

**HANG FAT GINSENG HOLDINGS COMPANY LTD:  
IS THIS COMPANY, BEING READIED  
FOR THE KNACKER'S YARD ?**

Human nature, being what it is, it must be unnerving for the right-minded shareholders of publicly listed Hang Fat Ginseng Holdings Company Ltd () (Code: 911, Main Board, The Stock Exchange of Hongkong Ltd) when scanning the 2015 Annual Report of the Company.

Because, inter alia, the Independent Auditing firm of Deloitte Touche Tohmatsu () stated, on March 31, 2016:

*'... the Group has encountered a number of financial difficulties including demands by its bankers for immediate repayments of amounts owing to them, a significant portion of the Group's bank balances being frozen, certain events of default in respect of the Group's bonds, and a significant slowdown in collection of the customers' debts owing to the Group. In addition the Group incurred a loss of HK\$438,520,000 and negative cash flow from operations of HK\$89,294,000 for the year ended 31 December 2015. The Group's ability to continue as a going concern is highly dependent upon the financial support from its bankers and the Group's ability to raise capital from new investors ...'.*

On March 10, 2016, Hang Fat Ginseng Holdings Company Ltd informed shareholders of the following matters:

*'Reference is made to the announcement of Hang Fat Ginseng Holdings Company Limited (the "**Company**") dated 9 March 2016 regarding the Profit Warning Statement (the "**Announcement**"). Terms defined in the Announcement shall, unless the context requires otherwise, have the same meanings when used in this announcement.*

*'As disclosed in the Announcement, the Demand Letters were received by the Group from the Banks, claiming for immediate repayment of an aggregate sum of outstanding principal of approximately HK\$179 million and accrued interest. As set out in the Demand Letters, if the aforesaid sum is not repaid, legal proceedings may be instituted against the Group by the Banks, which include filing a writ of summons with the court.*

*'The Board wishes to inform the Shareholders and potential investors of the Company that a writ of summons dated 9 March 2016 was issued by a bank against three subsidiaries of the Company, namely (i) Hang Fat Ginseng Trading Company Limited (); (ii) Hang Fat Ginseng (2014) Limited ([2014]); and (iii) Hang Fat Ginseng (Hong Kong) Company Limited ([ ]) claiming for, among other things, payment of the sum of HK\$26,137,394.61 and the interest. The Writ of Summons was received by each of the Subsidiaries on 10 March 2016.*

*'The Board wishes to inform the Shareholders and potential investors of the Company that the Group is still in the process of active negotiation with the Banks in order to avoid further legal actions to be taken by the Banks. Further announcement(s) will be made by the Company as and when necessary.*

***‘Shareholders and/or potential investors of the Company are urged to exercise extreme caution when dealing in the securities of the Company.’***

This is in addition to another Company announcement, dated March 7, 2016, an announcement that, in essence, states that an Injunction Order has been granted to Great Wall Pan Asia International Investment Company Ltd () in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC), one that proscribes the Chairman of Hang Fat Ginseng Holdings Company Ltd, Mr Matthew Yeung Wing Yan (), and/or any private company that he, beneficially, owns or controls, from removing any and all of his assets from the territory, among other things.

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