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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 FORMATION OF JV COMPANY

This is a voluntary announcement made by Hin Sang Group (International) Holding Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”).

FORMATION OF JV COMPANY

The board of the directors (the “**Directors**”) of the Company is pleased to announce that on 18 March 2016, Hin Sang Group Holding Limited, a wholly-owned subsidiary of the Company and Mr. Zhou Lu Di (周魯帝) (“**Mr. Zhou**”) entered into a joint venture agreement (the “**JV Agreement**”). Pursuant to the JV Agreement, Hin Sang and Mr. Zhou agreed to establish a joint venture company in Hong Kong with a view to distribute and market the Group’s products in the mainland China and Hong Kong through cross-border e-commerce platforms.

As at the date of this announcement, Hin Fai International Holding Company Limited (the “**JV Company**”) has been established with a total issued share capital of HK\$10,000,000 and is owned as to 68% by the Group and 32% by Mr. Zhou. As at the date of this announcement, the parties completed their respective contribution of capital to the JV Company.

INFORMATION ON THE JOINT VENTURE PARTNER

Mr. Zhou is currently the general manager of Shenzhen Bodili Technology Co. Ltd. (深圳市寶帝來科技有限公司) (“**Bodili**”) which is principally engaged in import and trading of electronic products and various machineries for industrial use. Mr. Zhou has extensive experience in international trade and cross-border e-commerce, China import and export and relevant laws and regulations.

To the best of the Directors’ knowledge, information and belief, and after making reasonable enquiries, neither Mr. Zhou nor Bodili is a connected person of the Company within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Mr. Zhou has also confirmed that the business of Bodili does not compete or may compete, either directly or indirectly, with the business of the Group.

REASONS FOR AND BENEFIT OF FORMATION OF THE JV COMPANY

The Group is principally engaged in developing, marketing, selling and distributing a wide variety of personal care products, health care products and household products under various brands. In particular, the Group has a comprehensive portfolio of quality health supplement products under “Hin Sang” brand, a leading brand in children’s health supplement in Hong Kong.

With the increasing health awareness among the general public in the mainland China and Hong Kong, the Group expects that there will be an increasing demand for Hong Kong branded health supplement products which are well known to be safe and of good quality. To capture such business opportunity, the JV Company is established to introduce strategic capital and leverage extensive management experience of Mr. Zhou in the field of cross-border e-commerce to the Group. The JV Company will enable products under “Hin Sang” brand to be sold to consumers through online platforms operated by independent third party merchants. Consumers can make purchase without physically visiting retail stores, and goods purchased will be shipped directly to consumer’s door. This copes with today’s consumer lifestyle of “shopping without going shopping”. Aggressive advertising and promotion effort will be spent both on and off-line in order to drive awareness, trial and repeated purchase. This new distribution and sales channel will enable the Group to be in touch with consumers directly for the benefit of future promotion and business opportunity.

The Board considers that the JV Company will enable the Group to capture the business opportunity brought by China's new two-child policy and further strengthen the Group's business development. The Board also believes that the JV Company will help the Group to expand its geographical market penetration in China which is in line with the Group's long term expansion strategy, with the expectation to further diversify its revenue sources. The Board considers that the JV Agreement and the transaction contemplated thereunder have been made on normal commercial terms and the terms are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL INFORMATION

The applicable percentage ratios in respect of the formation of the JV Company are less than 5% under Rule 14.07 of the Listing Rules. As such, it does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

This announcement is made by the Company on a voluntary basis to keep shareholders and potential investors of the Company informed of the Group's latest business development.

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

Hong Kong, 20 April 2016

As at the date of this announcement, the executive directors are Mr. Pang Siu Hin and Ms. Kwan Lai Man, the non-executive director is Ms. Wong Wai Ling, and the independent non-executive directors are Mr. Lee Luk Shiu, Dr. Tang Sing Hing, Kenny and Mr. Tsui Nam Hung.