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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)

UPDATE ON BUSINESS DEVELOPMENT

This is a voluntary announcement made by Hang Fat Ginseng Holdings Company Limited (“**Company**”, together with its subsidiaries, collectively the “**Group**”) to inform its shareholders and potential investors of the latest business development of the Group.

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that, on 22 April 2015, the Company entered into a letter of intent (“**LOI**”) with Jintian Pharmaceutical Group Limited (“**Jintian Pharmaceutical**”), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 2211).

Pursuant to the LOI, the Company and Jintian Pharmaceutical shall have strategic cooperation in the areas as follows:

- (1) Jintian Pharmaceutical shall utilise its retail network, distribution channel, mobile marketing, cross-border e-commerce and O2O platform in the People’s Republic of China (“**PRC**”) to distribute American ginseng and related products of the Company (“**Distributions**”). The Company shall take advantage of its expertise and experience in the American ginseng industry to facilitate business with Jintian Pharmaceutical.
- (2) the Company and Jintian Pharmaceutical shall cooperate in the research and development of health-related products.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Jintian Pharmaceutical and its ultimate beneficial owner(s) are independent third parties and not connected with the Company or any of its connected persons.

REASONS AND BENEFITS FOR ENTERING INTO THE LOI

The Group is principally engaged in the sourcing and wholesaling of American ginseng.

Jintian Pharmaceutical is principally engaged in the distributions and retails of drugs and other pharmaceutical products. It is a leading pharmaceutical retailer and distributor in the northeastern region in the PRC.

By entering into the LOI, the Group shall combine its strengths in the American ginseng industry with Jintian Pharmaceutical's retail and distribution network as well as other platforms to expand its business in the PRC. As such, the Board considers that entering into the LOI is in the interest of the Company and its shareholders as a whole.

Further legally binding agreements in relation to formal cooperation may or may not be entered into and formal cooperation may or may not materialise. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Hang Fat Ginseng Holdings Company Limited
Yeung Wing Yan
Chairman and Chief Executive Officer

Hong Kong, 22 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.