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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)

VOLUNTARY ANNOUNCEMENT COOPERATION AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Hin Sang Group (International) Holding Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 29 December 2021, Hin Sang Health and Medical (Guangdong) Company Limited* (衍生健康醫藥(廣東)有限公司) (“**Hin Sang Guangdong**”), a wholly-owned subsidiary of the Company, entered into a cooperation agreement (the “**Cooperation Agreement**”) with Hongli Homologous Biotechnology (Weihai) Company Limited* (紅力同源生物科技(威海)有限公司) (“**Hongli**”), to establish a new company, Pengzu Hin Sang Pavilion (Guangdong) Brand Management Company Limited* (彭祖衍生館(廣東)品牌管理有限公司) (the “**Brand Management Company**”). Pursuant to the Cooperation Agreement, the Brand Management Company will open chain stores in the name of “Pengzu Hin Sang Pavilion* (彭祖衍生館)” in the People’s Republic of China (the “**PRC**”), exclusively selling products supplied by Hin Sang Guangdong.

THE COOPERATION AGREEMENT

The principal terms of the Cooperation Agreement are set out below:

Date

29 December 2021

Parties

- (i) Hin Sang Guangdong; and
- (ii) Hongli

To the best of the Directors' knowledge and information, having made all reasonable enquiries, Hongli and its ultimate beneficial owners are third party independents of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")).

Subject Matter

Hin Sang Guangdong and Hongli will establish the Brand Management Company, which will be incorporated in the PRC, with registered share capital of RMB10,000,000. Hin Sang Guangdong will contribute RMB1,000,000 in kind in the form of the right to use of registered trademark of "Pengzu Hin Sang Pavilion* (彭祖衍生館)", and Hongli will contribute RMB9,000,000 in the form of cash. Thus, Hin Sang Guangdong and Hongli will hold 10% and 90% equity interest in the Brand Management Company respectively.

Pursuant to the Cooperation Agreement, the Brand Management Company will open chain stores in the name of "Pengzu Hin Sang Pavilion* (彭祖衍生館)" in the PRC, exclusively selling products supplied by Hin Sang Guangdong.

There would be lock-up period of 3 years during which Hin Sang Guangdong and Hongli are prohibited to transfer their equity interests in the Brand Management Company to any third parties. Hin Sang Guangdong has a right to acquire shares of the Brand Management Company from Hongli to obtain majority stake of the Brand Management Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT

The Board believes that through establishing the Brand Management Company and opening extensive chain stores in the PRC, the Group can further consolidate the distribution channels of its products and seize huge opportunities in the fast-growing healthcare market in the PRC. The Board considers that the Cooperation Agreement is on normal commercial terms and the terms thereof are fair and reasonable and the transactions contemplated thereunder are in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

As all the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the entering of the Cooperation Agreement do not exceed 5%, the Cooperation Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

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

** For identification purpose only*

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

Hong Kong, 29 December 2021

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