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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 (the “**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 (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 15 December 2015, the Company entered into a strategic cooperation framework agreement (the “**Agreement**”) with 湯臣倍健股份有限公司 (By-Health Co., Ltd.) (“**By-Health**”), a company listed on the ChiNext market of Shenzhen Stock Exchange (stock code: 300146).

Pursuant to the Agreement, the Company and By-Health shall principally have strategic cooperation in, among others, the areas as follows:

- (1) the Company shall take advantage of its technical expertise and experience in the American ginseng industry to supply raw American ginseng to By-Health;
- (2) the Company and By-Health shall exchange American ginseng-related information and cooperate in research and development of American ginseng-related products; and
- (3) the Company shall assist By-Health in branding and marketing by using brand alliance strategy.

The Agreement merely provides a framework of cooperation between the Company and By-Health for a long run cooperation foundation. The terms of cooperation contemplated under the Agreement are subject to the terms of any implementation agreements which the Company and By-Health may separately enter into from time to time.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, By-Health 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 AGREEMENT

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

By-Health is principally engaged in the manufacture and sale of dietary supplements. It is a leading brand and benchmarking enterprise in the dietary supplements segment in the People's Republic of China (the "PRC"), and is also the first dietary supplements enterprise to be awarded with AAA rating in the healthcare industry in the PRC.

By entering into the Agreement, the Group shall combine its strengths in the American ginseng industry with By-Health's product research and development technologies and brand influence to expand its business in the PRC. As such, the Board considers that entering into the Agreement is in the interest of the Company and its shareholders as a whole.

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

Hong Kong, 15 December 2015

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