

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



**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)**

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**THE PLACING**

On 4 May 2016 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place up to 150,000,000 Placing Shares through the Placing Agent on a best effort basis, at a price of HK\$0.34 per Placing Share to one or more Placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons.

A maximum of 150,000,000 Placing Shares under the Placing represent (i) approximately 19.99% of the existing shares capital of the Company of 750,348,091 Shares as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company of 900,348,091 Shares as enlarged by the allotment and issue of the Placing Shares, assuming no further change in the share capital structure of the Company from the date of this announcement and up to the Completion. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$15,000,000.

The Placing Price of HK\$0.34 per Placing Share represents (i) a discount of approximately 9.33% to the closing price of HK\$0.375 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 9.57% to the average closing price of approximately HK\$0.376 per Share as quoted on the Stock Exchange for the last five trading days prior to the date of the Placing Agreement.

Completion is conditional upon the following condition being fulfilled on or before the Long Stop Date:

- the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$51.0 million and HK\$49.7 million, respectively. The net proceeds from the Placing will be used for future investment of the Group as and when opportunities arise. No specific investment targets have been identified yet as at the date of this announcement.

The Placing Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM.

**Shareholders and potential investors should note that the Completion is subject to fulfilment of condition under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## THE PLACING

### The placing agreement

#### *Date*

4 May 2016 (after trading hours)

#### *Issuer*

The Company

#### *Placing Agent*

The Placing Agent is a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Placing Agent has conditionally agreed to place up to 150,000,000 Placing Shares on a best effort basis and will receive a placing commission of 2% of the amount that is equal to the Placing Price multiplied by the number of Placing Shares successfully placed by the Placing Agent on behalf of the Company. Such commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to prevailing market rate. The Directors are of the view that the placing commission of 2% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

#### *Placees*

The Placing Agent will place the Placing Shares, on a best effort basis, to one or more Placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons at the Placing Price of HK\$0.34 per Placing Share payable by cash. It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Completion.

The Company will make further announcement in accordance with the Listing Rules if the number of Placees shall be less than six.

#### *Number of Placing Shares*

A maximum of 150,000,000 Placing Shares under the Placing represent (i) approximately 19.99% of the existing shares capital of the Company of 750,348,091 Shares as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company of 900,348,091 Shares as enlarged by the allotment and issue of the Placing Shares, assuming no further change in the share capital structure of the Company from the date of this announcement and up to the Completion. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$15,000,000.

#### *Placing Price*

The Placing Price of HK\$0.34 per Placing Share represents (i) a discount of approximately 9.33% to the closing price of HK\$0.375 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 9.57% to the average closing price of approximately HK\$0.376 per Share as quoted on the Stock Exchange for the last five trading days prior to the date of the Placing Agreement.

The net placing price under the Placing is approximately HK\$0.33 per Placing Share. The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price of the Shares, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### *Ranking of Placing Shares*

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

### *General Mandate*

The Placing Shares will be issued under the General Mandate to allot, issue and deal with new Shares granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 1,500,696,183 Old Shares, and equivalent to 150,069,618 Shares after the Share Consolidation. Up to the date of this announcement, no new Shares have been issued under the General Mandate and will utilize up to approximately 99.95% upon full Placing of the Placing Shares.

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the General Mandate.

### *Condition Precedent of the Placing*

Completion is conditional upon the following condition being fulfilled on or before the Long Stop Date:

- the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

If the foregoing condition is not fulfilled by 6:00 p.m. the Long Stop Date, all rights, obligations and liabilities of the Placing Agent and of the Company under the Placing Agreement in relation to the Placing shall cease and determine and neither party to the Placing Agreement shall have any claim against the others in respect of the Placing save for any antecedent breach and/or any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

### *Application for listing*

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

### *Termination and force majeure events*

The Placing Agent shall be entitled by notice to the Company given prior to 12:00 noon on the day immediately preceding the date of Completion to terminate the Placing Agreement if:

- (i) any event occurring or matter arising on or after the date of the Placing Agreement and prior to the date of Completion which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the undertakings, warranties and representations given by the Company untrue or incorrect and such would have an adverse impact or effect on the Placing and comes to the notice of the Placing Agent; or

- (ii) there develops, occurs or comes into force:
  - (a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the reasonable opinion of the Placing Agent and in its reasonable discretion may materially and adversely affect the business or financial condition or prospects of the Company as a whole; or
  - (b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date thereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the reasonable opinion of the Placing Agent and in its reasonable discretion will, or may be expected to, have a material adverse effect on the Placing; or
  - (c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the reasonable opinion of the Placing Agent and in its reasonable discretion has or may have a material adverse effect on the Placing; or
- (iii) there is any material adverse change in the business or in the financial or trading position of the Company taken as a whole which being unaware of by the Placing Agent and in the reasonable opinion of the Placing Agent and in its reasonable discretion is material in the context of the Placing.

If a termination notice is given by the Placing Agent, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

If the Placing Agreement is terminated, the Placing will not proceed.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

### *Completion*

Completion shall take place at any time within three Business Days after the fulfilment of the condition set out in the Placing Agreement or such other date as may be agreed between the Company and the Placing Agent in writing.

## Reasons for the Placing and use of proceeds

The Group is principally engaged in (i) the trading of packaged foods, beverages, household consumable products, cold chain products and cosmetics and skincare products (the “**FMCG Trading Business**”); (ii) the trading of agri-products and the upstream farming business (the “**Agri-Products Business**”); and (iii) the provision of cold chain logistics services and value-added post-harvest food processing (the “**Logistics Services Business**”). These three businesses came together to form two vertically integrated supply chains allowing the Group to effectively deliver perishable and non-perishable consumer products in China.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$51.0 million and HK\$49.7 million, respectively. The net proceeds from the Placing will be used for future investment of the Group as and when opportunities arise. No specific investment targets have been identified yet as at the date of this announcement.

The Directors are of the view that the Placing will provide a good opportunity to raise additional funds to strengthen the financial position and broaden the capital base of the Group so as to facilitate its future development. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

## Fund raising activity during the past 12 months

The Company has not conducted any other fund raising exercises in the past twelve months immediately before the date of this announcement.

## Effect on shareholding structure of the Company

The shareholdings in the Company as at the date of this announcement and immediately after the Completion assuming all the Placing Shares are fully placed and there is no change in the share capital of the Company from the date of this announcement up to Completion (other than the allotment and issue of the Placing Shares) are and will be as follows:

	As at the date of this announcement		Immediately after the Completion	
	Number of Shares	Approx. %	Number of Shares	Approx. %
<b>Directors:</b>				
Best Global Asia Limited ( <i>Note 1</i> )	108,980,564	14.52%	108,980,564	12.10%
World Invest Holdings Limited ( <i>Note 3</i> )	28,558,893	3.81%	28,558,893	3.17%
	<hr/>		<hr/>	
	137,539,457	18.33%	137,539,457	15.27%
<b>Substantial Shareholder:</b>				
Chan Cheuk Yu ( <i>Note 2</i> )	95,127,984	12.68%	95,127,984	10.57%
<b>Public Shareholders:</b>				
The Placees ( <i>Note 4</i> )	-	-	150,000,000	16.66%
Other Public Shareholders	517,680,650	68.99%	517,680,650	57.50%
	<hr/>		<hr/>	
	517,680,650	68.99%	667,680,650	74.16%
<b>Total</b>	<hr/>		<hr/>	
	<b>750,348,091</b>	<b>100.00%</b>	<b>900,348,091</b>	<b>100.00%</b>

*Notes:*

1. Best Global Asia Limited, a company incorporated in the British Virgin Islands with its entire issued share capital beneficially owned by Mr. Lam Kwok Hing, being the Chairman, Chief Executive Officer and an executive Director and the spouse of Ms. Lee Choi Lin, Joeey, an executive Director.
2. To the best of information and knowledge of the Company, out of the 95,127,984 Shares beneficially owned by Mr. Chan Cheuk Yu, 28,695,895 Shares are registered in his own name, and 66,432,089 Shares are registered in the name of Glazy Target Limited, which is a company incorporated in the British Virgin Islands with its entire issued share capital beneficially owned by Mr. Chan Cheuk Yu.
3. World Invest Holdings Limited, a company incorporated in the British Virgin Islands with its entire issued share capital beneficially owned by Ms. Lee Choi Lin, Joeey, an executive Director and the spouse of Mr. Lam Kwok Hing, being the Chairman, Chief Executive Officer and an executive Director.
4. Assuming no other issue of new Shares and no repurchase of existing Shares before the Completion, and the Placing Agent has placed the maximum number of the Placing Shares, being 150,000,000 new Shares.

## **GENERAL**

**Shareholders and potential investors should note that the Completion is subject to fulfilment of the condition under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

The following terms have the following meanings in this announcement unless the context otherwise requires:

- “AGM” the annual general meeting of the Company held on 29 December 2015 at which, among others, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
- “Business Day” a day (excluding Saturday, Sunday or public or statutory holiday in Hong Kong and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business in Hong Kong throughout their normal business hours
- “Company” Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability and its issued Shares are listed on the main board of the Stock Exchange

“Completion”	completion of the Placing in accordance with the terms and condition as set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% (being 1,500,696,183 Old Shares, and equivalent to 150,069,618 Shares after the Share Consolidation) of the issued share capital of the Company as at the date of the resolution approving the grant of the general mandate (being 7,503,480,919 Old Shares and equivalent to 750,348,091 Shares after the Share Consolidation), which has not been used as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	18 May 2016 (or such later date as the Company and the Placing Agent may agree in writing)
“Old Shares”	the then existing shares of the Company of par value of HK\$0.01 each before the Share Consolidation
“Placee(s)”	any individual, institutional, professional and/or other investors independent of and not connected with the Company, the connected persons of the Company and their respective associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placees on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Sino Wealth Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)



“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 4 May 2016 in respect of the Placing
“Placing Price”	HK\$0.34 per Placing Share
“Placing Shares”	a maximum of 150,000,000 new Shares to be issued pursuant to the Placing Agreement
“Share Consolidation”	the share consolidation of every ten Old Shares of HK\$0.01 each into one Share of HK\$0.10 each, fractional entitlements to be disregarded, which became effective on 30 December 2015
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 4 May 2016

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Lam Kwok Hing (Chairman), Ms. Lee Choi Lin, Joey, 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.*