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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

**OPEN OFFER OF NOT LESS THAN 1,818,458,629 OFFER SHARES AND NOT MORE THAN 1,871,414,880 OFFER SHARES ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE;
CLOSURE OF REGISTER OF MEMBERS;
AND
RESUMPTION OF TRADING**

Underwriter



VC BROKERAGE LIMITED

滙盈證券有限公司

OPEN OFFER

The Company proposes to make the Open Offer, subject to the fulfillment of the Conditions Precedent, not less than 1,818,458,629 and not more than 1,871,414,880 Offer Shares for subscription by the Qualifying Shareholders on the basis of one Offer Share for every two existing Shares held by a Qualifying Shareholder on the Record Date for the Offer Shares at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

Pursuant to the Underwriting Agreement, the Company will procure each of Best Global, World Invest and Asia Startup to give an irrevocable undertaking respectively in favour of the Company and the Underwriter to subscribe for all the Offer Shares it will be entitled under the Open Offer.

Pursuant to the Underwriting Agreement, the Company will procure each of Ms. Chan, Mr. Handley, Ms. Mak and Mr. Poon to give an irrevocable undertaking in favour of the Company and the Underwriter not to exercise any of the right under Ms. Chan Options, Mr. Handley Options, Ms. Mak Options and Mr. Poon Options to convert part or all of the Options they are holding respectively into Shares before completion of the Open Offer.

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite the Underwritten Shares of not less than 1,522,152,936 Offer Shares and not more than 1,575,109,187 Offer Shares (on the basis that none of the Directors Options will be exercised in whole or in part and converted into Shares and there will be no further issue of new Shares to any person or party on or before the Record Date save for the exercise of the Options other

than the Directors Options); and the Underwriter will, where applicable, appoint such number of sub-underwriters independent to the Company and its connected persons and the Underwriter. The Underwriter and each of the sub-underwriters and their respective associates will underwrite such number of the Underwritten Shares (i.e. the sub-underwritten Shares) to the effect that none of the Underwriter and/or the sub-underwriters will trigger any obligation under Rule 26 of the Takeovers Code to make a general offer, and each of the Underwriter and any sub-underwriter to be appointed and the subscribers procured by each of the Underwriter and any sub-underwriter to be appointed together with their respective parties acting in concert (as defined under the Takeovers Code) shall not hold in aggregate 10% or more of the voting rights of the Company after completion of the Open Offer; and the Underwriter shall procure independent placees to take up such number of the Underwritten Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules will continue to be complied with immediately after the Open Offer.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must not be an Excluded Shareholder. The last day of dealings in the Shares on the Stock Exchange on a cum-entitlement basis will be Monday, 5 March 2012. The Shares will be dealt in on an ex-entitlement basis on the Stock Exchange from Tuesday, 6 March 2012. To qualify for the Open Offer, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, for registration not later than 4:00 p.m. on Wednesday, 7 March 2012 according to the expected timetable.

The gross proceeds of the Open Offer (before expenses) are approximately between HK\$363.7 million and HK\$374.3 million. The estimated net proceeds of the Open Offer (after deducting the costs and expenses in relation to the Open Offer and the underwriting commission fees which is estimated to be around HK\$9 million) are expected to amount to approximately not more than HK\$365 million and not less than HK\$355 million.

WARNING OF THE RISK OF DEALING IN THE SHARES

The Open Offer is conditional upon, inter alia, the fulfillment of the Conditions Precedent set out under the paragraph headed "Conditions of the Open Offer and the Underwriting Agreement" in this announcement. Therefore, the Open Offer may or may not proceed. Any dealing in the Shares from the date of this announcement up to the date on which all the Conditions Precedent are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares are recommended to consult their own professional advisers. Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares.

GENERAL

The Open Offer is not subject to Shareholders' approval.

The Company will send the Prospectus Documents containing, among other things, the Prospectus incorporating details of the Open Offer and the Application Form to the Qualifying Shareholders. The Prospectus, but not the Application Form, will be sent to the Excluded Shareholders (if any) for their information only.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:02 a.m. on 30 January 2012 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 31 January 2012.

OPEN OFFER

On Monday, 30 January 2012, the Company entered into the Underwriting Agreement with the Underwriter in respect of the Open Offer and details of the Open Offer are set out below.

Principal Terms of the Open Offer

Basis of the Open Offer	:	One Offer Share for every two existing Shares held by a Qualifying Shareholder on the Record Date
Number of existing Shares in issue as at the date of this announcement	:	3,636,917,261 Shares
Number of Offer Shares	:	Not less than 1,818,458,629 Offer shares and not more than 1,871,414,880 Offer Shares
Subscription Price	:	HK\$0.20 per Offer Share
Number of Offer Shares underwritten by the Underwriter	:	Not less than 1,522,152,936 Offer Shares and not more than 1,575,109,187 Offer Shares to be determined on the Record Date

As at the date of this announcement, the Company has 147,912,503 Options outstanding. Save for the said Options, the Company has no other outstanding warrants, options or other securities convertible into or exchangeable for Shares.

The Subscription Price

The Subscription Price of HK\$0.20 per Offer Share will be payable in full on application. The Subscription Price represents:

- (a) a discount of approximately 54.02% to the closing price of HK\$0.435 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 51.46% to the average closing price of HK\$0.412 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;

- (c) a discount of approximately 49.11% to the average closing price of HK\$0.393 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 43.98% to the theoretical ex-entitlement price of approximately HK\$0.357 based on the closing price of HK\$0.435 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (e) a discount of approximately 77.38% to the audited consolidated net assets value per Share of approximately HK\$0.884 as at 30 June 2011 (based on the audited consolidated net assets value of the Group as set out in the Company's annual report for the year ended 30 June 2011 over the number of Shares in issue as at the date of this announcement).

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the prevailing market price of the Shares under prevailing market conditions. The Directors consider the Subscription Price and the rates of discount as illustrated above to be fair and reasonable and in the interests of the Company and the Shareholders as a whole on the basis that the Qualifying Shareholders are offered a chance to elect to subscribe for the Offer Shares at a relatively low price and to maintain their respective pro rata shareholdings in the Company. The Directors also consider that the discount will encourage the Qualifying Shareholders to take up their entitlements, so as to participate in and share the potential growth of the Group.

Status of the Offer Shares

The Offer Shares, when allotted and issued, shall rank *pari passu* in all respects with the then existing Shares in issue on the date of allotment of the Offer Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

Fractions of the Offer Shares

Fractional entitlements to the Offer Shares will not be issued to the Qualifying Shareholders but will be aggregated and taken up by the Underwriter. The Company will not allot any fractions of the Offer Shares.

Share certificates and Refund Cheques for the Offer Shares

Subject to the fulfilment of the Conditions Precedent as set out in the section headed "Conditions of the Open Offer and the Underwriting Agreement" in this announcement below, share certificates for all fully-paid Offer Shares are expected to be posted on or before Wednesday, 11 April 2012 by ordinary mail to the Qualifying Shareholders who have validly accepted and applied for (where appropriate), and paid for the Offer Shares by 4:00 p.m. on Thursday, 29 March 2012 at their own risk. If the Open Offer is terminated, refund cheques will be despatched on or before Wednesday, 11 April 2012 by ordinary post at the respective Shareholders' own risk.

Qualifying Shareholders and Excluded Shareholders

The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Prospectus only, for information purpose only, to the Excluded Shareholders.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must not be an Excluded Shareholder.

The last day of dealings in the Shares on the Stock Exchange on a cum-entitlement basis will be Monday, 5 March 2012. The Shares will be dealt in on an ex-entitlement basis on the Stock Exchange from Tuesday, 6 March 2012. To qualify for the Open Offer, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong,

Union Registrars Limited
18th Floor, Fook Lee Commercial Centre
Town Place, 33 Lockhart Road
Wanchai, Hong Kong

for registration not later than 4:00 p.m. on Wednesday, 7 March 2012 according to the expected timetable.

If, at the close of business on the Record Date, any Shareholder whose address as shown on the register of members of the Company is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents will not be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong. The Board will, if necessary, make enquiries to its legal advisers regarding the legal restrictions under the law of the relevant place and the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Board is of the opinion that it would not be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirement of the relevant regulatory body or stock exchange in that place to make any offer of the Offer Shares to Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Excluded Shareholders. The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Prospectus.

As at the date of this announcement, there is no Shareholder whose address as shown on the register of members of the Company is in a place outside Hong Kong.

The Offer Shares to which the Excluded Shareholders would have been entitled will be underwritten and taken up by the Underwriter.

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled to and the Excluded Shareholders should note that their shareholding in the Company will be diluted upon completion of the Open Offer.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 8 March 2012 to Monday, 12 March 2012 (both dates inclusive) for the purpose of determining entitlements of Qualifying Shareholders to the Open Offer as at the Record Date. No transfer of Shares will be registered during this book closure period.

Beneficial owners with their Shares held by a nominee company whose name appears on the register of members of the Company should note that the Board will regard such nominee company as a single Shareholder. Beneficial owners with their Shares held by such nominee company are advised to consider whether they would like to arrange registration of their Shares in their own names prior to the relevant book closure period. Beneficial owners should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in (i) the trading of packaged food, beverages, household consumable products, cosmetics and skincare products and cold chain products; (ii) the provision of cold chain logistics services, mid-stream food processing and logistics services and value-added post-harvest food processing; and (iii) an integrated supply chain that includes upstream cultivation and the sale and distribution of agri-products.

As announced by the Company on 26 January 2012, the Company has entered into the MOU with the Government of Lianghua Town, pursuant to which the Company has been given an opportunity to further negotiate with the Government of Lianghua Town of its possible participation in the construction, operation and management of the New Logistics Centre in Lianghua Town. 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. However, as at the date of this announcement, the Company is still negotiating with the Government of Lianghua Town and no final terms and conditions have been agreed, 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, failing which the MOU and the transactions contemplated will lapse and terminate automatically.

As Lianghua Town has already become one of 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 possible development 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.

The Board considers that raising funds by way of the Open Offer would be the most appropriate way in the current volatile financial market and taking into account the depressed trading price of the Shares so that the Qualifying Shareholders would be able to participate in the potential future growth of the Group under the MOU and to maintain its shareholding percentage.

The estimated gross proceeds of the Open Offer (before expenses) are approximately between HK\$363.7 million and HK\$374.3 million. The net proceeds of the Open Offer (after deducting the costs and expenses in relation to the Open Offer and the underwriting commission fees which is estimated to be around HK\$9 million) are expected to amount to approximately not more than HK\$365 million and not less than HK\$355 million.

Based on preliminary estimates, the Board intends to earmark all of the net proceeds for the development of the New Logistics Centre and the transactions contemplated under the MOU. If no definitive agreements are entered into or the MOU lapses or terminates for whatever reason, the Board will utilize this amount for other possible investment opportunities. Further announcement(s) will be made by the Company to update the progress on the transactions contemplated under the MOU and in compliance with the Listing Rules.

NO APPLICATION FOR EXCESS OFFER SHARES

No application for excess Offer Shares will be available to any Qualifying Shareholders to apply for any entitlements of the Excluded Shareholders in view of that each Qualifying Shareholder will have been given equal and fair opportunities to participate in the Company's future development by subscribing for his assured entitlements under the Open Offer. Any Offer Shares not taken up by Qualifying Shareholders and any aggregated fractional Offer Shares that may arise all of which will be taken up by the Underwriter.

No odd lot matching services will be provided by the Company in respect of the Open Offer.

UNDERWRITING ARRANGEMENT

Date	:	30 January 2012
Issuer	:	The Company
Underwriter	:	VC Brokerage Limited
Number of Underwritten Shares	:	Not less than 1,522,152,936 Offer Shares and not more than 1,575,109,187 Offer Shares
Commission	:	2.5% of the aggregate Subscription Price in respect of the number of the Underwritten Shares for which the Underwriter has agreed to subscribe or procure subscription to be determined on the Record Date

Any Offer Share not taken up by the Qualifying Shareholders will be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite not less than 1,522,152,936 Offer Shares and not more than 1,575,109,187 Offer Shares, collectively as the Underwritten Shares (on the basis that none of the Directors Options will be exercised in whole or in part and converted into Shares and there will be no further issue of new Shares to any person or party on or before the Record Date save for the exercise of the Options other than the Directors Options); and the Underwriter will, where applicable, appoint such number of

sub-underwriters independent to the Company and its connected persons and the Underwriter. The Underwriter and each of the sub-underwriters and their respective associates will underwrite such number of the Underwritten Shares (i.e. the sub-underwritten Shares) to the effect that none of the Underwriter and/or the sub-underwriters will trigger any obligation under Rule 26 of the Takeovers Code to make a general offer, and each of the Underwriter and any sub-underwriter to be appointed and the subscribers procured by each of the Underwriter and any sub-underwriter to be appointed together with their respective parties acting in concert (as defined under the Takeovers Code) shall not hold in aggregate 10% or more of the voting rights of the Company after completion of the Open Offer; and the Underwriter shall procure independent places to take up such number of the Underwritten Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules will continue to be complied with immediately after the Open Offer.

The Board is expected that completion of the Open Offer in accordance with the terms of the Underwriting Agreement and as set out in this announcement will not trigger any general offer obligations under Rule 26 of the Takeovers Code and the public float requirement will be complied with.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions entitling the Underwriter, by notice in writing, to terminate its obligations thereunder on the occurrence of certain events. If, at any time prior to the Latest Time for Termination (i.e. 4:00 p.m. on Tuesday, 3 April 2012 pursuant to the expected timetable), one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise, exist, or come into effect:

- (a) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole; or
- (f) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the reasonable opinion of any of the Underwriter, a material omission in the context of the Open Offer; or
- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Upon the giving of termination notice by the Underwriter, the obligations of all parties, subject to the Underwriting Agreement, shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

CONDITIONS OF THE OPEN OFFER AND THE UNDERWRITING AGREEMENT

The Open Offer is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional upon the following Conditions Precedent being fulfilled:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents (and all other documents required to be attached thereto) duly signed by two Directors as confirmation of their having been approved by resolution of the Directors not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus, for information purpose only to the Excluded Shareholders;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Offer Shares either unconditionally or subject to conditions which the Company accepts and the satisfaction of such conditions (if any);
- (d) none of the representations, warranties or undertakings given by the Company being breached, untrue, inaccurate or misleading in any material respect;
- (e) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms; and
- (f) the performance of the Directors Take-Up Undertakings and the Directors Options Undertakings.

The Underwriter may at any time by notice in writing to the Company waive the Condition Precedent (f) above. Save and except the Condition Precedent (f), the other Conditions Precedent are incapable of being waived. If the Conditions Precedent are not satisfied and/or waived in whole or in part by the Underwriter by the Latest Time for Termination or such other date as the Company and the Underwriter may agree in writing, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

If the Underwriting Agreement is terminated, the Open Offer will not proceed.

Directors Take-Up Undertakings and the Directors Options Undertakings

Pursuant to the Underwriting Agreement, the Company will procure each of Best Global, World Invest and Asia Startup to give an irrevocable undertaking respectively in favour of the Company and the Underwriter to subscribe for all the Offer Shares it will be entitled under the Open Offer.

Pursuant to the Underwriting Agreement, the Company will procure each of Ms. Chan, Mr. Handley, Ms. Mak and Mr. Poon to give an irrevocable undertaking in favour of the Company and the Underwriter not to exercise any of the right under Ms. Chan Options, Mr. Handley Options, Ms. Mak Options and Mr. Poon Options to convert part or all of the Options they are holding respectively into Shares before completion of the Open Offer.

CHANGES IN SHAREHOLDING STRUCTURE

The following table sets out the possible changes in the shareholding structure of the Company arising from the Open Offer:

Scenario 1

Assuming no Share Option Shares are allotted and issued on or before the Record Date:

	As at the date of this announcement		Immediately upon completion of the Open Offer assuming all Qualifying Shareholders take up their respective entitlements under the Open Offer		Immediately upon completion of the Open Offer assuming no Qualifying Shareholders (other than under the Directors Take-Up Undertakings) take up their respective entitlements under the Open Offer	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Best Global	419,523,299	11.54	629,284,948	11.54	629,284,948	11.54
World Invest	148,777,965	4.09	223,166,947	4.09	223,166,947	4.09
Asia Startup	24,310,125	0.67	36,465,187	0.67	36,465,187	0.67
Public Shareholders						
The Underwriter (Note)	–	–	–	–	1,522,152,936	27.90
Public Shareholders	<u>3,044,305,872</u>	<u>83.70</u>	<u>4,566,458,808</u>	<u>83.70</u>	<u>3,044,305,872</u>	<u>55.80</u>
Total	<u>3,636,917,261</u>	<u>100.00</u>	<u>5,455,375,890</u>	<u>100.00</u>	<u>5,455,375,890</u>	<u>100.00</u>

Scenario 2

Assuming all Share Option Shares are allotted and issued on or before the Record Date:

	As at the date of this announcement		Immediately upon completion of the Open Offer assuming all Qualifying Shareholders take up their respective entitlements under the Open Offer		Immediately upon completion of the Open Offer assuming no Qualifying Shareholders (other than under the Directors Take-Up Undertakings) take up their respective entitlements under the Open Offer	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Best Global	419,523,299	11.54	629,284,948	11.21	629,284,948	11.21
World Invest	148,777,965	4.09	223,166,947	3.97	223,166,947	3.97
Asia Startup	24,310,125	0.67	36,465,187	0.65	36,465,187	0.65
Public Shareholders						
The Underwriter (Note)	–	–	–	–	1,575,109,187	28.06
Public Shareholders	<u>3,044,305,872</u>	<u>83.70</u>	<u>4,725,327,562</u>	<u>84.17</u>	<u>3,150,218,375</u>	<u>56.11</u>
Total	<u>3,636,917,261</u>	<u>100.00</u>	<u>5,614,244,644</u>	<u>100.00</u>	<u>5,614,244,644</u>	<u>100.00</u>

Note: The Underwriter will appoint such number of sub-underwriters independent to the Company and its connected persons and the Underwriter. The Underwriter and each of the sub-underwriters and their respective associates will underwrite such number of the Sub-underwritten Shares to the effect that none of the Underwriter and/or the sub-underwriters will trigger any obligation under Rule 26 of the Takeovers Code to make a general offer, and each of the Underwriter and any sub-underwriter to be appointed and the subscribers procured by each of the Underwriter and any sub-underwriter to be appointed together with their respective parties acting in concert (as defined under the Takeovers Code) shall not hold in aggregate 10% or more of the voting rights of the Company after completion of the Open Offer; and the Underwriter shall procure independent placees to take up such number of Underwritten Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules will continue to be complied with immediately after the Open Offer.

WARNING OF THE RISK OF DEALING IN THE SHARES

The Open Offer is conditional upon, inter alia, the fulfillment of the Conditions Precedent set out under the paragraph headed “Conditions of the Open Offer and the Underwriting Agreement” in this announcement. Therefore, the Open Offer may or may not proceed. Any dealing in the Shares from the date of this announcement up to the date on which all the Conditions Precedent are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any

Shareholders or other persons contemplating dealings in the Shares are recommended to consult their own professional advisers. Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares.

EXPECTED TIMETABLE

The expected timetable for the Open Offer set out below is indicative only and it has been prepared on the assumption that all the Conditions Precedent will be fulfilled. The expected timetable for the Open Offer is set out below:

	2012
Last day of dealings in Shares on cum-entitlement basis of the Open Offer	Monday, 5 March
Ex-date (the first day of dealings in Shares on ex-entitlement basis of the Open Offer)	Tuesday, 6 March
Latest time for lodging transfers of shares in order to qualify for the Open Offer	4:00 p.m. on Wednesday, 7 March
Register of members closes (both days inclusive)	Thursday, 8 March to Monday, 12 March
Record Date	Monday, 12 March
Register of members re-opens	Tuesday, 13 March
Despatch of the Prospectus Documents	Thursday, 15 March
Latest Time for Acceptance and payment for the Offer Shares	4:00 p.m. on Thursday, 29 March
Latest Time for Termination of the Underwriting Agreement by the Underwriter	4:00 p.m. on Tuesday, 3 April
Announcement of the results of the Open Offer	Tuesday, 10 April
Despatch of share certificates for Offer Shares	On or before Wednesday, 11 April
Despatch of refund cheques if the Open Offer is terminated	On or before Wednesday, 11 April
Expected first day of dealings in Offer Shares on the Stock Exchange	Thursday, 12 April

APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares in fully-paid form. Dealings in the Offer Shares in their fully-paid form will be subject to the payment of stamp duty, Stock Exchange trading fee and any other applicable fees and charges in Hong Kong.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company did not conduct any fund raising exercise during the past twelve months immediately preceding the date of this announcement.

ADJUSTMENTS IN RELATION TO THE SHARE OPTION SCHEMES

The Open Offer may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Options. The Company will notify the holders of Options regarding adjustments to be made (if any) pursuant to the terms of the Share Option Schemes.

GENERAL

The Open Offer is not subject to Shareholders' approval.

The Company will send the Prospectus Documents containing, among other things, the Prospectus incorporating details of the Open Offer and the Application Form to the Qualifying Shareholders. The Prospectus, but not the Application Form, will be sent to the Excluded Shareholders (if any) for their information only.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:02 a.m. on 30 January 2012 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 31 January 2012.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Application Form”	the form of application for use by the Qualifying Shareholders to apply for the Offer Shares in the agreed form
“associates”	has the meaning ascribed to it in the Listing Rules
“Asia Startup”	Asia Startup Group Limited, a company incorporated in the BVI and the entire issued share capital of which is wholly and beneficially owned by Mr. Chu Ki, an executive Director

“Asia Startup Undertaking”	an irrevocable undertaking to be given by Asia Startup in favour of the Company and the Underwriter to subscribe for all the Offer Shares it will be entitled under the Open Offer
“Best Global”	Best Global Asia Limited, a company incorporated in the BVI and the entire issued share capital of which is wholly and beneficially owned by Mr. Lam Kwok Hing, the chairman of the Company and an executive Director
“Best Global Undertaking”	an irrevocable undertaking to be given by Best Global in favour of the Company and the Underwriter to subscribe for all the Offer Shares it will be entitled under the Open Offer
“Board”	the board of Directors or a duly authorised committee thereof
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which the Stock Exchange is open for the business of dealing in securities
“BVI”	British Virgin Islands
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability of which its issued Shares are listed on the main board of the Stock Exchange
“Conditions Precedent”	the conditions precedent of the Underwriting Agreement as set out in the section headed “Conditions of the Open Offer and the Underwriting Agreement”
“connected persons”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company for the time being
“Directors Options”	collectively Ms. Chan Options, Mr. Handley Options, Ms. Mak Options and Mr. Poon Options
“Directors Options Undertakings”	collectively Ms. Chan’s Undertaking, Mr. Handley’s Undertaking, Ms. Mak’s Undertaking and Mr. Poon’s Undertaking

“Directors Take-Up Undertakings”	collectively, the Best Global Undertaking, the World Invest Undertaking and the Asia Startup Undertaking
“Excluded Shareholders”	those Overseas Shareholders to whom the Company considers it necessary or expedient not to offer the Offer Shares where, in the opinion of the Board (having obtained relevant and necessary legal opinions), it would or might be unlawful or impracticable to offer the Offer Shares in such places on account of any legal or regulatory restrictions or special formalities in such places
“Government of Lianghua Town”	The People’s Government of Lianghua Town
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	to the best knowledge, information and belief and having made all reasonable enquiries by the Directors, the party and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company
“Last Trading Day”	27 January 2012, being the last day of dealing of the Shares on the Stock Exchange prior to the publication of this announcement
“Latest Time for Acceptance”	being ten Business Days after the Prospectus Posting Date, which is expected to be 4:00 p.m. on Thursday, 29 March 2012 or such later date as the Company and the Underwriter may agree as the latest time for acceptance of the application and payment for the Offer Shares
“Latest Time for Termination”	being 4:00 p.m. on the third Business Day following (but excluding) the Latest Time for Acceptance, i.e. 3 April 2012 or such later time or date as may be agreed in writing between the Underwriter and the Company, being the latest time for the Underwriter to terminate the Underwriting Agreement
“Lianghua Town”	Lianghua Town, Huidong County, Guangdong Province of the PRC (廣東省惠東縣梁化鎮)

“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Ms. Chan”	Ms. Chan Yuk, Foebe, a non-executive Director
“Ms. Chan Options”	15,750,000 Options held by Ms. Chan entitling her to convert into 15,750,000 Shares
“Ms. Chan’s Undertaking”	an irrevocable undertaking to be given by Ms. Chan in favour of the Company and the Underwriter not to exercise any of the right under Ms. Chan Options to convert part or all of them into Shares before completion of the Open Offer
“Mr. Handley”	Mr. John Handley, an independent non-executive Director
“Mr. Handley Options”	5,250,000 Options held by Mr. Handley entitling him to convert into 5,250,000 Shares
“Mr. Handley’s Undertaking”	an irrevocable undertaking to be given by Mr. Handley in favour of the Company and the Underwriter not to exercise any of the right under Mr. Handley Options to convert part or all of them into Shares before completion of the Open Offer
“Ms. Mak”	Ms. Mak Yun Chu, an independent non-executive Director
“Ms. Mak Options”	5,250,000 Options held by Ms. Mak entitling her to convert into 5,250,000 Shares
“Ms. Mak’s Undertaking”	an irrevocable undertaking to be given by Ms. Mak in favour of the Company and the Underwriter not to exercise any of the right under Ms. Mak Options to convert part or all of them into Shares before completion of the Open Offer
“Mr. Poon”	Mr. Poon Yiu Cheung, Newman, an independent

	non-executive Director
“Mr. Poon Options”	5,250,000 Options held by Mr. Poon entitling him to convert into 5,250,000 Shares
“Mr. Poon’s Undertaking”	an irrevocable undertaking to be given by Mr. Poon in favour of the Company and the Underwriter not to exercise any of the right under Mr. Poon Options to convert part or all of them into Shares before completion of the Open Offer
“mu(s)”	a unit of area, approximately equivalent to 666.67 square meters
“New Logistics Centre”	an agri-products logistics centre proposed to be constructed and located in Lianghua Town pursuant to the MOU
“Offer Shares”	Not less than 1,818,458,629 and not more than 1,871,414,880 new Shares to be issued pursuant to the Open Offer
“Open Offer”	the issue by way of an open offer, subject to the fulfillment of the Conditions Precedent, not less than 1,818,458,629 and not more than 1,871,414,880 Offer Shares for subscription by the Qualifying Shareholders on the basis of one Offer Share for every two existing Shares held by a Qualifying Shareholder on the Record Date for the Offer Shares at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Options”	options granted pursuant to the Share Option Schemes entitling the holders to convert into Shares on exercise of the options
“Overseas Shareholders”	Shareholders with registered addresses as shown in the register of members of the Company on the Record Date which are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by the Company relating to the Open Offer

“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Thursday, 15 March 2012 or such later date as may be agreed in writing between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information purpose only, to the Excluded Shareholders
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	Monday, 12 March 2012 or such other date as may be agreed in writing between the Company and the Underwriter for the determination of the entitlements under the Open Offer
“SFC”	the Securities and Futures Commission of Hong Kong
“Shares”	shares of HK\$0.01 each in the share capital of the Company
“Share Option Schemes”	collectively (i) the old share option scheme of the Company adopted on 3 December 2001 and amended on 24 September 2005; and (ii) the new share option scheme adopted on 21 December 2009
“Share Option Shares”	up to 105,912,503 Shares which may be allotted and issued by the Company upon exercise of the 147,912,503 outstanding Options, which does not include the 31,500,000 Shares which may be allotted under the Directors Options and 10,500,000 Shares which will not be allotted with the vesting period till 31 December 2012
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.20 per Offer Share at which the Offer Shares are proposed to be offered for subscription
“subsidiary”	has the same meaning ascribed thereto in section 2 of the Companies Ordinance and “subsidiaries” shall be construed accordingly

“Takeovers Code”	The Codes on Takeovers and Mergers administered by the SFC
“Underwriter”	VC Brokerage Limited, a corporation licenced to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance, and an Independent Third Party,
“Underwriting Agreement”	the underwriting agreement dated 30 January 2012 between the Company and the Underwriter in relation to the underwriting of the Underwritten Shares and other arrangements in respect of the Open Offer
“Underwritten Shares”	not less than 1,522,152,936 and not more than 1,575,109,187 Offer Shares that the Underwriter has agreed to subscribe or procure subscribers or sub-underwriters to subscribe for, which are not subscribed by the Qualifying Shareholders (other than Best Global, World Invest, and Asia Startup) pursuant to the Underwriting Agreement
“World Invest”	World Invest Holdings Limited, a company incorporated in the BVI and the entire issued share capital of which is wholly and beneficially owned by Ms. Lee Choi Lin, Joecy, an executive Director
“World Invest Undertaking”	an irrevocable undertaking to be given by World Invest in favour of the Company and the Underwriter to subscribe for all the Offer Shares it will be entitled under the Open Offer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 30 January 2012

Should there be any inconsistency between the English and the Chinese versions of this announcement, the English version shall prevail.

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, Foebé; and three independent non-executive Directors, namely Mr. John Handley, Ms. Mak Yun Chu and Mr. Poon Yiu Cheung, Newman.