

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.



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 2018 (the “**2018 Results**”) are expected to record a decrease in revenue but a decrease in loss as compared to the financial results of the previous financial year.

The Board notes that the overall decrease in loss for the 2018 Results is primarily due to the fact that no substantial accounting related adjustments would be booked in the latest financial year ended 30 June 2018 as compared to the substantial other operating expenses comprising impairment losses and provisions for various assets which were non-recurring accounting related adjustments and were booked in the previous financial year ended 30 June 2017. If such accounting related adjustments were excluded, the loss from operations in this financial year would have worsened. The Board believes the following reasons have contributed to the increased loss from operations (excluding the accounting related adjustments) and the decrease in revenue:

1. the continuous decrease in the revenue due to weakening demand in the PRC consumer market for and continuous competition from domestic brands against the consumables goods and agri-products which the Group are trading and under the unfavorable global trading environment;
2. the deteriorating liquidity conditions caused by macroeconomic uncertainties such as trade war and the increase in Renminbi volatility has affected the Group to adopt a more conservative approach to reduce taking orders from customers with weak credibility;

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 business previously 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 2018 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 2018 Results announcement carefully, which is expected to be published before end of September 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, 13 September 2018

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