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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Hang Fat Ginseng Holdings Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

Capitalised terms used in this circular shall have the same meanings as defined in the section headed "Definitions" in this circular.

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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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)**

**PROPOSED SHARE CONSOLIDATION**  
**AND**  
**NOTICE OF EGM**

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Notice of the EGM of Hang Fat Ginseng Holdings Company Limited to be held at Room 1804, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Wednesday, 6 July 2016 at 10:00 a.m. is set out on pages 10 to 11 of this circular.

A form of proxy for the EGM is also enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions stated thereon and return it to the Company's Hong Kong branch share registrars, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting and at any adjournment thereof if you so wish. If such event, the form of proxy shall be deemed to be revoked.

20 June 2016

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Hang Fat Ginseng Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.004 each in the issued share capital of the Company immediately following the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company be held at 10:00 a.m. on Wednesday, 6 July 2016 for the Shareholders to consider and, if thought fit, approve the Share Consolidation, the notice of which is set out on pages 10 to 11 of this circular
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	14 June 2016, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Outstanding Options”	the right(s) granted under the Share Option Scheme to subscribe for shares of the Company in accordance with the Share Option Scheme

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## DEFINITIONS

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“Share(s)”	existing ordinary share(s) in the Company of HK\$0.001 each
“Share Consolidation”	the proposed consolidation of every four (4) issued and unissued Shares of par value of HK\$0.001 each into one (1) Consolidated Share of par value of HK\$0.004 each
“Share Option Scheme”	the share option scheme of the Company adopted on 9 June 2014
“Shareholders”	holders of the Shares or the Consolidated Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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## EXPECTED TIMETABLE

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*The expected timetable for the implementation of the Share Consolidation is as follows:*

<b>Event</b>	<b>Hong Kong time 2016</b>
Latest date and time for lodging forms of proxy for the EGM . . . . .	10:00 a.m. Monday, 4 July
Date and time of the EGM . . . . .	10:00 a.m. Wednesday, 6 July
Announcement of voting results of the EGM . . . . .	Wednesday, 6 July
Effective date of the Share Consolidation . . . . .	Thursday, 7 July
Dealings in the Consolidated Shares commence . . . . .	9:00 a.m. Thursday, 7 July
Original counter for trading in the Shares in board lots of 10,000 Shares (in the form of existing share certificates) temporarily closes . . . . .	9:00 a.m. Thursday, 7 July
Temporary counter for trading in the Consolidated Shares in board lots of 2,500 Consolidated Shares (in the form of existing share certificates) opens . . . . .	9:00 a.m. Thursday, 7 July
First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares . . . . .	Thursday, 7 July
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens . . . . .	9:00 a.m. Thursday, 21 July
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences . . . . .	9:00 a.m. Thursday, 21 July
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares . . . . .	9:00 a.m. Thursday, 21 July
Temporary counter for trading in the Consolidated Shares in board lots of 2,500 Consolidated Shares (in the form of existing share certificates) closes . . . . .	4:00 p.m. on Wednesday, 10 August
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends . . . . .	4:00 p.m. on Wednesday, 10 August

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## EXPECTED TIMETABLE

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Designated broker ceases to stand in the market  
to provide matching services for sale and  
purchase of odd lots of the Consolidated Shares . . . . . 4:00 p.m. on  
Wednesday, 10 August

Last day for free exchange of existing share certificates  
for new share certificates for the Consolidated Shares . . . . . Monday, 15 August

**All the above times and dates refer to Hong Kong local times and dates. The expected timetable for the Share Consolidation set out above is for indicative purposes only assuming that the Share Consolidation will be approved by the Shareholders at the EGM. The expected timetable is subject to change, and any such change will be further announced by the Company as and when appropriate.**

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. George Lu  
Mr. Yeung Wing Yan  
Mr. Yeung Wing Kong  
Mr. Wong Kwok Ming

*Non-executive Director:*

Ms. Shen Wei

*Independent non-executive Directors:*

Mr. Li Wei  
Mr. Wu Wai Leung Danny  
Mr. Yuen Chee Lap Carl

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head Office and Principal Place of  
Business in Hong Kong:*

Ground Floor  
Nam Pak Hong Commercial Centre  
44 Bonham Strand West  
Hong Kong

20 June 2016

## PROPOSED SHARE CONSOLIDATION

### INTRODUCTION

Reference is made to the announcement of the Company dated 6 June 2016, in which the Board proposed to put forward to the Shareholders a proposal of the Share Consolidation on the basis that every four (4) issued and unissued Shares of HK\$0.001 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.004 in the share capital of the Company.

The purpose of this circular is to provide you with the information in relation to the Share Consolidation and to give you the notice of the EGM.

### PROPOSED SHARE CONSOLIDATION

The Board proposed that every four (4) issued and unissued Shares of HK\$0.001 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.004 each in the share capital of the Company.

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## LETTER FROM THE BOARD

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### Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 200,000,000,000 Shares of HK\$0.001 each, of which 60,016,200,000 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, on the basis that the Company does not allot, issue or repurchase any Shares prior thereto, the authorised share capital of the Company shall become HK\$200,000,000,000 divided into 50,000,000,000 Consolidated Shares of HK\$0.004 each, of which 15,004,050,000 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

### The Outstanding Options

As at the date of this announcement, there were 1,106,800,000 Outstanding Options granted under the Share Option Scheme. Under the relevant terms and conditions thereof, the Share Consolidation may lead to adjustments to the exercise prices of the outstanding Options and/or the number of Consolidated Shares falling to be issued upon exercise of the Outstanding Options pursuant to the terms thereof. Assuming there is no other adjustment event under the relevant share option scheme other than the proposed Share Consolidation becoming effective, the outstanding Options will entitle the holders thereof to subscribe for up to 276,700,000 Consolidated Shares in aggregate. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

Save for the aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

### Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM; and
- (ii) the Listing Division of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

The Share Consolidation will become effective on the next Business Day immediately following the fulfillment of the above conditions.



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## LETTER FROM THE BOARD

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### **Listing application**

An application will be made by the Company to the Listing Division of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares, if any, arising from the Share Consolidation, will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

### **Odd lots arrangement and matching services**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Qian Hai Securities Limited as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares from 9:00 a.m. on Thursday, 21 July 2016 to 4:00 p.m. on Wednesday, 10 August 2016 (both days inclusive). Shareholders who wish to take advantage of such services should contact Mr. Barry Cheung of Qian Hai Securities Limited at Unit 2005, 20/F, Enterprise Square Two, 3 Sheung Yuet Road, Kowloon Bay, Hong Kong at telephone number (852) 2389 9888, during office hours. Shareholders should note that matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

### **Free exchange of Consolidated Shares' certificates and trading arrangement**

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Thursday, 7 July 2016 until Monday, 15 August 2016 (both days inclusive), submit existing share certificates for the Shares to the Company's branch share registrars, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares (on the basis of four (4) Shares for one (1) Consolidated Share).

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## LETTER FROM THE BOARD

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Thereafter, existing share certificates of Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each existing share certificate for the Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher. After close of business on Monday, 15 August 2016, existing share certificates for the Shares will only remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

The colour of the new share certificates for the Consolidated Shares will be announced by the Company in due course.

### **Board lot size**

Currently, the existing Shares are traded on the Stock Exchange in the board lot size of 10,000 existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 10,000 Consolidated Shares.

### **REASONS FOR THE SHARE CONSOLIDATION**

The Board noted that under Rule 13.64 of the Listing Rules, where the market price of the securities of the Company approaches the extremities of HK\$0.01, the Stock Exchange reserves the right to require the Company either to change the trading method or consolidate the Shares. Given that the Group requires equity fund raising in the future (including the placing of Shares pursuant to the relevant placing agreement entered into by the Company on 26 May 2016 (details of which, please refer to the announcement of the Company dated 26 May 2016)), since the Stock Exchange might not grant approval for the listing of the Shares if the market price of Shares less than HK\$0.10, which as considered to be approaching the extremities, our subsequent equity fund raising activities might be affected. As such, the Directors consider that the Share Consolidation will enable the Company to avoid non-compliance with the trading requirement under the Listing Rules and is beneficial to and in the interests of the Company and the Shareholders as a whole.

In addition, the proposed Share Consolidation will increase the nominal value of the existing Shares and decrease the total number of existing Shares currently in issue. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Consolidated Shares. Accordingly, the Directors consider that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

### **EGM**

The EGM will be held at 10:00 a.m. on Wednesday, 6 July 2016 at Room 1804, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong for the purpose of, among other matters, considering, and if thought fit, approving the Share Consolidation. The notice of the EGM is set out on pages 10 to 11 of this circular.

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## LETTER FROM THE BOARD

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Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

### RECOMMENDATION

The Board considers that the Share Consolidation is in the best interests of the Company and the Shareholders as a whole and therefore recommends that the Shareholders to vote in favour of the resolution approving the Share Consolidation to be proposed at the EGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

Yours faithfully

By order of the Board

**Hang Fat Ginseng Holdings Company Limited**

**George Lu**

*Chairman & Chief Executive Officer*

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## NOTICE OF EGM

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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)**

#### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“Meeting”) of Hang Fat Ginseng Holdings Company Limited (“Company”) will be held at 10:00 a.m. on Wednesday, 6 July 2016 at Room 1804, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

#### **ORDINARY RESOLUTION**

“**THAT** subject to and conditional upon the granting by The Stock Exchange of Hong Kong Limited of the approval for the listing of, and permission to deal in, the ordinary shares of the Company consolidated in the manner as set out in paragraph (a) of this resolution below (“Share Consolidation”):

- (a) with effect from 8:00 a.m. (Hong Kong time) on the first business day immediately following the date of which this resolution is passed or the above condition is fulfilled (whichever is the later), every four (4) issued and unissued ordinary shares of HK\$0.001 each in the share capital of the Company be consolidated into one (1) share of HK\$0.004 (each a “Consolidated Share”), such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the constitutional documents of the Company; and
- (b) the board of directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as it considers necessary, desirable or expedient to give effect to the foregoing arrangements for the Share Consolidation.”

By order of the Board

**Hang Fat Ginseng Holdings Company Limited**

**George Lu**

*Chairman & Chief Executive Officer*

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## NOTICE OF EGM

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*Registered office:*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of Business in Hong Kong:*  
Ground Floor  
Nam Pak Hong Commercial Centre  
44 Bonham Strand West  
Hong Kong

*Notes:*

1. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company but must be present in person to represent him.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's Hong Kong branch share registrar ("Branch Registrar"), Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 48 hours before the time of the meeting or any adjournment thereof.
3. For determining the entitlement to attend and vote at the meeting convened by the above notice, the register of members of the Company will be closed from Thursday, 30 June 2016 to Tuesday, 5 July 2016, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for voting at the meeting convened by the above notice, all transfers of shares accompanied by the relevant share certificates must be lodged with the Branch Registrar no later than 4:30 p.m. on Wednesday, 29 June 2016.

*As at the date of this notice, the executive Directors are Mr. George Lu, Mr. Yeung Wing Yan, Mr. Yeung Wing Kong and Mr. Wong Kwong Ming; the non-executive Director is Ms. Shen Wei and the independent non-executive Directors are Mr. Li Wei, Mr. Yuen Chee Lap Carl and Mr. Wu Wai Leung Danny.*