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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

On 25 April 2018, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Vendor for the acquisition of the Property at a consideration of HK\$158,380,000.

As the Acquisition exceeds 5% but does not exceed 25% of one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules.

INTRODUCTION

On 25 April 2018, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Vendor in respect of the Acquisition.

THE PROVISIONAL SALE AND PURCHASE AGREEMENT

Date

25 April 2018

Parties

Vendor: Emwell Limited

Purchaser: Beautymate Hong Kong Limited

Assets to be acquired

The Property comprises (1) workshops 1 - 19 on the 5th Floor (including flat roofs of workshops 3 and 4) of Block A, Shatin Industrial Centre, Nos. 5 - 7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong and (2) car parking space L45 on the 2nd Floor of Shatin Industrial Centre, Nos. 5 - 7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong. The Property is an industrial property. The workshops have in aggregate a gross floor area of approximately 29,000 square feet.

Purchase price

The purchase price of the Property is HK\$158,380,000 which is payable by the Purchaser to the Vendor in cash in the following manner:

- (a) an initial deposit in the sum of HK\$7,919,000 has been paid upon signing of the Provisional Sale and Purchase Agreement on 25 April 2018;
- (b) a further deposit in the sum of HK\$7,919,000 shall be paid upon signing of the formal sale and purchase agreement in respect of the Property on or before 15 May 2018;
- (c) the balance of the purchase price in the sum of HK\$142,542,000 shall be paid on or before 8 October 2018, the completion date of the Acquisition .

The purchase price of the Property was determined after arm's length negotiation between the Vendor and the Purchaser under normal commercial terms having taken into account the prevailing market value of similar properties in the same district. It is estimated that the total cost of the Property together with transaction costs, such as stamp duty, property agent commission and legal costs, will be approximately HK\$172,000,000.

The Acquisition will be funded by the Group's internal resources and external financing from banks.

Completion

Completion of the Acquisition is expected to take place on or before 8 October 2018.

INFORMATION OF THE PURCHASER, THE COMPANY AND THE GROUP

The Purchaser is an indirect wholly-owned subsidiary of the Company and its principal business activity is investment holding.

The Group is principally engaged in the marketing, selling and manufacturing of healthcare products primarily targeting at children, among which "Hin Sang (衍生)" has been a long established reputable brand. To align with the consumer's trend, the Group continues to expand the e-commerce business through electronic platforms. To leverage on existing resources to increase profit, the Group also trades in skin care, personal care and slimming products of reputable brands. It is also developing its business in mother/infant Chinese medical healthcare as well as diagnosis and treatment services projects.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated in Hong Kong with limited liability and its principal business activity is investment holding.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group currently rents a warehouse within an industrial property and also owns a packaging plant within an industrial property located in Yuen Long, New Territories, Hong Kong. It is planned that certain portion of the Property will be used as a warehouse, and the remaining part of the Property will be used as a manufacturing plant that meets the Good Manufacturing Practice ("GMP") requirements of the Group. The Board considers that the Acquisition will achieve rental saving in the long run and better cost control and provides good quality control on the healthcare products.

The Board also considers that the Acquisition is a sound investment which can provide potential capital appreciation opportunity to the Group.

The Board is of the view that the terms of the Provisional Sale and Purchase Agreement and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

IMPLICATIONS OF THE LISTING RULES

As the Acquisition exceeds 5% but does not exceed 25% of one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of the Property by the Purchaser at a consideration of HK\$158,380,000 pursuant to the terms and conditions of the Provisional Sale and Purchase Agreement
“Board”	the board of Directors
“Company”	Hin Sang Group (International) Holding 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 (stock code: 6893)
“Director(s)”	director(s) of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	(a) party(ies) who is/are not (a) connected person(s) (as defined in the Listing Rules) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	means main board of the Stock Exchange
“percentage ratio”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
“Property”	comprises (1) workshops 1 - 19 on the 5 th Floor (including flat roofs of workshops 3-4) of Block A, Shatin Industrial Centre, Nos. 5 - 7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong and (2) car parking space L45 on the 2 nd Floor of Shatin Industrial Centre, Nos. 5 - 7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong
“Provisional Sale and Purchase Agreement”	the provisional sale and purchase agreement dated 25 April 2018 entered into between the Purchaser and the Vendor for the Acquisition
“Purchaser”	Beautymate Hong Kong Limited, an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Emwell Limited, an Independent Third Party
“%”	per cent

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

Hong Kong, 25 April 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.