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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)

ANNOUNCEMENT REGARDING
(1) RULE 3.7 OF THE TAKEOVERS CODE AND
RULE 13.09 OF THE LISTING RULES
AND INSIDE INFORMATION PROVISION UNDER
PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE;
AND
(2) RESUMPTION OF TRADING

References are made to (i) the announcement of the Company dated 28 January 2016 regarding trading halt of the Shares on the Stock Exchange; (ii) the announcement (the “**2 February Announcement**”) of the Company dated 2 February 2016 regarding, among other matters, dealings in securities by Directors during the Black-out Period; and (iii) the announcement of the Company dated 3 February 2016 regarding update on trading halt of the Shares. Terms defined in the Announcement shall, unless the context requires otherwise, have the same meanings when used in this announcement.

This announcement is made by the Company pursuant to Rule 3.7 of the Takeovers Code and Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board announces that, on 2 February 2016 (after the publication of the 2 February Announcement) (i) the Company; (ii) Cervera, Athena Power Limited and Dragon Jump Global Limited, Mr. Matthew Yeung and Mr. Jeffrey Yeung (collectively, the “**MOU Shareholders**”) and (iii) an independent third party investor, which was the Potential Purchaser as referred to in the 2 February Announcement (the “**First Investor**”) entered into a memorandum of understanding (the “**Investment MOU**”) under which the First Investor indicated interests in the possible subscription of new Shares and acquisition of the existing Shares from the MOU Shareholders. Pursuant to subsequent discussion among the beneficial owner of the First Investor and the MOU Shareholders, the parties thereto agreed to nominate Champ Harvest Limited (the “**Second Investor**”) to replace the First Investor to take up the existing Shares disposed of by the MOU Shareholders.

The Board was being informed that, as a result, contract notes dated 4 February 2016 was entered into between Cervera, being one of the MOU Shareholders, as seller, and the Second Investor, as purchaser, in relation to a disposal of 1,233,520,000 Shares (the “**Disposal**”) held by Cervera, representing approximately 6.16% of the existing issued share capital of the Company at a consideration of HK\$23,938,518.53. As confirmed by the Second Investor, the First Investor and the Second Investor are beneficially owned by the same individual, an independent third party. In view of the Disposal, the parties to the Investment MOU entered into a termination agreement to terminate the Investment MOU.

The Board was further informed by Mr. Matthew Yeung and Mr. Jeffrey Yeung that, apart from the Disposal, the Controlling Shareholders are still in negotiation(s) with the First Investor/Second Investor, and other potential independent third party purchaser(s) regarding the possible disposal of Shares by the Controlling Shareholders, which if materialised, may lead to a change in control of the Company and a mandatory general offer under the Takeovers Code for all the issued Shares (other than those already owned by or agreed to be acquired by the relevant potential independent third party purchaser(s) and parties acting in concert with it) and for all outstanding options of the Company was still ongoing. No formal and legally binding agreement(s) have been entered into in respect thereof as at the date of this announcement.

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

Save the Disposal, there is no assurance that any transaction(s) mentioned in this announcement will materialise or eventually be consummated. Shareholders and public investors are urged to exercise extreme caution when dealing in the Shares and/or other securities of the Company.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was halted with since 10:36 a.m. on 28 January 2016 pending the release of this announcement.

Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 5 February 2016.

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

Hong Kong, 4 February 2016

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.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.