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HENG TAI CONSUMABLES GROUP LIMITED

亨泰消費品集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 0197)

PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors that in view of the global economic downturn and the turmoil in the financial markets during the last quarter of 2008 and the first quarter of 2009, the 2009 Annual Result is expected to show a significant decline in net profit as compared to the corresponding financial year of 2008.

This profit warning announcement is only based on preliminary assessment by the Board in accordance with the information currently available and is not based on any figures or information audited by the Company's auditors. Shareholders and potential investors should read the 2009 Annual Result announcement carefully, which is expected to be published before end of October 2009.

The Board, however, would like to inform the Shareholders that the business operation, the financial position and cash level of the Group remain sound and healthy. Notwithstanding that, Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.

This announcement is made by Heng Tai Consumables Group Limited (the "**Company**", together with its subsidiaries as the "**Group**") pursuant to Rule 13.09(1) of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the audited consolidated financial results of the Group for the year ended 30 June 2009 (the "**2009 Annual Result**"), which are currently being finalised, is expected to show a significant decline in net profit as compared to the corresponding financial year of 2008. Such decline in net profit is primarily attributable to a decrease in the total demand of our Group's products and an anticipated substantial increase in the provision for doubtful debts from some of our customers affected by the global economic downturn and the turmoil in the financial markets during the last quarter of 2008 and the first quarter of 2009.

Pursuant to the profit warning announcement published on 4 March 2009, our Board noticed that the continued global economic downturn and the turmoil in the financial markets had unfavourably affected the business of our Group and our customers for the six months ended 31 December 2008. As a result, our unaudited interim results for the six months ended 31 December 2008 (the "**2008/09 Interim Report**") published on 27 March 2009 showed a significant decline in unaudited net profit for the six months' period. As shown on page 9 of the 2008/09 Interim Report, such decline in unaudited net profit was principally attributed to business segment relating to the distribution of packaged food, beverages, household consumable products, cosmetic products and cold chain products (the "**Distribution Business Segment**").

The Board noticed that such adverse global economic conditions continued until around the end of first quarter of 2009 and thereafter the global economy showed signs of stabilisation and recovery. As a result, our Distribution Business Segment result and our 2009 Annual Result would also be unfavourably affected.

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In addition, the Board would also like to inform Shareholders that the Group is undergoing a series of rationalization programs to refurbish the earning model through product portfolio, services scope and business stream extension in the hope of regulating business momentum by securing additional income streams. The successful diversification strategies of the Group to enter into up-stream agro-business and providing one-stop vertically integrated service platform for cultivation, value-added processing, logistics and distribution of perishable agro-products in the People's Republic of China has cushioned our Group against the severe hardship many enterprises had encountered during the global financial turmoil. As shown on page 9 of the 2008/09 Interim Report, the business segment relating to cultivation and distribution of fresh produce products (the "**Cultivation Business Segment**") showed about 50% growth in revenue as compared to the corresponding period in 2007.

The Board would also like to inform the Shareholders that the business operation, the financial position and cash level of the Group remain sound and healthy.

Notwithstanding that, Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.

By order of the Board
Heng Tai Consumables Group Limited
Lam Kwok Hing
Chairman

Hong Kong, 25 September 2009

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Lam Kwok Hing, Mr. Chu Ki and Ms. Lee Choi Lin, Joecy; one non-executive Director, namely Ms. Chan Yuk, Foebé; and three independent non-executive Directors, namely Mr. John Handley, Mr. Poon Yiu Cheung, Newman and Ms. Mak Yun Chu.