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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 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 2018 (the “**Period**”) and information currently available, the Group is expected to record a consolidated net loss for the Period whereas a consolidated net profit of approximately HK\$12.8 million was recorded for the corresponding period in 2017. The consolidated net loss for the Period is primarily attributable to a non-cash accounting treatment in relation to the fair value loss on financial assets through profit or loss (being listed equity securities) of approximately HK\$7.5 million and an increase in depreciation and amortisation expense of approximately HK\$5.6 million compared to the corresponding period in 2017. Further, the Company is also expected to record a total comprehensive expense for the Period.

After excluding the non-cash accounting treatment in relation to fair value loss on financial assets through profit or loss and depreciation and amortisation expense, the Group is expected to record a consolidated net profit for the Period arising from the business operations. The Board is of the view that the non-cash accounting treatment in relation to the fair value loss on held for trading investments and amortisation expense do not have any material adverse impact on the Group’s business operations and financial performance.

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 2018.

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, 13 November 2018

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.