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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 PROVISION OF LOAN

The Board announces that on 18 October 2016, the Company entered into the Facility Letter with the Borrower, pursuant to which the Company agreed to grant to the Borrower the Loan in accordance with the terms thereunder.

As more than one of the applicable percentage ratios as defined under the Listing Rules in respect of the granting of the Loan exceed 5% but lower than 25%, the granting of the Loan constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

As the assets ratio as defined under Rule 14.07(1) of the Listing Rules in respect of the Loan exceeds 8%, the Facility Letter is also subject to the general disclosure obligations under Rule 13.13 and Rule 13.15 of the Listing Rules.

INTRODUCTION

The Board announces that on 18 October 2016 (after trading hours), the Company entered into the Facility Letter with the Borrower, pursuant to which the Company agreed to grant to the Borrower a loan in the principal amount of HK\$75,000,000, bearing interest at a rate of 4.8% per annum for a period of 45 days.

THE FACILITY LETTER

The principal terms of the Facility Letter are summarized as follows:

Date:	18 October 2016
Lender:	The Company
Borrower:	The Borrower, who, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is an Independent Third Party.
Principal amount:	HK\$75,000,000
Term:	45 days
Interest:	The Borrower shall pay interest on the outstanding balance of the Loan for the period from and including the date of drawdown up to and including the date of repayment at the rate of 4.8% per annum. Interest shall be calculated on the basis of the actual number of days elapsed and a 365 day per year, shall accrue from day to day and shall be paid in arrear on the maturity date or the date of prepayment of the Loan.
Drawdown Date:	Any Business Day not later than 7 days after the date of the Facility Letter

Repayment: The Borrower shall repay the Loan in full together with accrued interest and all other amounts then outstanding in connection with the Loan by a single payment on the date falling 45 days after the date of the drawdown of the Loan.

Prepayment: The Borrower may prepay all or part of the Loan, provided that the Borrower shall have given the Lender not less than 14 Business Days' prior written notice specifying the proposed amount and date of prepayment.

If the Lender has given the Borrower not less than 14 days' prior written notice requiring the Loan to be prepaid by the Borrower in its entirety, the Borrower shall prepay the Loan on the date of prepayment specified in such notice, being a date falling at least 14 days after the date of such notice.

If the Loan or any part thereof is prepaid in accordance with the Facility Letter, the Borrower shall also pay to the Lender at the time of prepayment, all interest accrued up to the date of prepayment and all other sums payable by the Borrower thereunder.

Conditions: In consideration of the Company agreeing to make the Loan available to the Borrower, the Borrower as beneficial owner assigns to the Company its right, title, interest and benefit in and to the loan facility of up to HK\$75,000,000 made available to the third party by the Borrower and all and any monies or other property which the Borrower may receive on account of such loan facility or any part thereof as a continuing security for the due and punctual payment of the Loan.

Governing Law: Laws of Hong Kong

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

The terms of the Facility Letter were arrived at after arm's length negotiations between the Company and the Borrower.

The Directors consider that the transactions contemplated under the Facility Letter is on normal commercial terms and the terms of the Facility Letter are fair and reasonable and are in the interests of the Company and its Shareholders as a whole having considered the level of the Group's surplus cash and the expected revenue to be generated to the Group from the interest received.

FUNDING OF THE LOAN

The Loan will be funded by internal resources of the Group and will be recorded as loan receivable of the Group.

INFORMATION ON THE GROUP AND THE BORROWER

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 and manufacturing proprietary Chinese medicine products.

The Borrower, a limited liability company incorporated in Hong Kong and a licensed money lender in Hong Kong under the Money Lenders Ordinance. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower is an independent third party not connected with the Company and its connected person.

THE LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan exceeds 5% but less than 25%, the Loan constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the assets ratio as defined under Rule 14.07(1) of the Listing Rules in respect of the Loan exceeds 8%, the Facility Letter is also subject to the general disclosure obligations under Rule 13.13 and Rule 13.15 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Borrower”	BP Finance (HK) Limited, a limited liability company incorporated in Hong Kong and a licensed money lender in Hong Kong under the Money Lenders Ordinance, being the borrower under the Facility Letter
“Business Day”	a day (other than a Saturday) on which banks are open for business in Hong Kong
“Company”	Hin Sang Group (International) Holding Co. Ltd., a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6893)
“Director(s)”	director(s) of the Company
“Facility Letter”	a facility letter dated 18 October 2016 entered into between the Company and the Borrower in relation to the granting of the Loan
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of the Company and the connected persons (has the meaning ascribed to it under the Listing Rules) of the Company

“Lender”	the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan in the principal amount of HK\$75,000,000 to be granted by the Company to the Borrower pursuant to the terms of the Facility Letter
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“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
“%”	percentage

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

Hong Kong, 18 October 2016

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