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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)**

### **LEGAL PROCEEDINGS AGAINST SUBSIDIARIES**

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; 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.**

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

Hong Kong, 10 March 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. Yuen Chee Lap, Carl and Mr. Wu Wai Leung Danny.*