Year as compared to a consolidated loss of approximately HK\$12 million for the year ended 31 March 2019. The loss is primarily attributable to:

- (i) the impairment of assets (being land and buildings) of approximately HK\$20 million; and
- (ii) the decrease in financial performance of the Hong Kong retail market in general due to the outbreak of COVID-19 in the last quarter of the financial year and the social movement in Hong Kong in the second half of 2019.

As announced by the Company on 13 May 2020, the production plant of the Group situated in the Hin Sang Health Medical Industrial Park* (衍生健康醫藥產業園, previously known as 雲浮市健康醫藥產業園) for manufacturing health supplements (the “**Production Plant**”) is expected to commence production in June 2020. While no forecast or prediction of the profits of the Group is made by the Board in relation to the expected commencement of production of the Production Plant, the Board is of the view that it is expected to benefit the Group and reduce the negative impact of the above events on the Group in the longer term.

The Company is still in the process of finalizing its financial results for the Year. 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 Year. The above information may be subject to further adjustment based on updated information and further review by the auditors of the Company and the audit committee of the Board. The information contained in this announcement is for investors’ reference only. Shareholders and potential investors of the Company are advised to read carefully the results announcement of the Company for the Year which is expected to be published in late June 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

** For illustration purpose only*

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

Hong Kong, 10 June 2020

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.