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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: 00197)

**Discloseable Transaction  
Disposal of Securities**

The Company disposed of an aggregate 84,670,000 Securities during the Relevant Period, representing about 3.62% of the total issued share capital of China Zenith as at 31 March 2015 according to publicly available information of China Zenith. The aggregate gross sale proceeds of the Disposal is about HK\$35,763,920 (before deduction of transaction costs), and the net proceeds have been received by the Company and fully settled in cash.

Upon completion of the Disposal, the Company will remain to hold 256,739,991 shares of China Zenith as securities investments. The Company will consider selling part or all of the remaining shares of China Zenith if and when the market circumstances allow for an orderly sale and provide the Company a reasonable return on its investments.

When the Company sold 11,000,000 shares of China Zenith on 15 April 2015, none of the applicable percentage ratios exceeded 5% by itself. However, when the Company aggregated this sale with the other sales of shares of China Zenith within the last 12 months, one of the applicable percentage ratios exceeded 5% but were less than 25%, and the Disposal constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and subject to reporting and announcement requirements under the Listing Rules.

**The Disposal**

The Company announces that it has, through its wholly-owned subsidiary, disposed of the Securities in a series of transactions between the Relevant Period for

an aggregate consideration of about HK\$35,763,920, representing about 3.62% of the total issued share capital of China Zenith as at 31 March 2015 based on publicly available information of China Zenith.

Part of the Disposal comprising 24,670,000 Securities were conducted through open market and 27,000,000 Securities and 33,000,000 Securities were sold separately to two private investments companies on 13 March 2015 and 16 March 2015 respectively. Regarding the Disposal through open market, the Company is not aware of, and cannot ascertain, the identities of the purchasers of the Securities. However, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Directors believe that the purchasers and their ultimate beneficial owners of the open market sales are third parties independent of the Company and its connected persons.

Regarding the two private investments companies, the Company confirms that to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, these two private investments companies and their ultimate beneficial owners are third parties independent of the Company and its connected persons, and their respective principal business activities are investments of securities.

### **Securities disposed of**

The Company disposed of an aggregate 84,670,000 Securities during the Relevant Period, representing about 3.62% of the total issued share capital of China Zenith as at 31 March 2015 according to publicly available information of China Zenith.

### **Consideration**

The aggregate gross sale proceeds of the Disposal is about HK\$35,763,920 (before deduction of transaction costs), and the net proceeds have been received by the Company and fully settled in cash. The considerations for the Disposal where the Securities were sold on the market were based upon the market prices of the Securities at the time of each sale whereas the considerations for the Disposal where the Securities were sold to the two private investments companies were based upon an approximate 18% to 20% discount to the then market prices of the day of the sale. The Directors (including the independent non-executive Directors) considered that providing a discount would enable the Company to successfully sell a relatively larger block of Securities and minimize the uncertainties of selling on the market.

### **Reasons for and benefits of the Disposal**

The Group is principally engaged in (i) the fast-moving consumer goods trading business; (ii) the agri-products business; and (iii) the logistics services business.

The Group has been holding the Securities for long-term securities investments

purposes. The purpose of the Disposal is to balance its securities investment portfolio. As a result of the Disposal, the Group is expected to recognize a gain of approximately HK\$23 million (subject to audit) in accordance with the applicable Hong Kong Financial Reporting Standards. The Group intends to use the net proceeds of the Disposal for general working capital.

Upon completion of the Disposal, the Company will remain to hold 256,739,991 shares of China Zenith as securities investments. The Company will consider selling part or all of the remaining shares of China Zenith if and when the market circumstances allow for an orderly sale and provide the Company a reasonable return on its investments.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal, including each of the sale price, were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Information on China Zenith**

According to publicly available information of China Zenith, their group is principally engaged in the manufacture and sale of coal-related chemical products, bio-chemical products and generation and supply of power and steam.

Based on the audited consolidated financial statements of China Zenith for the two years ended 30 June 2013 and 2014, the consolidated net loss before and after taxation for the two financial years ended 30 June 2013 and 2014 and the consolidated net assets as at 30 June 2013 and 2014 are as follows:

	For the year ended 30 June	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Consolidated net (loss) before taxation	(670,334)	(337,633)
Consolidated net (loss) after taxation	(590,637)	(324,897)
Consolidated net asset	2,506,744	3,112,366

### **Listing Rules implications**

When the Company sold 11,000,000 shares of China Zenith on 15 April 2015, none of the applicable percentage ratios exceeded 5% by itself. However, when the Company aggregated this sale with the other sales of shares of China Zenith within the last 12 months, one of the applicable percentage ratios exceeded 5% but were less than 25%, and the Disposal constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and subject to reporting and announcement requirements under the Listing Rules.

## Definitions

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

”Board”	the board of Directors
“China Zenith”	China Zenith Chemical Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Company”	Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected person”	as defined in the Listing Rules
“Directors”	the directors of the Company
“Disposal”	a series of sales of the Securities between the Relevant Period
“Group”	the Company, together with its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	as defined in the Listing Rules
“Relevant Period”	the period from 11 August 2014 to 15 April 2015 where the Company made the Disposal
“Securities”	the aggregate (or where the contexts require, certain portion) of 84,670,000 shares of China Zenith which formed the assets for the series of sales under the Disposal
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

For and on behalf of  
**Heng Tai Consumables Group Limited**  
**Lam Kwok Hing**  
*Chairman*

Hong Kong, 20 April 2015

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