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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 unaudited consolidated financial results of the Group for the six months ended 31 December 2017 (the “**FY2017/18 Interim Results**”) are expected to record a decrease in revenue and an increase in loss as compared to the corresponding financial period of the previous year for the following reasons:

1. the continuous decrease in the revenue due to weakening demand for and continuous competition from domestic brands against the consumables goods and agri-products which the Group are trading;
2. following the disposal of the Zhongshan logistics complex, which was completed in late June 2017, the transfer of the existing customers and business of the Zhongshan logistics complex to the newly leased processing and storage plant in Zhongshan and the Huidong logistics centre of the Group have been taking more time and effort than expected;
3. the additional selling and distribution expenses and administrative expenses mainly due to those new businesses (i.e. Moon Concept Limited and Sino Wealth Securities Limited) acquired in 2017; and

4. the loss of the discontinued business carried out by Moon Concept Limited, which was disposed by the Group in December 2017.

As the Company is still in the process of finalizing the FY2017/18 Interim 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, which are subject to finalization and are not based on any figures or information reviewed or audited by the Company's auditors. Shareholders and potential investors should read the FY2017/18 Interim Results announcement carefully, which is expected to be published before end of February 2018.

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 February 2018

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Lam Kwok Hing (Chairman), Ms. Lee Choi Lin, Joecy, Ms. Hung Sau Yung, Rebecca, Ms. Gao Qin Jian and Mr. Chan Cheuk Yu, Stephen; and three independent non-executive directors, namely Ms. Mak Yun Chu, Mr. Poon Yiu Cheung, Newman and Mr. Hung Hing Man.