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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hin Sang Group (International) Holding Co. Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 TRANSACTION IN RELATION TO
ACQUISITION OF PROPERTIES IN HONG KONG AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM (as defined in this circular) to be held at Flat B, 12/F, Hi-Tech Centre, 11 Wang Yip Street West, Yuen Long, New Territories, Hong Kong on Tuesday, 19 January 2016 at 2:30 p.m. is set out on pages 33 to 34 of this circular.

Whether or not you intend to attend and vote in person at the EGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending, and voting in person at, the EGM or any adjournment thereof should you so wish and in such event, the proxy form shall be deemed to be revoked.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meaning:

“Acquisition”	the acquisition of the Properties by the Purchaser from the Vendors pursuant to the Memorandum
“associate”	has the meaning ascribed to it under the Listing Rules
“Announcement”	the announcement of the Company dated 10 December 2015 in relation to the Acquisition
“Board”	the board of Directors
“business day(s)”	a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in Hong Kong
“Company”	Hin Sang Group (International) Holdings Co. Ltd, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	The consideration of HK\$18,800,000 for the Acquisition
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held on Tuesday, 19 January 2016 at Flat B, 12/F, Hi-Tech Centre, 11 Wang Yip Street West, Yuen Long, New Territories, Hong Kong, at 2:30 p.m. or at any adjournment thereof (as the case may be) to consider and, if thought fit, approve, among others, the Acquisition
“Group”	the Company and its subsidiaries
“HK\$”	The lawful currency for the time being of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	The independent board committee of the Company, comprising all the independent non-executive Directors, namely Mr. Lee Luk Shiu, Dr. Tang Sing Hing, Kenny and Mr. Tsui Nam Hung, formed to advise the Independent Shareholders as to the Acquisition and the transaction contemplated thereunder
“Independent Financial Adviser” or “Chanceton Capital”	Chanceton Capital Partners Limited, a corporation licensed under the SFO to carry out regulated activity of type 6 (advising on corporate finance), being the independent financial advisers appointed to advise the Independent Board Committee and the Shareholders in relation to the Acquisition
“Independent Shareholders”	Shareholders other than Genwealth Group Holding Company Limited, Mr. Pang Siu Hin, Ms. Kwan Lai Man and their respective associates
“Latest Practicable Date”	29 December 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	The memorandum for sale and purchase dated 10 December 2015 between the Vendors and the Purchaser in relation to the sale and purchaser of the Properties
“Properties”	The premises situated at 7th Floor (Unit C, D and E), Wang Yip Centre, No. 18 Wang Yip Street East, Yuen Long, New Territories, Hong Kong
“Purchaser”	Tai Wo Tong Pharmaceutical (Hong Kong) Company Limited, a company incorporated in Hong Kong, an indirect wholly owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tai Wo Acquisition”	the acquisition of the entire equity interest of Tai Wo Tong Pharmaceutical (Hong Kong) Company Limited by a wholly-owned subsidiary of the Company pursuant to the Tai Wo Acquisition Agreement and was completed on 19 June 2015
“Tai Wo Acquisition Agreement”	the agreement entered into between the a wholly-owned subsidiary of the Company and the Vendors on 1 June 2015 in relation to the Tai Wo Acquisition
“Vendors”	Mr. Pang Siu Hin and Ms. Kwan Lai Man
“%”	percentage

LETTER FROM THE BOARD

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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)

Executive Directors:

Mr. Pang Siu Hin

Ms. Kwan Lai Man

Non-executive Director:

Ms. Wong Lai Ling

Independent Non-executive Directors:

Mr. Lee Luk Shiu

Dr. Tang Sing Hing, Kenny

Mr. Tsui Nam Hung

Registered Office:

Appleby Trust (Cayman) Ltd.

Clifton House

75 Fort Street

P.O. Box 1350

Grand Cayman

KY1-1108

Cayman Islands

*Headquarter, head office and
principal place of business
in Hong Kong:*

Flat B, 12/F., Hi-Tech Centre

11 Wang Yip Street West

Yuen Long

New Territories

Hong Kong

30 December 2015

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION IN RELATION TO
ACQUISITION OF PROPERTIES IN HONG KONG AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement whereby the Company announced that Tai Wo Tong Pharmaceutical (Hong Kong) Company Limited, an indirect wholly-owned subsidiary of the Company, as the Purchaser entered into the Memorandum with the Vendors, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendors has conditionally agreed to sell, the Properties at a consideration of HK\$18,800,000.

LETTER FROM THE BOARD

The Company has established an Independent Board Committee comprising Mr. Lee Luk Shiu, Dr. Tang Sing Hing, Kenny and Mr. Tsui Nam Hung (all of whom are independent non-executive Directors) to advise the Independent Shareholders in respect of the proposed Acquisition. Chanceton Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection therewith. The appointment of Chanceton Capital has been approved by the Independent Board Committee.

The purpose of this circular is to provide you with, among other things, (i) further information on the Acquisition; (ii) the recommendation of the Independent Board Committee in respect of the Acquisition; (iii) the advice from Chanceton Capital to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; (iv) the valuation report of the Properties; (v) other information as required under Listing Rules; and (vi) the notice of EGM to be convened for the purpose of considering and, if thought fit, approving by way of poll, the proposed Acquisition, and the respective transactions contemplated thereunder.

THE MEMORANDUM

Date of Memorandum:

10 December 2015 (after trading hours)

Purchaser: Tai Wo Tong Pharmaceutical (Hong Kong) Company Limited, a company incorporated in Hong Kong, an indirect wholly owned subsidiary of the Company

Vendors: Mr. Pang Siu Hin, the chairman of the Company, an executive Director and Ms. Kwan Lai Man, an executive Director. Mr. Pang Siu Hin and Ms. Kwan Lai Man are controlling Shareholders of the Company.

Assets to be acquired:

Pursuant to the Memorandum, the Vendors has conditionally agreed to sell and the Company has conditionally agreed to acquire the Properties. Details of the Properties are disclosed in the section head “Information of the Properties” below:

The Properties were originally acquired by the Vendors on 20th May 2009 at an acquisition cost of approximately HK\$2,410,000.

The Consideration:

Pursuant to the Memorandum, the Consideration of HK\$18,800,000 shall be settle in cash.

LETTER FROM THE BOARD

The Consideration shall be paid by the Purchaser to the Vendors upon completion for acquisition of the Properties on or before 29 January 2016 (or such other date as the parties hereto may agree in writing).

Source of funding:

The Company will fund the Acquisition by internal resources of the Group.

Basis of the Consideration:

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendors by reference to, among others, the prevailing market price of properties similar to the Properties of the nearby areas and the valuation of the Properties of HK\$20,000,000 as at 1 December 2015 carried out by an independent valuer.

Conditions of the Memorandum:

The completion of the Acquisition is conditional on:

- i) All necessary consents, approvals and exemptions required to be obtained on the part of the Purchaser in respect of the Acquisition having been obtained (if any); and,
- ii) The Independent Shareholders having approved the ordinary resolution(s) to approve the Memorandum and the transactions contemplated thereunder at an EGM.

If the conditions above have not been fulfilled by the Purchaser on or before 29 January 2016 or such other date as the Vendors and the Purchaser may agree in writing, the Memorandum shall terminate save whereupon the parties shall have no further claims against each other under the Memorandum save for accrued rights.

Completion:

Completion of the Acquisition shall take place on or before 29 January 2016 after all conditions precedent of the above have been satisfied or waived by the Purchaser (or such other time and date as the parties to the Memorandum may agree in writing).

INFORMATION OF THE PROPERTIES

The Properties are situated at Wang Yip Centre, No. 18 Wang Yip Street East, Yuen Long, New Territories, Hong Kong. The Properties comprise 3 contiguous workshop units on 7th Floor (Unit C, D and E) within a 9-storey industrial building completed in 1992. The total gross floor area and saleable floor area of the Properties are 4,504 square feet and 3,239 square feet respectively. The Properties are currently leased to the Purchaser and such lease arrangements will be expire on 31 May 2017.

LETTER FROM THE BOARD

REASONS FOR THE ACQUISITION

The Group is principally engaged in developing, marketing, selling and distributing a wide variety of personal care products (mainly consisting of bath and shower gels, shampoos, conditioners, and skin care products), health care products (mainly consisting of health supplements including but not limited to child specific milk supplements, dietary supplements, appetising teas, nutritive drinks, cough and cold remedies, herbal teas and medicated oils) and household products (mainly consisting of laundry detergents and antiseptic germicides) under various brands.

Since June 2015, the Purchaser has been leasing the Properties as its principal place of business from the Vendors. As disclosed in the announcement of the Company dated 1 June 2015, the Vendors and the Purchaser entered into the leasing agreement on 1 June 2015, pursuant to which the Vendors agreed to let the Properties to the Purchaser as principal place of business for a term of two years from 1 June 2015 to 31 May 2017 at a total rent of HK\$936,000 exclusive of utilities charges and other outgoings. The transaction contemplated thereunder constituted exempted continuing connected transaction for the Company under the Listing Rules and was exempted from the reporting, announcement and independent shareholders' approval requirement under Chapter 14A of the Listing Rules, as the applicable percentage ratios of the transaction calculated on an annual basis are more than 0.1% but less than 5% and the annual consideration is less than HK\$1,000,000.

The Board consider that the Acquisition represents a good opportunity for the Group to purchase the Properties as the permanent business place of the Purchaser, taking into account the Properties has been used by the Purchaser since 20th May 2009 and represents a constant and established business place of the Purchaser. Further, by entering into the Memorandum, the Company is able to save future rental cost and avoid the adverse effect to its operation in the event of termination of the tenancy. The Company believes that it is of long term benefit to the Company's development to acquire the Properties to broaden the fixed asset base of the Group and provide capital appreciation to the Group.

The Directors consider that the terms of the Acquisition are fair and reasonable in the current property market conditions, and are in the interests of the Group and the Shareholders as a whole. Mr. Pang Siu Hin and Ms. Kwan Lai Man, being the Vendors of the Acquisition, were considered as having material interest in the Memorandum and the Acquisition and had abstained from voting on the board resolution of the Company approving the Acquisition. Following the entering into the Memorandum, the Vendors and the Purchaser agreed to terminate the existing leasing agreement dated 1 June 2015 upon completion of the Acquisition.

LETTER FROM THE BOARD

LISTING RULES IMPLICATION

On 1 June 2015, the Vendors entered into the Tai Wo Acquisition Agreement with a wholly-owned subsidiary of the Company relating to the Tai Wo Acquisition, details of which are set out in the announcement of the Company dated 1 June 2015.

Mr. Pang Siu Hin and his spouse Ms. Kwan Lai Man being the Vendors are the controlling Shareholders of the Company and both are executive Directors, accordingly the Vendors are connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules, the Acquisition would be aggregated with the Tai Wo Acquisition, and be treated as if they were one transaction for the purpose of Chapter 14 and Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the total transaction amount under the Acquisition, when aggregated with the Tai Wo Acquisition, are more than 5% but are less than 25%, the Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Such transactions also constitutes discloseable transaction under Chapter 14 of the Listing Rules.

Mr. Pang Siu Hin and Ms. Kwan Lai Man (both being the executive Directors of the Company) did abstain from voting on the relevant Board resolution(s) in view of their material interests in the Acquisition.

EGM

The notice of the EGM is set out on pages 33 to 34 of this circular. An ordinary resolution will be proposed at the EGM for the Independent Shareholders to approve the Memorandum and the transactions contemplated thereunder. As at the Latest Practicable Date, Genwealth Group Holding Company Limited hold 600,000,000 shares, representing approximately 75% of the issued share capital of the Company. Genwealth Group Holding Company Limited beneficially owned as to 90% by Mr. Pang Siu Hin and 10% by Ms. Kwan Lai Man. Accordingly, Mr. Pang Siu Hin is deemed to be interested in the 600,000,000 Shares held by Genwealth Group Holding Company Limited under the SFO. Ms. Kwan Lai Man, being the spouse of Mr. Pang Siu Hin, is deemed to be interested in all the Shares that Mr. Pang Siu Hin is interested in. Accordingly, each of Mr. Pang Siu Hin, Ms. Kwan Lai Man and their respective associate(s) will abstain from voting on the resolution(s) approving the Memorandum and the Acquisition.

LETTER FROM THE BOARD

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time of the EGM or adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

In accordance with Rule 13.39(4) of the Listing Rules, all votes of the Shareholders to be taken at the EGM shall be taken by poll.

RECOMMENDATION

The Board (with the opinion of the Independent Board Committee set out in the paragraph below) considers that the terms of the Memorandum and the transactions contemplated thereunder are fair and reasonable and the entering into of the Memorandum is in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the ordinary resolution in respect of the Agreement to be proposed at the EGM.

The Independent Board Committee, having taken into account of the advice of Chanceton Capital, is of the opinion that the terms of the Memorandum and the transactions contemplated thereunder, are on normal commercial terms, fair and reasonable so far as the Company and the Shareholders are concerned, and that the Acquisition is in the interests of the Company and the Shareholders as a whole. Therefore, the Independent Board Committee recommends the Shareholders to vote in favour of the ordinary resolution as set out in the notice of EGM to approve the Memorandum and the transactions contemplated thereunder.

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 10 to 11 of this circular and the letter from Chanceton Capital on pages 12 to 22 regarding the Acquisition as well as the principal factors and reasons taken into consideration in arriving at their advice. You are advised to read the letter from the Independent Board Committee and the letter from Chanceton Capital mentioned above before deciding how to vote on the ordinary resolution to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee, the letter from Chanceton Capital and the additional information set out in the appendix to this circular and the notice of EGM.

Yours faithfully,
For and on behalf of the Board
Hin Sang Group (International) Holdings Co. Ltd.
Pang Siu Hin
Executive Director

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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)

30 December 2015

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF PROPERTIES IN HONG KONG**

We refer to the circular dated 30 December 2015 issued by the Company to its Shareholders (“**Circular**”) of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter, unless the context otherwise requires.

Under the Listing Rules, the Acquisition constitute connected transaction of the Company, and are subject to the approval of the Independent Shareholders at the EGM.

We have been appointed by the Board as the Independent Board Committee to consider the terms of the Memorandum and the transactions contemplated thereunder and to advise the Independent Shareholders as to the fairness and reasonableness of the Memorandum and the transactions contemplated thereunder, and whether such transaction is on normal commercial terms and in the ordinary and usual course of business of the Company, and whether such transactions are in the interests of the Company and the Shareholders as a whole, and how to vote on such transaction. Chanceton Capital has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to the letter from the Board and the letter from Chanceton Capital as set out in the Circular.

Having considered the principal factors and reasons considered by, and the advice of Chanceton Capital as set out in its letter of advice, we consider that the terms of Memorandum and the transactions contemplated thereunder are on normal commercial terms and entered into after arm's length negotiation, and that the Acquisition is in the best interest of the Company and the Shareholders as a whole. The Acquisition is in the ordinary and usual course of business of the Company. We also consider that the terms of the Memorandum and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and in the best interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to approve the Memorandum and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

Independent Board Committee

Lee Luk Shiu

Tang Sing Hing, Kenny

Tsui Nam Hung

Independent non-executive Directors

LETTER FROM CHANCETON CAPITAL PARTNERS LIMITED

The following is the text of a letter of advice from Chanceton Capital Partners Limited to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the transactions contemplated thereunder, which has been prepared from the purpose of incorporation in this circular.



Room 801b, 8/F
Tsim Sha Tsui Centre
66 Mody Road
Tsim Sha Tsui
Hong Kong

30 December 2015

Hin Sang Group (International) Holding Co. Ltd.
Flat B, 12/F., Hi-Tech Centre,
11 Wang Yip Street West Yuen Long,
New Territories,
Hong Kong

To: The Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF PROPERTIES IN HONG KONG

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Acquisition, details of which are set out in the circular of the Company (the “**Circular**”) dated 30 December 2015, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular, unless the context requires otherwise.

Reference is made to the Announcement in relation to the Acquisition. On 10 December 2015 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Memorandum with the Vendors pursuant to which the Vendors has conditionally agreed to sell and the Company has conditionally agreed to acquire the Properties at a total consideration of HK\$18,800,000.

LETTER FROM CHANCETON CAPITAL PARTNERS LIMITED

On 1 June 2015, the Vendors entered into the Tai Wo Acquisition Agreement with a wholly owned subsidiary of the Company relating to the Tai Wo Acquisition, details of which are set out in the announcement of the Company dated 1 June 2015.

Mr. Pang Siu Hin and his spouse Ms. Kwan Lai Man being the Vendors are the controlling Shareholders of the Company and both are executive Directors, accordingly the Vendors are connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules, the Acquisition would be aggregated with the Tai Wo Acquisition, and be treated as if they were one transaction for the purpose of Chapter 14 and Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the total transaction amount under the Acquisition, when aggregated with the Tai Wo Acquisition, are more than 5% but are less than 25%, the Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Such transaction also constitutes discloseable transaction under Chapter 14 of the Listing Rules.

Mr. Pang Siu Hin and Ms. Kwan Lai Man (both being the executive Directors of the Company) did abstain from voting on the relevant Board resolution(s) in view of their material interests in the Acquisition.

The voting in respect of the Acquisition at the EGM will be conducted by way of a poll. Mr. Pang Siu Hin and Ms. Kwan Lai Man, being the Vendors and their respective associates are required to abstain from voting in respect of the resolution(s) approving the Memorandum and the transactions contemplated thereunder at the EGM. As at the Latest Practicable Date, Genwealth Group Holding Company Limited hold 600,000,000 shares, representing approximately 75% of the issued share capital of the Company. Genwealth Group Holding Company Limited beneficially owned as to 90% by Mr. Pang Siu Hin and 10% by Ms. Kwan Lai Man. Accordingly, Mr. Pang Siu Hin is deemed to be interested in the 600,000,000 Shares held by Genwealth Group Holding Company Limited under the SFO. Ms. Kwan Lai Man, being the spouse of Mr. Pang Siu Hin, is deemed to be interested in all the Shares that Mr. Pang Siu Hin is interested in. Save for the aforesaid and to the best knowledge of the Company, as at the Latest Practicable Date, no other Shareholder has material interest in the Acquisition and therefore no other Shareholder is required to abstain from voting on the proposed resolution(s) approving the Memorandum and the transactions contemplated thereunder at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Lee Luk Shiu, Dr. Tang Sing Hing, Kenny and Mr. Tsui Nam Hung, has been established to advise the Independent Shareholders on the fairness and reasonableness of the terms of the Memorandum and on how to vote on the resolution(s) to be proposed at the EGM.

LETTER FROM CHANCETON CAPITAL PARTNERS LIMITED

In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to provide you with an independent opinion and recommendation as to whether the Acquisition is fair and reasonable, whether the Proposed Acquisition is on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and the Independent Shareholders as a whole. We are not associated with the Company, the Purchaser, the Vendor, and any of their respective associates who are interested or involved in the Acquisition. In addition, for the last two years up to the Latest Practicable Date, we have not acted as an independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to other transactions. Apart from normal professional fee paid to us in connection with this appointment, no arrangements exist whereby we had received any fees or benefits from the Company or any other party related to the aforesaid transactions. Therefore we consider we are independent and are accordingly eligible to give independent advice in respect of the Acquisition contemplated under the Memorandum and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have reviewed, *inter alia*, the Announcement, the Circular, the Memorandum, the valuation report prepared by an independent professional valuer on the Properties, the latest annual report and interim report of the Company. We have relied on the accuracy of the information and facts supplied, and the opinions expressed to us, by the Group, the Directors and the Group's management. We have assumed that all statements and intention made by the Directors in the Circular were made after due and careful enquiries. We have also assumed that all information, representations and opinion made or referred to in the Circular were true, accurate and complete at the time they were made and will continue to be true at the date of the EGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Group, the Directors and the Group's management, and have been advised by the Directors that no material facts have been omitted from the information provided by or referred to in the Circular.

We have assumed such information to be accurate and reliable and have not carried out any independent verification on the accuracy of such information. Such relevant information provides us with a basis on which we have been able to formulate our independent opinion.

We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We also consider that we have performed all reasonable steps as required under Rule 13.80 of the Listing Rules (including the notes thereto) to formulate our opinion and recommendation. We have not, however, conducted any form of independent in-depth investigation into the business, affairs, financial position and future prospects of the Group and the parties to the Proposed Acquisition, nor carried out any independent verification of the information supplied, representations made or opinions expressed by the Group, the Directors and the Group's management.

LETTER FROM CHANCETON CAPITAL PARTNERS LIMITED

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in relation to the Acquisition, we have considered the principal factors and reasons set out below:

1. Information of the Group and the counterparty

The Group is principally engaged in developing, marketing, selling and distributing a wide variety of personal care products (mainly consisting of bath and shower gels, shampoos, conditioners, and skin care products), health care products (mainly consisting of health supplements including but not limited to child specific milk supplements, dietary supplements, appetising teas, nutritive drinks, cough and cold remedies, herbal teas and medicated oils) and household products (mainly consisting of laundry detergents and antiseptic germicides) under various brands. Other the other hand, Mr. Pang Siu Hin and his spouse Ms. Kwan Lai Man, being the Vendors are the controlling Shareholders of the Company and both Mr. Pang Siu Hin and Ms. Kwan Lai Man are executive Directors.

The table below sets out a summary of the financial information of the Group (i) for the year ended 31 March 2014 extracted from the prospectus of the Company dated 30 September 2014; (ii) for the year ended 31 March 2015 extracted from the Company's annual report for the year ended 31 March 2015 (the "Annual Report 2015"); and (iii) for the six months ended 30 September 2015 extracted from the Company's interim report for the six months ended 30 September 2015:

	For the year ended 31 March 2014 (Audited) (HK\$'000)	For the year ended 31 March 2015 (Audited) (HK\$'000)	For the six months ended 30 September 2015 (Unaudited) (HK\$'000)
Revenue	253,171	214,959	116,790
Profit before tax	61,175	15,450	17,589
Profit after tax	49,704	11,051	13,952

LETTER FROM CHANCETON CAPITAL PARTNERS LIMITED

	As at 31 March 2014 (Audited) (HK\$'000)	As at 31 March 2015 (Audited) (HK\$'000)	As at 30 September 2015 (Unaudited) (HK\$'000)
Net assets	94,295	334,682	341,097
Cash and cash equivalents	65,059	264,393	257,656

The Group's revenue decreased from approximately HK\$253.2 million for the year ended 31 March 2014 to approximately HK\$215 million for the year ended 31 March 2015, representing a decrease of approximately 15.1%. Profitability of the Group reduced from approximately HK\$49.7 million for the year ended 31 March 2014 to approximately HK\$11.1 million for the year ended 31 March 2015 which is mainly due to (i) decrease in sales of approximately HK\$38.2 million; (ii) decrease in cost of sales of approximately HK\$18.5 million which partially net off the decrease in sales; (iii) the increase in recognition of one-off non-recurring listing expenses of approximately 9 million; (iv) the recognition of one-off share-base payment of approximately HK\$2.4 million; and (v) increase in selling and distribution expenses of approximately HK\$10.6 million in promoting the brand and image of the Group in China and Macau.

Furthermore, the Group's revenue increased by approximately 1.8% from approximately HK\$114.7 million for the six months ended 30 September 2014 to approximately HK\$ 116.8 million for the six months ended 30 September 2015. Such increase was mainly due to the increase in its sales of products under the Group's own brand names, namely "Hin Sang (衍生)", "Beautymate (美肌の誌)" and "Shuang Long (雙龍)". However, the Group recorded a decrease in profit attributable to owner of the parent of approximately 31% from approximately HK\$20.2 million for the six months ended 30 September 2014 to approximately HK\$14.0 million for the six months ended 30 September 2015. The decrease in profit attributable to owners of the parent was mainly attributable to the increase in the Group's selling and distribution expenses to promote the Group's brands and increase in staff costs.

The Group recorded cash and cash equivalents of approximately HK\$257,656,000 as at 30 September 2015 and the Consideration would be satisfied by internal resources of the Group generated from its principal business activities. In view of the level of cash of the Group, we are of the view that the Group has sufficient financial resources to satisfy the Consideration.

LETTER FROM CHANCETON CAPITAL PARTNERS LIMITED

2. Reasons for and benefits of the Acquisition

The Company headquarters and principal place of business in Hong Kong is located at Flat B, 12/F., Hi-Tech Centre, 11 Wang Yip Street West, Yuen Long, New Territories, Hong Kong. The Properties are located at Wang Yip Centre, No. 18 Wang Yip Street East, Yuen Long, New Territories, Hong Kong. The Properties comprise 3 contiguous workshop units on 7th Floor (Unit C, D and E) within a 9-storey industrial building completed in 1992. The total gross floor area and saleable floor area of the Property are 4,504 square feet and 3,239 square feet respectively. As at the Latest Practicable Date, there were 1 packing line with several equipment and machines, 1 pharmaceutical workshop, 1 clean room system, 1 administrative office and 1 warehouse inside the Properties. Since June 2015, the Purchaser has been leasing the Properties as its principal place of business from the Vendors. As disclosed in the announcement of the Company dated 1 June 2015, the Vendors and the Purchaser entered into the leasing agreement on 1 June 2015, pursuant to which the Vendors agreed to let the Properties to the Purchaser as principal place of business for a term of two years from 1 June 2015 to 31 May 2017 at a total rent of HK\$936,000 exclusive of utilities charges and other outgoings. The Properties were originally acquired by the Vendors on 20 May 2009 at an acquisition cost of approximately HK\$2,410,000.

As stated in the Letter from the Board, the Board considers that the Acquisition represents a good opportunity for the Group to purchase the Properties as the permanent business place of the Purchaser, taking into account the Properties has been used by the Purchaser since May 2009 and represents a constant and established business place of the Purchaser. Further, by entering into the Memorandum, the Company is able to save future rental cost and avoid the adverse effect to its operation in the event of termination of the tenancy. The Company believes that it is of long term benefit to the Company's development to acquire the Properties to broaden the fixed asset base of the Group and provide capital appreciation to the Group.

We have discussed with the management of the Company and were given to understand that (i) it is the intention of the Group to acquire a principal place of business for the Purchaser given that it could enable the Purchaser to save future rental cost, to minimise the impact of rising rental expenses and to avoid the adverse effect to its operation in the event of termination; (ii) by acquiring the Properties could broaden the fixed asset base of the Group and the Group may enjoy future capital appreciation of the Properties; (iii) the Group has considered identifying a suitable unit at Hi-Tech Centre (i.e. the industrial building where the headquarters and principal place of business of the Company in Hong Kong is situated). However, upon online searching and enquiries by the Group from several property agencies, it came to the knowledge of the Board that no vacant unit was available for sale at Hi-Tech Centre for years; (iv) the Properties is located within a 5 to 10 minute walk of the headquarters of the Company and its operating affiliated companies in Hong Kong, which considered by the Board to be a convenient location in facilitating the co-operation and communication between the Purchaser and the Group while

LETTER FROM CHANCETON CAPITAL PARTNERS LIMITED

moving in another nearby business place is unlikely to achieve further advancement in facilitating current business operations of the Purchaser as compare to the Properties; (v) it is expected that additional time and costs will be incurred in moving to a new business place and to restore existing plant and equipment into workable conditions as well as decoration of the new business place, which may in turn hinder the business operation of the Purchaser for a certain period of time; and (vi) the Consideration of HK\$18,800,000 represents a discount of approximately 6% as compared to the fair value of the Properties of HK\$20,000,000 prepared by an independent professional valuer using the market approach.

We have, based on our best endeavour and as far as we are aware, in our research through publicly available information from the Hong Kong Government, the trend of the rental index for industrial properties from January 2010 to October 2015. We are of the view that the available information obtained from the Hong Kong Government provides a benchmark and most update and official rental trend for industrial properties in Hong Kong.

The following table is the rental index for industrial properties in Hong Kong from 2010 to 2014 as released by the Rating and Valuation Department of the Hong Kong Government:

Year	Rental Index <i>(Note)</i>	Year-on-year change
2010	108.9	–
2011	118.6	+8.9%
2012	131.9	+11.2%
2013	147.3	+11.7%
2014	160.1	+8.7%

Note: A base index of 100 is set for in year 1999.

Source: Statistics released by the Rating and Valuation Department of the Hong Kong Government.

As noted in the table above, the rental index for industrial properties in Hong Kong has increased from approximately 108.9 in 2010 to approximately 160.1 in 2014.

Furthermore, according to the same Hong Kong Government source, the rental index for industrial properties in Hong Kong has increased approximately 6.5% from January to October in 2015.

Having considered (i) the Properties has been leased by the Purchaser for its own use since May 2009; (ii) the increasing trend in the rental rate for industrial properties in Hong Kong; (iii) the Group's intention to acquire a principal place of business for the Purchaser with an aim to broaden the fixed asset base of the Group, save future rental cost, minimise the impact of rising rental expenses and to avoid the adverse effect to its operation in the

LETTER FROM CHANCETON CAPITAL PARTNERS LIMITED

event of termination; and (iv) the location of Properties is convenient in facilitating the co-operation and communication between the Purchaser and the Group while moving to another place is unlikely to achieve further advancement but may incur additional costs and time and eventually hinder the business operation of the Purchaser for a certain period of time, we are of the view that the Memorandum is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Memorandum

Consideration

Pursuant to the Memorandum, the Consideration of HK\$18,800,000 shall be settled in cash. The Consideration shall be paid by the Purchaser to the Vendors upon completion for acquisition of the Properties on or before 29 January 2016 (or such other date as the parties hereto may agree in writing).

The Company will fund the Acquisition by internal resources of the Group generated from its principal business activities.

The completion of the Acquisition is conditional on:

- (i). All necessary consents, approvals and exemptions required to be obtained on the part of the Purchaser in respect of the Acquisition having been obtained (if any); and
- (ii). The Independent Shareholders having approved the ordinary resolution(s) to approve the Memorandum and the transactions contemplated thereunder at an EGM.

If the conditions above have not been fulfilled by the Purchaser on or before 29 January 2016 or such other date as the Vendors and the Purchaser may agree in writing, the Memorandum shall terminate save whereupon the parties shall have no further claims against each other under the Memorandum save for accrued rights.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendors by reference to, among others, the prevailing market price of properties similar to the Properties of the nearby areas and the valuation of the Properties of HK\$20,000,000 as at 1 December 2015 carried out by an independent valuer.

To assess the fairness and reasonableness of the Consideration, we have reviewed the valuation report (the "**Valuation Report**") as set out in Appendix I to the Circular and assessed the basis and assumptions used by the independent professional valuer in the valuation of the Properties as at 1 December 2015, details of which are explained in the paragraph headed "Valuation report" below. Having considered that the

LETTER FROM CHANCETON CAPITAL PARTNERS LIMITED

Consideration of HK\$18,800,000 was determined by reference to, among others, (i) the valuation of the Properties of HK\$200,000,000 by an independent professional valuer, which the Consideration represents a discount of approximately 6% as compared with the valuation of the Properties, we are of the view that the Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

Valuation Report

The Valuation Report was issued by Asset Appraisal Limited, an independent professional valuer (the “**Valuer**”).

As stated in the Valuation Report as set out in Appendix I to the Circular, the market value of the Properties amounted to HK\$20,000,000 as at 1 December 2015 (the “**Valuation**”). In assessing the Valuation, we have (i) reviewed the Valuation Report and discussed with the Valuer regarding, in particular, the methodology of, and the basis and assumptions adopted for, the Valuation; (ii) reviewed the terms of engagement of the Valuer having particular regard to whether the scope of work is appropriate and whether there are any limitations on the scope of work which might adversely impact on the degree of assurance given by the Valuation Report; (iii) interviewed the Valuer regarding its expertise and any current or prior relationships with the Group and its respective connected persons; and (iv) assessed the independence, experience and the qualification^(Note) of the Valuer in respect of the Valuation.

Note: Mr. Tse Wai Leung is a member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a Registered Professional Surveyor in General Practice and a qualified real estate appraiser in the PRC. He is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years’ experience in valuation of properties in Hong Kong, in Macau and in the PRC.

We noted that the Valuer has valued the Properties in market basis and applied the direct comparison method where comparison based on prices realised on actual sales price of comparable properties is made. Comparable properties of similar size, character, and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values. As advised by the Valuer, the direct comparison method is a commonly-adopted method for the Properties as there is a known market based on comparable sales and since the Properties are intended to be held by the Group for its own use. We have obtained the comparable sales transactions in the market from the Valuer and noted that the Valuer has chosen comparable recent sales transactions of Wang Yip Centre (i.e. the industrial building where the Properties are situated) and for industrial

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properties nearby Wang Yip Centre. Based on the above, we concur with the Valuer in adopting the comparison method for the purposes of the Valuation and consider that the comparable sales transactions chosen by the Valuer are fair and representative samples for direct comparison purpose. Upon our enquiry, we were given to understand that the Valuer had carried out an inspection on the Properties on 4 November 2015 to research information to determine the capital value of the Properties. We also noted that the Valuation is prepared in accordance with Chapter 5 of the Listing Rules and The Hong Kong Institute of Surveyors Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors.

Based on all of the above work done by us in assessing the Valuation and having considered in particular (i) our review of the Valuation Report and our discussion with the Valuer regarding the methodology of, and the basis and assumptions adopted for the Valuation; (ii) the comparable sales transactions are located in the vicinity and are of industrial properties; (iii) the independence, qualification and experience of the Valuer; (iv) pursuant to Rule 13.80(2) of the Listing Rules, there is no reason for us to believe any of the information in the Valuation Report is not true or omits a material fact, we have not identified any material matter which would lead us to cast doubt on the fairness and reasonableness of the Valuation and consider that the Valuation is normal in nature without any unusual assumption and the basis thereof is fair and reasonable.

Our view

In view of that (i) the Consideration of HK\$18,800,000 represents a discount of approximately 6% as compared to the valuation of the Properties prepared by the Valuer which amounted to HK\$20,000,000 as at 1 December 2015; and (ii) we have not identified any material matter which would lead us to cast doubt on the fairness and reasonableness of the Valuation and consider that the Valuation is normal in nature without any unusual assumption and the basis thereof is fair and reasonable, we are of the view that the terms of the Memorandum is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

Financial effect

Net assets

Given that the Consideration of HK\$18,800,000 is with reference to the valuation of the Properties of HK\$20,000,000 by the Valuer, it is expected that the Acquisition would not have material impact on the Group's equity attributable to the Shareholders upon completion unless the value of the Properties significantly deviated from its appraised value as at 1 December 2015.

LETTER FROM CHANCETON CAPITAL PARTNERS LIMITED

Liquidity and working capital

The Group's gearing ratio as of 30 September 2015, which is calculated on the basis of total debts divided by total equity, was nil (31 March 2015: nil) whilst the current ratio of the Group which expressed a ratio of total current assets divided by current liabilities as of 30 September 2015, to reflect the adequacy of the financial resources was approximately 8.3 (31 March 2015: 11.4).

As the Consideration of HK\$18,800,000 will be settled by cash, the Group's current assets are expected to decrease by the same amount, which would lead to a decrease in the current ratio of the Group at this moment. However, upon Completion, the Group will be able to save future rental expenses which may gradually improve the current ratio of the Group in the long run.

Earnings

Given that the Purchaser intends to occupy the Properties as pharmaceutical workshop with ancillary offices and warehouse, it is expected that the Group will achieve a potential rental savings which may in turn improve its earnings.

The aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be after the entering into the Memorandum.

RECOMMENDATION

Having taken into account the above, we consider that the Memorandum is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. In view of that (i) the Memorandum is in the interests of the Company and the Independent Shareholders as a whole; (ii) the Memorandum is on normal commercial terms; and (iii) the terms of the Memorandum are fair and reasonable, we would advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Memorandum.

Yours faithfully
For and on behalf of
Chanceton Capital Partners Limited
Wong Kam Wah
Managing Director

Mr. Wong Kam Wah is a licensed person registered with the SFC and regarded as a responsible officer of Chanceton Capital Partners Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 10 years of experience in corporate finance industry.

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 1 December 2015 of the Property.



Asset Appraisal Limited
中誠達資產評值顧問有限公司

Rm 901, 9/F., On Hong Commercial Building
145 Hennessy Road, Wanchai, Hong Kong
香港灣仔軒尼詩道145號
安康商業大廈9字樓901室
Tel : (852) 2529 9448 Fax : (852) 3521 9591

30 December 2015

The Board of Directors

Hin Sang Group (International) Holding Co. Ltd.

Flat 12B, Yuen Long Hi-Tech Centre,
11 Wang Yip Street West,
New Territories, Hong Kong

Dear Sirs,

Units C, D and E on 7th Floor, Wang Yip Centre
No. 18 Wang Yip Street East, Yuen Long
New Territories, Hong Kong

In accordance with the instructions from Hin Sang Group (International) Holding Co. Ltd. (referred to as the “**Company**”) to value the captioned property interests (referred to as the “**Property**”) situated in Hong Kong, we confirm that we have carried out inspections of the Property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 1 December 2015 (the “**Valuation Date**”).

Basis of Valuation

Our valuation of the Property represents the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Valuation Methodology

The Property has been valued by the comparison method where comparison based on prices realised or market prices of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

Assumptions

Our valuation has been made on the assumption that owners sell the Property on the market in its existing state without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Property.

As the Property is held by the owners by means of long term Government lease, we have assumed that the owners have free and uninterrupted rights to use the Property for the whole of the unexpired term of the Government lease.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

Titleship

We have been obtained land registration details of the Property in the Land Registry. However, we have not verified ownership of the Property and the existence of any encumbrances that would affect its ownership. Information in relation to land registration of the Property is disclosed herein for reference only.

Site Inspection

The Property was inspected on 4 November 2015 by TSE Wai Leung, who is a member of the Hong Kong Institute of Surveyors and a member of the Royal Institution of Chartered Surveyors. During the site inspection, we have ascertained the following matters of the Property:

- the general environment and development conditions of the area in which the Property is situated;
- the existing use of the Property;
- the occupancy of the Property;
- the facilities provided by the Property;

- the existence of any non-conformity use within the Property;
- the repair and maintenance conditions of the Property; and
- the existence of any closure order and resumption order affixed to the Property.

Limiting Conditions

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value. Our valuation have been made on the assumption that the seller sells the Property on the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the Property.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters of the Property.

We have carried out inspection of the Property, both externally and internally. However, no structural survey has been made for the Property. In the course of our inspection, we did not note any serious defects. We are unable to report whether the buildings and structures of the Property are free of rot, infestation or any other structural defects. No test was carried out on any of the services of the buildings and structures of the Property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the Property, we have complied with all the requirements contained in Chapter 5 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

The Property has been valued in Hong Kong Dollar (HK\$).

Our valuation certificate is attached herewith.

Yours faithfully,
For and on behalf of
Asset Appraisal Limited
Tse Wai Leung
MFin BSc MRICS MHKIS RPS(GP)
Director

Tse Wai Leung is a member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a Registered Professional Surveyor in General Practice and a qualified real estate appraiser in the PRC. He is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over ten (10) years' experience in valuation of Property in Hong Kong, Macau and the PRC.

VALUATION CERTIFICATE

Property held and occupied by the owners

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 1 December 2015 HK\$
Unit C, D and E on 7/F Wang Yip Centre No. 18 Wang Yip Street East Yuen Long New Territories Hong Kong 30/1380th share of and in Yuen Long Town Lot No. 385	<p>The Property comprises 3 contiguous workshop units on 7th Floor within a 9-storey industrial building completed in 1992.</p> <p>The total gross floor area and saleable floor area of the Property are 4,504 square feet and 3,239 square feet respectively.</p> <p>The Property is situated at the south-eastern side of Wang Yip Street East near its junction with Keung Yip Street within an industrial area locally known as "Tung Tau Industrial Area" lying at the northern part of Yuen Tong town centre. The West Rail (Long Ping) Station is situated within easy walking distance at the south-west of the Property.</p> <p>The Property is held under New Grant No. 3923 for a term commencing on 23 January 1990 and expiring on 30 June 2047 at an annual Government rent charged at 3% of the rateable value of the Property.</p>	As at the date of our inspection, the Property was being occupied by the owners as pharmaceutical workshop with ancillary offices and warehouse under the trade name Tai Wo Tong Pharmaceutical (Hong Kong) Company Limited.	20,000,000

Notes:

1. The registered owners of the Property are PANG SIU HIN and KWAN LAI MAN as joint tenants registered via Assignment (memorial no. 09061800790040) dated 20 May 2009.
2. Occupation Permit No. NT 69/92 of the subject development is registered via memorial no. YL505546 dated 26 May 1992.
3. Certificate of Compliance of the subject development is registered via memorial no. YL506415 dated 3 June 1992.
4. Deed of Mutual Covenant and Management Agreement of the subject development is registered via memorial no. YL516829 dated 21 July 1992.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange were as follows:

(a) Long position in Shares

Name of Director	Capacity	Number of Shares held	Approximate percentage of shareholding
Mr. Pang Siu Hin	Interest of a controlled corporation and family interest (Note)	600,000,000	75%
Ms. Kwan Lai Man	Interest of a controlled corporation and family interest (Note)	600,000,000	75%

Note: Genwealth is beneficially owned as to 90% by Mr. Pang Siu Hin and 10% by Ms. Kwan Lai Man. Accordingly, Mr. Pang Siu Hin is deemed to be interested in the 600,000,000 Shares held by Genwealth under the SFO. Ms. Kwan Lai Man, being the spouse of Mr. Pang Siu Hin, is deemed to be interested in all the Shares that Mr. Pang Siu Hin is interested in.

(b) Long position in the underlying shares of the Company

Name of Director	Capacity	Number of options held	Number of underlying shares
Mr. Pang Siu Hin	Beneficial owner	14,350,000	14,350,000
	Interest of spouse (Note)	<u>8,750,000</u>	<u>8,750,000</u>
		<u>23,100,000</u>	<u>23,100,000</u>
Ms. Kwan Lai Man	Beneficial owner	8,750,000	8,750,000
	Interest of spouse (Note)	<u>14,350,000</u>	<u>14,350,000</u>
		<u>23,100,000</u>	<u>23,100,000</u>

Note: Mr. Pang Siu Hin and Ms. Kwan Lai Man are married couple. Each of Mr. Pang Siu Hin and Ms. Kwan Lai Man is therefore deemed to be interested in the underlying Shares held by each other.

(c) Long position in Genwealth, an associated corporation of the Company

Name of Director	Capacity	Number of shares held	Approximate percentage of shareholding
Mr. Pang Siu Hin	Beneficial owner	9,000	90%
Ms. Kwan Lai Man	Beneficial owner	1,000	10%

Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions therein that they shall be deemed to have pursuant to such provisions of the SFO), or any interests or short positions which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or any interests or short positions which have to be notified to the Company and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Substantial Shareholders' Interests

As at the Latest Practicable Date, so far as it is known to the Directors, the following persons, not being a Director or chief executive of the Company, will have an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long position in Shares

Name	Capacity	Number of Shares	Approximate percentage of interests
Genwealth	Beneficial owner	600,000,000	75%

Save as disclosed above, so far as it is known to the Directors, there was no other person (other than a Director or chief executive of the Company) who had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of the Company required to be kept under section 336 of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any of its subsidiaries which is not expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets save for the interest in the Properties held by Mr. pang Siu Hin and Ms. Kwan Lai Man, which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 March 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with business of the Group.

6. MATERIAL ADVERSE CHANGE

Save for (i) the unrealized net foreign exchange loss from Renminbi to Hong Kong Dollar of approximately HK\$6.0 million; (ii) the increase in share option expenses and staff costs of approximately HK\$2.4 million and HK\$1.3 million; and (iii) the increase in depreciation and amortisation expenses and legal and professional fee of approximately HK\$0.8 million and HK\$0.6 million throughout the six months ended 30 September 2015 as compared to the same period in 2014, which have negative impact on the profitability of the Group, as at the Latest Practicable Date, the Directors were not aware of any other material adverse change in the financial or trading position of the Group since 31 March 2015 (being the date to which the latest published audited consolidated accounts of the Company were made up).

7. EXPERTS' QUALIFICATIONS AND CONSENTS

The following is the qualification of the experts who have been named in this circular or have given their opinion or advice which is contained in this circular:

Name	Qualification
Asset Appraisal Limited	Independent valuer
Chanceton Capital Partners Limited	A licensed corporation permitted to carry out type 6 (advising on corporate finance) regulated activity under the SFO

Each of Asset Appraisal Limited and Chanceton Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of their letter and report (as the case may be) and references to their names, in the form and context in which they appear.

As at the Latest Practicable Date, each of Asset Appraisal Limited and Chanceton Capital:

- (i) was not beneficially interested in the share capital of any member of the Group;
- (ii) did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (iii) did not have any interest, either directly or indirectly, in any asset which had been acquired or disposed of by or leased to any member of the Group or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2015 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Flat B, 12/F, Hi-Tech Centre, 11 Wang Yip Street West, Yuen Long, New Territories, Hong Kong, up to and including the date of the EGM:

- (a) the letter from the Independent Board Committee, the text of which is set out on pages 10 to 11 of this circular;
- (b) the letter of advice from Chanceton Capital, the text of which is set out on pages 12 to 22 of this circular;
- (c) the valuation report of Asset Appraisal Limited as set out in Appendix I of this circular;
- (d) the written consents referred to in the paragraph headed “Experts’ qualifications and consents” in this appendix;
- (e) the Memorandum; and
- (f) this circular.

9. MISCELLANEOUS

In the event of inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over the Chinese text thereof.

NOTICE OF EGM

H S

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)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Hin Sang Group (International) Holding Co. Ltd. (the “**Company**”) will be held at Flat B, 12/F, Hi-Tech Centre, 11 Wang Yip Street West, Yuen Long, New Territories, Hong Kong on Tuesday, 19 January 2016 at 2:30 p.m. (the “**EGM**”), consider and, if thought fit, transact the following business:

ORDINARY RESOLUTIONS

1. (a) “**THAT**

the memorandum dated 10 December 2015 (the “**Memorandum**”) entered into between the Tai Wo Tong Pharmaceutical (Hong Kong) Company Limited, an indirect wholly owned subsidiary of the Company (the “**Purchaser**”) as the purchaser and both Mr. Pang Siu Hin and Ms. Kwan Lai Man (the “**Vendors**”) as the vendors, pursuant to which the Vendors has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the properties situated at 7th Floor (Unit C, D and E), Wang Yip Centre, No. 18 Wang Yip Street East, Yuen Long, New Territories, Hong Kong for a total consideration of HK\$18,800,000 (the “**Acquisition**”), and all transactions contemplated under the Memorandum and the Acquisition and in connection with each of them be and are hereby approved, confirmed and ratified; and

NOTICE OF EGM

- (b) any one director of the Company be and is hereby authorized for and on behalf of the Company to sign, execute, perfect, perform and deliver all such agreements, instruments, deeds and documents and do all such acts or things and take all such steps as they may in their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement or given effect to or otherwise in connection with or incidental to the Memorandum and all the transactions contemplated and to agree to such variations, amendments or waivers as are, in the opinion of the directors of the Company, in the interests of the Company.”

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

Hong Kong, 30 December 2015

Registered office:

Appleby Trust (Cayman) Ltd.
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Headquarter, head office and

principal place of business in Hong Kong:
Flat B, 12/F., Hi-Tech Centre
11 Wang Yip Street West
Yuen Long
New Territories
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the EGM. Completion and return of a form of proxy will not preclude a member from attending and voting in person if he is subsequently able to be present.
3. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
4. For the purposes of holding the EGM, the register of members of the Company will be closed from Friday, 15 January 2016 to Tuesday, 19 January 2016 (both days inclusive), for the purpose of determining the entitlement to attend and vote at the EGM scheduled to be held on Tuesday, 19 January 2016. In order to be eligible to attend and vote at the EGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 14 January 2016.