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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 PURSUANT TO
RULE 3.7 OF THE TAKEOVERS CODE**

References are made to (i) the announcements of the Company dated 2 February 2016 and 4 February 2016 regarding, among other matters, the possible disposal of Shares by the Controlling Shareholders (the “**Possible Disposal**”); and (ii) the announcement of the Company dated 15 February 2016 regarding, among other matters, possible subscription of Shares (collectively, the “**Announcements**”). Terms defined in the Announcements 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 Company was informed by Mr. Matthew Yeung and Mr. Jeffrey Yeung that, as at the date of this announcement, as a result of the entering into the memorandum of understanding (the “**Subscription MOU**”) between the Company and an independent third party (the “**Potential Investor**”) on 13 February 2016 regarding the possible subscription of new Shares by the Potential Investor, save the Potential Investor, pursuant to the clause regarding the exclusivity of the Subscription MOU, the Controlling Shareholders had decided not to proceed with negotiations with the First Investor/Second Investor, and other potential independent third party purchaser(s), regarding the Possible Disposal. Save the termination agreement entered for the purpose of terminating the Investment MOU and contract notes dated 4 February 2016 in respect of the disposal of 1,233,520,000 Shares held by Cervera previously disclosed in the Announcements, no formal or legally binding agreement has been entered into between either the First Investor/Second Investor or other potential independent third party purchaser(s) and the Controlling Shareholders in respect of the Possible Disposal. For the purpose of the Takeovers Code, the offer period in respect of the Company continues as a result of the transactions contemplated under the Subscription MOU as announced by the Company on 15 February 2016.

There is no assurance that the transactions contemplated under the Subscription MOU will materialise or eventually be consummated. Shareholders and potential investors are urged to exercise extreme caution when dealing in the Shares and/or other securities of the Company.

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

Hong Kong, 17 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.