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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)

PROFIT WARNING

This announcement is made by Heng Tai Consumables Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**”), pursuant to Rule 13.09(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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, based on information currently available, the consolidated financial results of the Group for the financial year ended 30 June 2016 (the “**2016 Results**”) are expected to record an increase in loss as compared to that of the financial results for the previous financial year for the reasons as follows:

- (1) the continuous slowing down of the overall PRC economy and the continuous increase in the import costs of consumables goods into the PRC which was further exacerbated by the continuous weakening of the Renminbi, which reduced the overall demand to the consumables goods which the Group are trading;
- (2) the continuous weakening of the Renminbi which has caused the Group to suffer substantial currencies exchange loss;
- (3) the Group is expected to record a properties revaluation loss and a substantial impairment loss on the goodwill and assets.

The Group has continuously been reviewing its selling and administrative expenses and costs on the one hand and exploring alternative viable business opportunities on the other hand.

The Board believes that if the currencies exchange loss, properties revaluation loss and the impairment loss (which were accounting related adjustments) are disregarded, the operating loss of the Group for the 2016 Results is expected to be similar to the loss as compared to the financial results for the previous financial year.

As the Company is still in the process of finalizing the 2016 Results, this profit warning announcement is only based on preliminary assessment by the Board in accordance with the information currently available and the latest consolidated management accounts of the Group, and is not based on any figures or information reviewed or audited by the Company's auditors. Shareholders and potential investors should read the 2016 Results announcement carefully, which is expected to be published before end of September 2016.

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, 15 September 2016

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.