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Hang Fat Ginseng Holdings Company Limited
恒發洋參控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 911)

PROPOSED SHARE SUBDIVISION
AND
PROPOSED CHANGE IN BOARD LOT SIZE

PROPOSED SHARE SUBDIVISION

The Board proposes to put forward to the Shareholders a proposal to effect the proposed Share Subdivision whereby every one (1) existing issued and unissued Share of par value of HK\$0.01 each in the share capital of the Company will be subdivided into ten (10) Subdivided Shares of par value of HK\$0.001 each. The Share Subdivision will become effective upon fulfillment of the conditions set out under the section headed “Conditions of the Share Subdivision” below.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board proposes to change the board lot size for trading on the Stock Exchange from 2,000 Shares to 10,000 Subdivided Shares after and conditional upon the Share Subdivision becoming effective.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred, the implementation of the Share Subdivision and the Change in Board Lot Size will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders. The Directors believe that the Share Subdivision will not have any material adverse effect on the financial position of the Group.

GENERAL

The resolution(s) approving the proposed Share Subdivision will be included in the AGM. The AGM circular containing, among other things, further details about the Share Subdivision and the Change in Board Lot Size and the notice convening the AGM, will be despatched to the Shareholders on or before 22 April 2015.

PROPOSED SHARE SUBDIVISION

The Board proposes to put forward to the Shareholders a proposal to effect the proposed Share Subdivision whereby every one (1) existing issued and unissued Share of par value of HK\$0.01 each in the share capital of the Company will be subdivided into ten (10) Subdivided Shares of par value of HK\$0.001 each.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon (i) the passing of the ordinary resolution to approve the Share Subdivision by the Shareholders at the AGM; and (ii) the Listing Committee of the Stock Exchange granting approval to the listing of, and permission to deal in, the Subdivided Shares and the Subdivided Shares which may fall to be issued upon exercise of the Outstanding Options.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Subdivided Shares and the Subdivided Shares which may fall to be issued upon exercise of the Outstanding Options.

Assuming all the conditions are fulfilled, the Share Subdivision will become effective on the Business Day following the passing of the ordinary resolution at the AGM, which is expected to be held on 22 May 2015.

Effect of the Share Subdivision

As at the date of this announcement, the authorised share capital of the Company is HK\$50,000,000 divided into 5,000,000,000 Shares of HK\$0.01 each, of which 2,000,000,000 Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased between the date of this announcement and the date of the AGM, immediately after the Share Subdivision becoming effective, the authorised share capital of the Company will become HK\$50,000,000 divided into 50,000,000,000 Subdivided Shares of HK\$0.001 each, of which 20,000,000,000 Subdivided Shares of par value of HK\$0.001 each will be in issue which are fully paid or credited as fully paid following the Share Subdivision becoming effective. Each of the final dividend and the special dividend for the year ended 31 December 2014 which is subject to the approval by the Shareholders at the AGM shall be adjusted from HK\$0.02 per Share and HK\$0.03 per Share, respectively, to HK\$0.002 per Subdivided Share and HK\$0.003 per Subdivided Share, respectively, upon the Share Subdivision becoming effective.

Upon the Share Subdivision becoming effective, the Subdivided Shares will rank pari passu in all respects with each other and the Share Subdivision will not result in any change in the rights of the Shareholders.

Free exchange of Subdivided Shares' certificates and trading arrangement

Subject to the Share Subdivision becoming effective, which is expected to be on Tuesday, 26 May 2015, Shareholders may, during the period from Tuesday, 26 May 2015 to Thursday, 2 July 2015 (both days inclusive) between 9:00 a.m. and 4:30 p.m. on any Business Day, submit share certificates for the existing Shares in grey colour to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new certificates of the Subdivided Shares in blue colour. Thereafter, each share certificate for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate issued for the Subdivided Shares or each share certificate for the existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher. Nevertheless, the share certificates for the existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Subdivided Shares at any time after Thursday, 2 July 2015 but are not accepted for trading, settlement and registration upon completion of the Share Subdivision.

The Outstanding Options

As at the date of this announcement, there were 112,100,000 Outstanding Options granted under the Share Option Scheme. Under the relevant terms and conditions thereof, the Share Subdivision may lead to adjustments to the exercise price and/or the number of shares of the Company falling to be issued upon exercise of the Outstanding Options pursuant to the terms thereof. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

Save for the aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded in board lots of 2,000 Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 2,000 Shares to 10,000 Subdivided Shares after and conditional upon the Share Subdivision becoming effective.

Based on the closing price of HK\$4.13 per Share (equivalent to HK\$0.413 per Subdivided Share) as at the date of this announcement, the value of each board lot of 10,000 Subdivided Shares, assuming the Share Subdivision and the Change in Board Lot Size had already become effective, would be HK\$4,130.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Subdivided Shares, the Company will appoint a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to top up or sell their holding of odd lots of the Subdivided Shares. Details of the odd lot trading arrangement will be stated in the circular to be despatched to the Shareholders which shall also contain, inter alia, details of the Share Subdivision and the Change in Board Lot Size.

REASONS FOR THE SHARE SUBDIVISION AND THE CHANGE IN BOARD LOT SIZE

Upon the proposed Share Subdivision becoming effective, the par value of each share of the Company will decrease and the total number of shares of the Company in issue will increase. The Share Subdivision will result in a downward adjustment to the trading price of the shares of the Company. Based on the closing price of the HK\$4.13 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value per board lot of 2,000 existing Shares is HK\$8,260. The estimated market value per new board lot of 10,000 Subdivided Shares will theoretically be reduced to HK\$4,130 immediately upon the Share Subdivision and the Change in Board Lot Size becoming effective. The Board believes that the Share Subdivision will reduce the trading spread as well as the volatility of the trading price of its shares and thus improving liquidity in the Company's Subdivided Shares. The Board also considers that the proposed Change in Board Lot Size will maintain the trading amount for each board lot at a reasonable level and attract more investors and broaden the shareholder base of the Company. In view of the above, the Board considers that the Share Subdivision and the Change in Board Lot Size are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred, the implementation of the Share Subdivision and the Change in Board Lot Size will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders. The Directors believe that the Share Subdivision will not have any material adverse effect on the financial position of the Group.

EXPECTED TIMETABLE

The expected timetable relating to the Share Subdivision and the Change in Board Lot Size and the associated trading arrangement are as follows:

Event	Time and date
Expected date of despatch of the circular, notice and proxy form of the AGM	not later than Wednesday, 22 April 2015

Latest time for return of proxy form of the AGM
(not less than 48 hours prior to time of the AGM) 11:00 a.m. on Wednesday,
20 May 2015

AGM 11:00 a.m. on Friday, 22 May 2015

Publication of announcement of results of the AGM Friday, 22 May 2015

Effective date of the Share Subdivision Tuesday, 26 May 2015

Commencement of dealings in the Subdivided Shares 9:00 a.m. on Tuesday,
26 May 2015

Original counter for trading in Shares
(in board lots of 2,000 Shares) closes 9:00 a.m. on Tuesday, 26 May 2015

Temporary counter for trading in Subdivided Shares
in board lots of 20,000 Subdivided Shares
(in the form of existing share certificates) opens 9:00 a.m. on Tuesday, 26 May 2015

First day of free exchange of existing share
certificates for new share certificates for
Subdivided Shares commences Tuesday, 26 May 2015

Original counter for trading in Subdivided Shares
in new board lots of 10,000 Subdivided Shares
(in the form of new share certificates) re-opens 9:00 a.m. on Tuesday, 9 June 2015

Designated broker starts to stand in the market
to provide matching services for the sale and
purchase of odd lots of Subdivided Shares 9:00 a.m. on Tuesday, 9 June 2015

Parallel trading in Subdivided Shares (in the form
of new and existing share certificates) begins Tuesday, 9 June 2015

Designated broker ceases to stand in the market
to provide matching services for the sale and
purchase of odd lots of Subdivided Shares 4:00 p.m. on Monday, 29 June 2015

Temporary counter for trading in board
lots of 20,000 Subdivided Shares (in the form
of existing share certificates) closes 4:00 p.m. on Monday, 29 June 2015

Parallel trading in Subdivided Shares (in the form of new and existing certificates) ends 4:00 p.m. on Monday, 29 June 2015

Last day of free exchange of existing certificates for new certificates for Subdivided Shares Thursday, 2 July 2015

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate

GENERAL

The AGM will be convened and held for the Shareholders to consider, and if thought fit, to approve, among other matters, the proposed Share Subdivision. A circular containing, among other things, further details about the Share Subdivision and the Change in Board Lot Size and the notice convening the AGM, will be despatched to the Shareholders on or before 22 April 2015.

DEFINITIONS

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

- “AGM” the annual general meeting of the Company to be convened to consider and, if thought fit, to approve, among other matters, the proposed Share Subdivision
- “Board” the board of Directors
- “Business Day” a day (other than a Saturday and Sunday) on which licensed banks are generally open for business more than five hours in Hong Kong
- “Change in Board Lot Size” the proposed change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Shares to 10,000 Subdivided Shares
- “Company” Hang Fat Ginseng Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the Main Board of the Stock Exchange
- “Director(s)” director(s) of the Company
- “Group” the Company and its subsidiaries

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Outstanding Options”	the right(s) granted under the Share Option Scheme to subscribe for shares of the Company in accordance with the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 9 June 2014
“Share(s)”	ordinary share(s) in the issued and unissued capital of the Company, the par value of which being of HK\$0.01 each prior to the Share Subdivision
“Shareholder(s)”	holder(s) of Shares or Subdivided Shares, as the case may be
“Share Subdivision”	the proposed subdivision of every one (1) issued and unissued Share of par value of HK\$0.01 each into ten (10) Subdivided Shares of par value of HK\$0.001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of par value of HK\$0.001 each in the share capital of the Company upon completion of the Share Subdivision
“%” or “per cent”	percentage or per cent

By order of the Board
Hang Fat Ginseng Holdings Company Limited
Yeung Wing Yan
Chairman & Chief Executive Officer

Hong Kong, 13 April 2015

As at the date of this announcement, the executive Directors are Mr. Yeung Wing Yan, Mr. Yeung Wing Kong and Ms. Fu Fung Sau; and the independent non-executive Directors are Mr. Wong Senta, Mr. Kwok Lam Kwong Larry and Mr. Cheung Chung Wai Billy.