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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: 197

## **SIGNING OF MOU REGARDING A PROPOSED NEW LOGISTICS CENTRE**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 26 January 2012, the Company has entered into the MOU with the Government of the Lianghua Town. Pursuant to the MOU, it is currently the parties' intention that the New Logistics Centre shall be constructed in Lianghua Town and managed by the Group thereafter, which is subject to the parties having entered into the necessary definitive agreements on or before 30 June 2012 or such other dates to be agreed by the parties, setting out the final terms and conditions.

**The MOU does not create any legally binding obligations between the Company and the Government of Lianghua Town. There is no guarantee that the necessary definitive agreements will be entered into with the Government of Lianghua Town or the terms could be agreed upon. Also there is no assurance the New Logistics Centre will be constructed and completed as currently intended. As the New Logistics Centre may or may not be materialized, Shareholders and potential investors of the Company are advised to exercise caution in dealing in the securities of the Company.**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 26 January 2012, the Company has entered into the MOU with the Government of Lianghua Town for the New Logistics Centre. It is currently expected that the New Logistics Centre will include (but not limited to) an agri-products wholesale market, a cold storage warehouse, a dry goods warehouse, a processing factory, a guesthouse, offices and a carpark.

### **THE MOU**

Pursuant to the MOU, it is currently the parties' intention that the New Logistics Centre shall be constructed in Lianghua Town and managed by the Group thereafter, which is subject to the parties having entered into the necessary definitive agreements on or before 30 June 2012 or such other dates to be agreed by the parties, setting out the final terms and conditions.

Pursuant to the MOU, the Government of Lianghua Town will be responsible for (1) assisting the Company in acquiring the relevant land and applying for necessary permits of use of the relevant land; (2) assisting the Company in enhancing roads, facilities and the environment surrounding the New Logistics Centre; (3) providing favourable tax rate to the Company in relation to the New Logistics Centre; (4) liaising and communicating with local suppliers, sellers and distributors; and (5) assisting the Company in all aspects relating to the New Logistics Centre. In return, the Company will be responsible for the construction, operation and management of the New Logistics Centre. It is currently anticipated that the construction of the New Logistics Centre to be finished by June 2015.

The MOU is non-legally binding in nature and either party is entitled to terminate the MOU by giving the other party one month's written notice. The MOU will also be terminated when the parties have entered into the necessary definitive agreements on or before 30 June 2012, otherwise the MOU will lapse and terminate automatically.

### **REASON FOR ENTERING INTO THE MOU**

Lianghua Town is one of the major towns for vegetable farming in the southern PRC. Pursuant to the public information of Huidong County, Lianghua Town is one of the major towns for agricultural farming in Huidong County with the total agricultural output of about RMB 490 million in 2010. Lianghua Town is also the Group's cultivation base in Huidong County, which the Group currently is interested in about 15,000 mu of leafy vegetables farm.

The Board considers that the opportunity to participate in the construction, operation and management of the New Logistics Centre will give the Group a competitive advantage to enable the Group to build up its brand, bring up the trading volume of its agricultural products and further strengthen its business and market share in the southern PRC. Further, the Board considers the successful completion of the New Logistics Centre will have positive impact on the Group's revenues and its business operation as a whole.

**The MOU does not create any legally binding obligations between the Company and the Government of Lianghua Town. There is no guarantee that the necessary definitive agreements will be entered into with the Government of Lianghua Town or the terms could be agreed upon. Also there is no assurance the New Logistics Centre will be constructed and completed as currently intended. As the New Logistics Centre may or may not be materialized, Shareholders and potential investors of the Company are advised to exercise caution in dealing in the securities of the Company.**

Further announcement(s) will be published by the Company in connection with the MOU, and the matters contemplated thereunder and in compliance with the Listing Rules.

### **DEFINITIONS**

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Board” the board of Directors

“Company” Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange

“Directors”	the directors of the Company
“Government of Lianghua Town”	The People’s Government of Lianghua Town, Huidong County, the PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lianghua Town”	Lianghua Town, Huidong County, Guangdong Province of the PRC (廣東省惠東縣梁化鎮)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Logistics Centre”	an agri-products logistics centre proposed to be constructed and located in Lianghua Town pursuant to the MOU
“MOU”	the memorandum of co-operation (合作備忘錄) dated 26 January 2012 and entered into between the Company and the Government of Lianghua Town in respect of the construction, operation and management of the New Logistics Centre
“mu(s)”	a unit of area, approximately equivalent to 666.67 square meters
“PRC”	the People’s Republic of China, which shall exclude Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 26 January 2012

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr Lam Kwok Hing (Chairman), Mr Chu Ki, Ms Lee Choi Lin, Joey, Ms Hung Sau Yung, Rebecca and Ms Gao Qin Jian; one non-executive Director, namely Ms Chan Yuk, Foebie; and three independent non-executive Directors, namely Mr John Handley, Ms Mak Yun Chu and Mr Poon Yiu Cheung, Newman.*