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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)**

**ISSUE OF CONVERTIBLE NOTES  
UNDER GENERAL MANDATE**

On 12 November 2015 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Convertible Notes in the principal amount of up to HK\$1,550,000,000. Detailed terms of the Convertible Notes are set out in the paragraph headed “Principal terms of the Convertible Notes” below.

As at the date of this announcement, the Company has a total of 20,016,200,000 Shares in issue. Based on the Minimum Conversion Price of HK\$0.41 per Conversion Share (subject to adjustments) and assuming full conversion of the Convertible Notes at the Minimum Conversion Price, a total of 3,780,488,000 Conversion Shares (rounding up to the nearest multiple of 1,000 of Shares) will be allotted and issued, representing approximately 18.90% of the total number of Shares in issue as at the date of this announcement; and approximately 15.89% of the total number of Shares in issue as enlarged by the allotment and issue of the Conversion Shares upon full exercise of the conversion rights attached to the Convertible Notes (assuming that there is no other change in the shareholding structure and share capital of the Company from the date of this announcement and up to the date of full exercise of the rights attached to all tranches of the Convertible Notes). The Conversion Shares shall be allotted and issued pursuant to the General Mandate. Under the General Mandate, the Company is authorised to allot and otherwise deal with new Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) of up to 20% of the issued share capital of the Company as at the date of the aforesaid annual general meeting, which amounts to 4,000,000,000 new Shares.

In connection with the Subscription Agreement, prior to the Closing Date, as one of the conditions precedent of the Subscription Agreement, Cervera will enter into the Share Charge in favour of the Subscriber, whereby Cervera will charge 600,000,000 Shares, representing 2.98% of the total issued share capital of the Company as at the date of this announcement, in favour of the Subscriber. The Shares charged in favour of the Subscriber is made to secure the performance of all of the redemption obligations under the Terms and Conditions owing to the Subscriber by the Company. The disclosure of the charge of Shares is made pursuant to Rule 13.17 of the Listing Rules.

The net proceeds from the issue of all tranches of the Convertible Notes (after deducting all related expense), are estimated to be approximately HK\$1,518,000,000, the Company intends to apply the net proceeds as to (i) approximately 50% for development and investment of the Group's ginseng and ginseng wine business; (ii) approximately 20% for settlement of outstanding debts and related interests; (iii) approximately 20% as general working capital to strengthen the Company's financial positions; and (iv) approximately 10% for investment activities when such investment opportunities arise.

**Completion is subject to the fulfillment of certain conditions precedent and the transactions contemplated under the Subscription Agreement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

On 12 November 2015 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber in relation to the issuance of the Convertible Notes in the principal amount of up to HK\$1,550,000,000. Details of the terms of the Subscription Agreement and the Convertible Notes are summarised below:

## **SUBSCRIPTION AGREEMENT**

Date: 12 November 2015 (after trading hours)

Parties: (a) The Company as issuer; and  
(b) Macquarie Bank Limited as subscriber

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

## Conditions precedent

The obligations of the Company and the Subscriber with respect to the issue and subscription of Convertible Notes under the Subscription Agreement are conditional on, among others:

- (i) the Subscriber being satisfied with the results of due diligence investigations with respect to the Group;
- (ii) the representations and warranties given by the Company in the Subscription Agreement being true, accurate and correct at the Closing Date and the closing date of each subsequent sub-tranche of Convertible Notes (“**Subsequent Closing Date**”);
- (iii) after the date of the Subscription Agreement and at the Closing Date and, in respect of the issue of any further Convertible Notes, each Subsequent Closing Date, there shall not have occurred any change (nor any development or event involving a prospective change) in the condition (financial or other), prospects, results of operations or general affairs of the Company or of the Group, which, in the opinion of the Subscriber, is material and adverse in context of the issue of the Convertible Notes;
- (iv) all relevant approvals, and consents (if required) in relation to the issue of the Convertible Notes and the performance of the Company’s obligations under the Subscription Agreement and the Convertible Notes having been obtained;
- (v) the execution and delivery of security arrangements in favour of the Subscriber in relation to the Convertible Notes, including, without limitation to, the Share charge; and
- (vi) the Stock Exchange having granted approval of listing and permission from the Listing Committee of the Stock Exchange to deal in all the Shares which may fall to be allotted and issued upon exercise of the rights attaching to all Convertible Notes (or the Company being reasonably satisfied that such approval will be granted).

The Subscriber may, at its discretion and upon such terms as it thinks fit, waive all or any of the conditions precedent as set out in the Subscription Agreement. If the conditions precedent have not been fulfilled or waived by the Subscriber on or before the Closing Date or such other date as may be agreed between the Company and the Subscriber, the Subscriber may terminate the Subscription Agreement by notice to the Company and, if so, the parties will be released from all obligations thereunder, save for the liabilities for any antecedent breaches thereof.

## **Completion**

Subject to the satisfaction (or waiver as the case may be) of the conditions precedent set out above, completion of the issuance of the first sub-tranche of Tranche 1 shall take place on the Closing Date whereby, at 12:00 noon (Hong Kong time) on the Closing Date, the Company shall issue to the Subscriber and the Subscriber shall pay for the first sub-tranche of Tranche 1 pursuant to the Subscription Agreement.

**Completion is subject to the fulfillment of conditions precedent as set out in the paragraph headed “Conditions precedent” above. As the issuance of the Convertible Notes may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

To secure the performance of all of the redemption obligations under the Terms and Conditions owing to the Subscriber by the Company, prior to the Closing Date, as one of the conditions precedent of the Subscription Agreement, Cervera will enter into the Share Charge in favour of the Subscriber, whereby Cervera will charge 600,000,000 Shares, representing 2.98% of the total issued share capital of the Company as at the date of this announcement, owned by Cervera, in favour of the Subscriber. The Shares charged in favour of the Subscriber is made to secure the performance of all of the redemption obligations under the Terms and Conditions owing to the Subscriber by the Company. The disclosure of the charge of Shares is made pursuant to Rule 13.17 of the Listing Rules.

## **PRINCIPAL TERMS OF THE CONVERTIBLE NOTES**

Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Notes in the principal amount of up to HK\$1,550,000,000.

The principal terms of the Convertible Notes were arrived at after arm’s length negotiations between the Company and the Subscriber and are summarised as follows:

Principal amount: Up to HK\$1,550,000,000, separated into 2 Tranches

Tranche 1: HK\$1,200,000,000

Tranche 2: HK\$350,000,000

The first sub-tranche of Tranche 1 will be issued on the Closing Date. The Company is obliged to issue and the Subscriber is obliged to subscribe and pay for, within five (5) Trading Days after conversion of all Convertible Notes of the immediately preceding sub-tranche, the next succeeding sub-tranche of the same tranche of Convertible Notes.

The Company has the right to issue and the Subscriber is obliged to subscribe for the first sub-tranche of Tranche 2 following the conversion of all the Convertible Notes of Tranche 1.

The Subscriber has the right to subscribe for, and the Company is obliged to issue to the Subscriber one or more sub-tranches of the same tranche of Convertible Notes.

Sub-Tranche of Tranche 1: Tranche 1 is divided into 8 sub-tranches with each sub-tranche comprising 150 Convertible Notes; each Convertible Note has a denomination value of HK\$1,000,000, with the aggregate principal amount of each sub-tranche being HK\$150,000,000.

Sub-Tranche of Tranche 2: Tranche 2 is divided into 3 sub-tranches with each of the first two sub-tranches comprising 125 Convertible Notes and the third sub-tranche comprising 100 Convertible Notes; each Convertible Note has a denomination value of HK\$1,000,000, with the aggregate principal amount of each of the first two sub-tranches being HK\$125,000,000 and the aggregate principal amount of the third sub-tranche being HK\$100,000,000

Issue price: 98% of the principal amount of relevant sub-tranche of the Convertible Notes

Maturity date: 28 November 2016

Interest rate: 3% per annum payable quarterly in arrear

Redemption: (i) Early redemption at the option of the Company

The Company may at any time before the Maturity Date and from time to time by serving at least ten (10) Business Days prior written notice (“**Early Redemption Notice**”) to the Noteholders to redeem the Convertible Notes (in whole but not in part) at 100% of the total amount of such Convertible Notes together with payment of interest accrued up to the date of such early redemption but unpaid. Once the Early Redemption Notice is served, it shall be irrevocable.

(ii) Redemption at Maturity Date

Any principal amount of the Convertible Notes which has not been converted in accordance with the Terms and Conditions by the Maturity Date shall be redeemed by the Company on the Maturity Date at the redemption amount equal to 100% of the principal amount of the outstanding Convertible Notes (together with all accrued and unpaid interest thereon).

(iii) Redemption for Relevant Event

Following the occurrence of the Relevant Event (as stated below), the Noteholders will have the right, by serving at least ten (10) Business Days prior written notice (“**Noteholder Request Notice**”) to the Company, to request the Company to redeem the Convertible Notes (in whole but not in part) at 100% of the total amount of such Convertible Notes together with payment of interest accrued up to the date of such early redemption but unpaid. Once the Noteholder Request Notice is served, it shall be irrevocable.

Relevant Event:

Relevant Event occurs when:

- (i) the price of the Shares is less than 130% of the Minimum Conversion Price;
- (ii) the 10-day or 3-month average daily traded value of the Shares is less than HK\$35,000,000;
- (iii) the trading of the Shares is suspended, or has been suspended on the Stock Exchange or any other relevant stock exchange at any time for more than five (5) consecutive Trading Days during the previous 20 Trading Days (or, in the case of suspension of trading due to issuance of any announcement in respect of any notifiable or connected party transaction pursuant to the Listing Rules or rules of relevant stock exchange, for more than seven (7) consecutive Trading Days);
- (iv) the Company has provided any inside information to the Noteholders; and
- (v) there is a change of control of the Company.

- Conversion period: Any time from the date of issue of the Convertible Notes and up to and including the close of business of the day prior to the Maturity Date, subject to other conditions of the Convertible Notes.
- Conversion Price: 92% of the volume weighted average price of the Shares as traded on the Stock Exchange or other relevant stock exchange on the Trading Day immediately preceding the date of delivery of the relevant conversion notice by the Noteholders to the Company, but not lower than the Minimum Conversion Price.
- Minimum Conversion Price: HK\$0.41 per Share, subject to adjustments.
- Adjustment events: The Minimum Conversion Price and, where applicable, the Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events:
- (i) consolidation or subdivision of Shares;
  - (ii) capitalisation of profits or reserves;
  - (iii) capital distribution;
  - (iv) right issues of Shares or options over Shares at a price which is less than 95% of the market price per Share as at the date of the announcement of such issue;
  - (v) right issues of other securities;
  - (vi) offer of new Share for subscription by way of rights, or a grant of share options or warrants to subscribe for new Shares (other than issues of securities arising from the exercise of rights attached to the Convertible Notes or exchange of other securities, modification of the exercise of any other rights of conversion into, or exchange or subscription for Shares) and other offer to the Shareholders, at a price which is less than 95% of the market price per Share on the date of the announcement of such issue;

- (vii) issue of any securities (other than as mentioned in (iv), (v) or (vi) above) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than 95% of the market price per Share on the date of the announcement of such issue;
- (viii) modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in (vii) above (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) has been reduced and is less than 95% of the market price per Share on the date of announcement of the proposals for such modification;
- (ix) issue of any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Minimum Conversion Price falls to be adjusted under conditions as mentioned in (ii), (iii), (iv), (v), (vi) or (vii) above) (or, where applicable, would fall to be adjusted if the relevant issue was at less than 95% of the market price per Share on the relevant Trading Day); and
- (x) other events not mentioned in (i) to (ix) above that the Company or the Noteholder determines that an adjustment should be made.

Conversion Share:

Based on the Minimum Conversion Price of HK\$0.41 per Share, a maximum number of 3,780,488,000 Conversion Shares (rounding up to the nearest multiple of 1,000 of Shares) will be allotted and issued upon exercise of the conversion rights attached to the Convertible Notes in full, which represents:

- (i) approximately 18.90% of the issued share capital of the Company as at the date of this announcement; and



- (ii) approximately 15.89% of the total number of issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full exercise of the conversion rights attached to the Convertible Notes (assuming that there is no other change in the shareholding structure and share capital of the Company from the date of this announcement and up to the date of full exercise of the rights attached to all tranches of the Convertible Notes)

The Conversion Shares shall be allotted and issued under the General Mandate.

Conversion rights:

The Noteholder(s) shall have the right to convert the whole or part of the principal amount of the Convertible Notes into Conversion Shares at any time during the Conversion Period.

No fraction of a Share will be issued on conversion and no cash payment or adjustment will be made in respect thereof.

Ranking:

The Conversion Shares issued upon exercise of conversion rights attaching to the Convertible Notes will be fully paid and will rank pari passu in all respects with all fully paid Shares in issue on the relevant date of the delivery of the Conversion Shares except for any right excluded by mandatory provisions of applicable law and except that such Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record or other due date for the establishment of entitlement for which falls prior to the relevant date of delivery of the Conversion Shares.

Transferability:

The Convertible Notes are assignable and transferable subject to the applicable laws and regulations, and the Listing Rules and the prior written consent of the Company, provided always that no transfer or assignment of the Convertible Notes shall be made to any connected person of the Company (as defined in the Listing Rules).

Listing:

No application will be made by the Company to the Stock Exchange for listing of the Convertible Notes. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.

- Restricted transfer period: The Company will not register any transfer of Convertible Notes:
- (a) during the period of seven (7) days ending on (and including) the dates for payment of any principal pursuant to the Terms and Conditions;
  - (b) after a conversion notice has been delivered with respect to a Convertible Note;
  - (c) after a Noteholder Request Notice has been given or deposited; or
  - (d) during the period of seven (7) days ending on (and including) any interest record date pursuant to the Terms and Conditions.

Events of default: If, among others, any of the following events occurs, the Noteholders at their discretion may give notice to the Company that the Convertible Notes are, and they shall accordingly thereby become, immediately due and payable at their principal amount and the interest accrued thereon (if any) to the date of payment:

- (i) *Non-payment*: the Company fails to pay the principal of or any premium or interest on any of the Convertible Notes when due and such failure continues for a period of two (2) days in the case of principal or five (5) days in the case of interest; or
- (ii) *Failure to deliver Shares*: any failure by the Company to deliver any Shares as and when the Shares are required to be delivered following conversion of Convertible Notes; or
- (iii) *Breach of other obligations*: the Company does not perform or comply with any one or more of its other obligations in the Convertible Notes which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Company by the Noteholders; or

- (iv) *Cross-default*: (a) any other present or future indebtedness of the Company or any of its subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (c) the Company or any of its subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above have occurred equals or exceeds HK\$40,000,000 or its equivalent; or
- (v) *Enforcement proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Company or any of its subsidiaries whose revenue or net assets are at least 10% of the consolidated revenue or consolidated net assets (as the case may be) of the Company as shown by the latest published audited consolidated financial statements of the Group (“**Principal Subsidiaries**”) and is not discharged or stayed within 30 days; or
- (vi) *Security enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or any of its Principal Subsidiaries in respect of any substantial part of the property, assets or revenues of the Company or any of its Principal Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or

- (vii) *Winding-up*: an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company or any of its Principal Subsidiaries (except for a members' voluntary solvent winding up of a Principal Subsidiary), or the Company or any of its Principal Subsidiaries ceases to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (a) on terms approved by the Noteholders, or (b) in the case of a subsidiary, whereby the undertaking and assets of such subsidiary are transferred to or otherwise vested in the Company or another of its subsidiaries; or
- (viii) *Insolvency*: the Company or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a substantial part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of any substantial part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of the debts of the Company or any of its Principal Subsidiaries; an administrator or liquidator of the Company or any of its Principal Subsidiaries or the whole or, in the opinion of the Noteholders, any substantial part of the assets and turnover of the Company or any of its subsidiaries is appointed (or application for any such appointment is made); or
- (ix) *Authorisation and consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Company lawfully to exercise its rights and perform and comply with its obligations under the Convertible Notes, (b) to ensure that those obligations are legally binding and enforceable and (c) to make the Convertible Notes admissible in evidence in the courts of Cayman Islands or Hong Kong is not taken, fulfilled or done; or

- (x) *Illegality*: it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under any of the Convertible Notes; or
- (xi) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs (v) to (ix).

## **REASONS FOR THE ISSUE OF CONVERTIBLE NOTES AND USE OF PROCEEDS**

The Group is principally engaged in ginseng trading business. The net proceeds from the issue of all tranches of the Convertible Notes (after deducting all related expenses), are estimated to be approximately HK\$1,518,000,000, the Company intends to apply the net proceeds as to:

- (i) approximately 50% for development and investment of the Group's ginseng and ginseng wine business;
- (ii) approximately 20% for settlement of outstanding debts and related interests;
- (iii) approximately 20% as general working capital to strengthen the Company's financial positions; and
- (iv) approximately 10% for investment activities when such investment opportunities arise.

The Directors are of the view that the issue of the Convertible Notes represents a good opportunity for the Company to raise funds to strengthen its financial position as well as to provide further funding to the Group for its development and investment with an objective to provide attractive returns for the Shareholders. The Directors have considered various ways of raising funds in the capital market and consider that the issue of the Convertible Notes is an appropriate means of raising additional capital for the Company since (i) they will not have an immediate dilution effect on the shareholding of the existing Shareholders; (ii) they will provide short and medium term financial support to the Group's business development; (iii) the Company may redeem the Convertible Notes at any time and it provides the Company with flexibility with respect of re-financing; and (iv) if the conversion rights attaching to the Convertible Notes are exercised, the shareholder base of the Company will be enlarged and the financial position of the Group will be improved for establishing and strengthening the existing and future business of the Group.

The Directors consider that the terms (including the Conversion Price) of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately after the full exercise of the rights attached to all tranches of the Convertible Notes at the Minimum Conversion Price of HK\$0.41 per Share (assuming there being no other change in the shareholding structure and share capital of the Company from the date of this announcement and up to the date of full exercise of the rights attached to all tranches of the Convertible Notes):

Shareholders	As at the date of this announcement		Immediately after the full exercise of the rights attached to all tranches of the Convertible Notes at the Minimum Conversion Price	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
<b><i>Substantial Shareholders</i></b>				
Cervera ( <i>Note 1</i> )	11,702,610,000	58.47	11,702,610,000	49.18
Athena Power Limited ( <i>Note 2</i> )	1,971,470,000	9.85	1,971,470,000	8.28
Other Directors ( <i>Note 3</i> )	1,110,000,000	5.55	1,110,000,000	4.66
<b><i>Noteholders(s)</i></b>	–	–	3,780,488,000	15.89
<b><i>Other public shareholders</i></b>	<u>5,232,120,000</u>	<u>26.13</u>	<u>5,232,120,000</u>	<u>21.99</u>
<b>TOTAL</b>	<b><u>20,016,200,000</u></b>	<b><u>100.00</u></b>	<b><u>23,796,688,000</u></b>	<b><u>100.00</u></b>

*Notes:*

- As at the date of this announcement, Cervera is owned as to 63% by Mr. Yeung Wing Yan, 30% by Mr. Yeung Wing Kong and 7% by Ms. Fu Fung Sau, each an executive Director.
- As at the date of this announcement, Athena Power Limited is wholly owned by Mr. Yeung Wing Yan, an executive Director.
- As at the date of this announcement, these Shares are held by Dragon Jump Global Limited, a company wholly owned by Mr. Yeung Wing Kong as to 900,000,000; and Ace Fame Management Limited, a company wholly owned by Ms. Fu Fung Sau as to 210,000,000 Shares.

## **GENERAL MANDATE TO ISSUE THE CONVERSION SHARES UPON CONVERSION OF THE CONVERTIBLE NOTES**

The Company will allot and issue the Conversion Shares under the General Mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting of the Company held on 22 May 2015. Under the General Mandate, the Company is authorised to allot and otherwise deal with new Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) of up to 20% of the issued share capital of the Company as at the date of the aforesaid annual general meeting, which amounts to 4,000,000,000 new Shares.

As at the date of this announcement, the Company has not exercised the power to allot and issue any new Shares under the General Mandate. Upon the exercise of the conversion rights of the Convertible Notes, the Conversion Shares will be allotted and issued pursuant to the General Mandate. Therefore, the issue and allotment of the Conversion Shares upon conversion of the Convertible Notes is not subject to the approval of the Shareholders.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Board”	board of the Directors
“Business Day(s)”	any day (excluding a Saturday) on which banks generally are open for business in Hong Kong during normal working hours
“Cervera”	Cervera Holdings Limited, one of the controlling Shareholders, which is owned as to 63% by Mr. Yeung Wing Yan; 30% by Mr. Yeung Wing Kong and 7% by Ms. Fu Fung Sau as at the date of this announcement
“Company”	Hang Fat Ginseng Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00911)
“Closing Date”	27 November 2015

“Conversion Period”	the period commencing from the date of issue of the Convertible Notes and up to and including the close of business of the day prior to the Maturity Date
“Conversion Price”	92% of the volume weighted average price of the Shares as traded on the Stock Exchange or other relevant stock exchange on the Trading Day immediately preceding the date of delivery of the relevant conversion notice by the Noteholders to the Company, but not lower than the Minimum Conversion Price
“Conversion Share(s)”	the new Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes
“Convertible Notes”	the 3% redeemable convertible notes of a principal amount of up to HK\$1,550,000,000 due 2016 which are convertible into Shares
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 22 May 2015 to allot, issue and deal with up to 20% of the then issued share capital of the Company as at 22 May 2015
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules)
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	28 November 2016
“Minimum Conversion Price”	HK\$0.41 per Share (subject to adjustments)
“Noteholder(s)”	holder(s) of the Convertible Notes



“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Share Charge”	a deed of share charge to be dated prior to the Closing Date and entered into by Cervera in favour of the Subscriber in which Cervera will charge certain number of Shares in favour of the Subscriber
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Macquarie Bank Limited
“Subscription Agreement”	a formal subscription agreement regarding the issue of the Convertible Notes dated 12 November 2015
“Trading Day”	the day on which the Stock Exchange is open for trading and the Shares are freely available for trading
“Terms and Conditions”	the terms and conditions of the Convertible Notes
“%”	per cent

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

Hong Kong, 12 November 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.*