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)

MAJOR TRANSACTION
DISPOSAL OF PROPERTY

THE DISPOSAL

The Board announces that on 11 September 2026 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property for a cash consideration of HK$98,000,000.

The Property comprises Workshops 1–19 on the fifth floor of Block A of Shatin Industrial Centre, including the flat roofs adjoining Workshops 3 and 4, and Car Parking Space No. L45 on the second floor of Block A, at Nos. 5–7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal is 25% or more but all are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements.

The Company will convene the EGM for the Shareholders to consider and, if thought fit, approve the Provisional Agreement and the transactions contemplated thereunder. A circular containing further details of the Disposal and a notice of the EGM will be despatched to the Shareholders as set out below.

THE PROVISIONAL AGREEMENT

The principal terms of the Provisional Agreement are set out below.

Date

11 September 2026 (after trading hours)

Parties

Vendor: Beautymate Hong Kong Limited

Purchaser: Tian Cheng Enterprises Holdings Limited

Property

The Property will be sold on an "as is" basis with vacant possession on Completion. According to the valuation report issued by an independent professional valuer, the Property comprises 19 workshop units with two flat roofs and a car parking space. The workshop portion has an aggregate saleable area of approximately 20,840 square feet.

The Property is subject to a mortgage and a second legal charge over the Property in favour of a licensed bank in Hong Kong. The Vendor will arrange for the release of those encumbrances on Completion, with the relevant secured indebtedness repaid out of the proceeds of the Disposal.

Consideration and payment terms

The Consideration is HK$98,000,000, payable in cash as follows:

(a) HK$4,900,000 as an initial deposit upon signing of the Provisional Agreement;
(b) HK$4,900,000 as a further deposit on or before 24 September 2026; and
(c) HK$88,200,000, being the balance of the Consideration, upon Completion on or before 26 January 2027.

All deposits are to be paid to the Vendor's solicitors as stakeholder and may not be released to the Vendor unless the balance of the Consideration is sufficient to discharge the existing legal charge or mortgage over the Property.

The Purchaser will bear the ad valorem stamp duty payable on the sale and purchase of the Property, except that a defaulting party will bear the relevant stamp duty, if any. The Vendor's transaction expenses, including estate agency commission and professional fees, are estimated at approximately HK$1.5 million in aggregate.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser, taking into account the prevailing market conditions, the location and condition of the Property, feedback from the property agents and the Group's funding requirements.

According to the valuation report prepared by an independent professional valuer, the market value of the Property in its existing state as at 31 March 2026 is at HK$120.4 million using the market approach. The Consideration represents a discount of approximately 18.6% to that valuation.

In accepting the Consideration, the Directors considered the outcome of the negotiations and the agents' feedback on the prospects of securing a comparable offer in the near term, together with the opportunity to repay secured borrowings and release cash for the Group's operations. Having weighed these factors against the discount to the March 2026 valuation and the funding costs of retaining the Property, the Directors consider the Consideration fair and reasonable.

Formal agreement and Completion

The Vendor and the Purchaser are to enter into a formal agreement for sale and purchase on or before 24 September 2026. Completion is to take place on or before 26 January 2027.

Default

Under the Provisional Agreement, if the Vendor fails to complete the sale in accordance with its terms after receiving the deposits, it must refund the deposits paid and pay the Purchaser an equivalent amount as liquidated damages. The Purchaser may not pursue further damages or specific performance. If the Purchaser fails to complete in accordance with the Provisional Agreement, the deposits paid are forfeited to the Vendor, which may resell the Property but may not sue the Purchaser for liabilities or damages arising from that default.

INFORMATION ON THE PROPERTY

The Property was used by the Group for its own operations during the two financial years ended 31 March 2025 and 31 March 2026. Accordingly, no income or profit was derived from the Property during those two financial years.

FINANCIAL EFFECTS OF THE DISPOSAL

The carrying amount of the Property in the Group's accounts as at 31 March 2026 was approximately HK$120.4 million.

The Group expects to record an estimated loss on the Disposal of approximately HK$23.9 million, calculated by reference to the Consideration of HK$98.0 million, the carrying amount of the Property and the estimated transaction expenses.

The actual gain or loss on the Disposal will depend on the carrying amount of the Property and the expenses incurred at Completion, the applicable tax and accounting treatment, and the audit of the Group's financial statements. It may therefore differ from the above estimate. The Disposal is expected to be completed in the financial year ending 31 March 2027.

USE OF PROCEEDS

After deducting estimated transaction expenses of approximately HK$1.5 million from the Consideration, the net proceeds of the Disposal, before repayment of secured borrowings, are expected to be approximately HK$96.5 million.

A substantial part of the net proceeds will be applied on Completion towards repayment of borrowings of approximately HK$85.1 million with a licensed bank in Hong Kong in connection with the release of the mortgage and second legal charge over the Property, comprising (i) a mortgage loan of approximately HK$29.1 million owed by the Vendor; and (ii) a revolving loan of HK$56.0 million owed by another subsidiary of the Group.

After such repayment and deduction of the transaction expenses, the remaining net proceeds are currently estimated at approximately HK$11.4 million. The Group intends to retain that amount for general working capital, including purchases of inventory, staff costs and other operating expenses, and expects to utilise it within 12 months after Completion.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Reference is made to the Company's announcement and its supplementary announcement in relation to inside information, both dated 5 May 2026. The Company disclosed that it was actively seeking opportunities to sell a property together with a car park in Shatin and a property in Tsim Sha Tsui through property agents, to realise cash for further development and repay bank borrowings to save finance costs.

The Disposal is consistent with the Group's asset disposal objectives announced in May 2026. It will enable the Group to realise cash from the Property, reduce its indebtedness and the associated interest burden, and reduce its exposure to refinancing pressure in respect of the borrowings repaid. As those borrowings bear interest at floating rates linked to HIBOR, repayment will also reduce the Group's exposure to fluctuations in HIBOR. The borrowings to be repaid out of the proceeds amount to approximately HK$85.1 million in aggregate. As the Property was used for the Group's own operations and did not generate any rental or other income, the Disposal converts a non-income-generating asset into cash while removing the finance costs of the borrowings secured against it. Monthly finance costs stand s at approximately HK$306,000, floating with the movement of HIBOR.

Although the Consideration represents a certain discount to the market value of the Property as appraised by the independent professional valuer, the Directors have taken into account the feedback from the property agents on the prospects of securing a comparable offer in the near term, the certainty of a binding transaction for a cash consideration, and the finance costs that the Group would continue to incur on the secured borrowings if the Property were retained pending a higher offer. On that basis, the Directors consider that the Disposal on the present terms is preferable to continuing to hold the Property for an uncertain period.

The estimated remaining net proceeds of approximately HK$11.4 million will strengthen the Group's working capital base and liquidity and provide greater financial flexibility for its day-to-day operations. As set out under "Use of Proceeds" above, the Group intends to apply that amount towards purchases of inventory, staff costs and other operating expenses within 12 months after Completion, without recourse to additional bank borrowings for those purposes. Together with the reduction in debt servicing costs, this is expected to put the Group in a better position to support the future development of its existing businesses when suitable opportunities arise.

The Group will arrange alternative premises for the operations currently conducted at the Property before Completion. Taking into account the proposed relocation arrangements and associated costs, the Directors do not expect the Disposal to have a material adverse effect on the Group's continuing operations.

Having considered the matters described above, the Directors consider that the terms of the Provisional Agreement and the Disposal are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group and the Vendor

The Group is principally engaged in the marketing, selling and manufacturing of healthcare products primarily targeting children. It also trades in personal care products and is developing Chinese medical healthcare and diagnosis and treatment services. The Vendor is a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company and is principally engaged in property holding.

The Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in trading between Mainland China and Hong Kong. Its ultimate beneficial owner(s) are Jiang Hong Na and Lin Quan Yan.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS AND GENERAL

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is 25% or more but all are less than 75%, the Disposal constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Provisional Agreement and the transactions contemplated thereunder. Voting on the resolution at the EGM will be conducted by poll.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and no Shareholder is required to abstain from voting on the resolution approving the Disposal at the EGM.

A circular containing, among other things, further details of the Disposal, the financial information of the Group, a valuation report on the Property, other information required under the Listing Rules and a notice convening the EGM, together with the form of proxy, is expected to be despatched to the Shareholders on or before 2 October 2026.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

"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)
"Completion"	completion of the Disposal in accordance with the Provisional Agreement
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Consideration"	HK$98,000,000, being the consideration for the Disposal
"Directors"	the directors of the Company
"Disposal"	the disposal of the Property by the Vendor to the Purchaser pursuant to the Provisional Agreement
"EGM"	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Provisional Agreement and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Property"	Workshops 1–19 on the fifth floor of Block A, including the flat roofs adjoining Workshops 3 and 4, and Car Parking Space No. L45 on the second floor of Block A, Shatin Industrial Centre, Nos. 5–7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong
"Provisional Agreement"	the provisional agreement for sale and purchase dated 11 September 2026 entered into between the Vendor and the Purchaser in relation to the Disposal
"Purchaser"	Tian Cheng Enterprises Holdings Limited
"Shareholders"	holders of the ordinary shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	Beautymate Hong Kong Limited, an indirect wholly-owned subsidiary of the Company
"%"	per cent.

By order of the Board
Hin Sang Group (International) Holding Co. Ltd.
Kwan Lai Man
Chairperson

Hong Kong, 14 September 2026

As at the date of this announcement, the executive Directors are Ms. Kwan Lai Man, Mr. Ma Chi Wai, Vincent (alias: Ma Chun Wai, Steven) and Ms. Pang Tsz Yan; the non-executive Director is Ms. Tian Shanshan; and the independent non-executive Directors are Mr. Lau Chi Kit, Mr. Lee Luk Shiu and Dr. Tang Sing Hing, Kenny.