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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)

**VOLUNTARY ANNOUNCEMENT
SUBSCRIPTION OF 70% EQUITY INTEREST IN
RICHC MIND LIMITED**

PRINCIPAL TERMS OF THE AGREEMENT

The Board is pleased to announce that on 29 November 2018 (after trading hours), the Subscriber, a wholly-owned subsidiary of the Company entered into the Agreement with the Target and the Existing Shareholders in respect of the Subscription. Each of the Target and the Existing Shareholders is an Independent Third Party.

The consideration for the Subscription of the 70% equity interest in the Target is HK\$7,000,000, which shall be paid by cash by the Subscriber to the Target upon completion.

Completion of the Agreement is conditional upon (a) the Subscriber being satisfied with the results of its due diligence review of the Target Group; (b) all necessary approvals, consents, authorisations and licenses in relation to the transactions contemplated under the Agreement having been obtained; (c) there being no matter adversely affecting the legal standing or continued existence of any member of the Target Group to continue to carry on their business; (d) the Subscriber having obtained a legal opinion on the Target Group from a PRC legal adviser in respect of the Target Group to the absolute satisfaction of the Subscriber; and (e) the warranties of the Target and the Existing Shareholders under the Agreement remaining true and accurate in all respects.

If any of the conditions precedent as set out above is not satisfied (or waived by the Subscriber) on or before 12:00 noon on the Long Stop Date or such later date as the Subscriber and the Target may agree, the Agreement shall cease and determine and neither party shall have any obligations and liabilities hereunder save for any antecedent breached of the terms thereof.

The Subscription shall be completed on the second business day after all the conditions precedent have been satisfied (or waived) or such other date as the Subscriber and the Target may agree in writing.

Upon completion of the Subscription, the Subscriber will become the single largest shareholder of the Target holding 70% of its shares and each member of the Target Group will become a non-wholly owned subsidiary of the Company.

INFORMATION OF THE TARGET GROUP

The Target is a company established in March 2012 under the laws of the British Virgin Islands. The Target Group is principally engaged in the sub-licensing of the “Gulf” trademarks to oil petrol stations in the PRC. The principal assets of the Target Group are the license of the “Gulf” trademarks for use in oil petrol stations in the PRC licensed from Gulf Oil (China) Co., Ltd. (the “**Licensor**”), which is an Independent Third Party.

One of the subsidiaries of the Target (the “**Licensee**”), which is established in the PRC, has recently entered into several trademark license agreements with the Licensor for a term of 15 years since April 2018, pursuant to which the Licensee is entitled to sub-license the licensed PRC trademarks of “Gulf” to oil petrol stations to carry out petrol filling business in the PRC under the brand name of “Gulf” in return for royalties payment. The Licensee has entered into a sub-license agreement with a sub-licensee in July 2018 for the sub-license of the brand name of “Gulf” for the petrol filling station in Sanyuanli, Guangzhou. The aforesaid oil petrol station was operated under the brand name of “Gulf” since September 2018. Up to the date of this announcement, the Target Group is under negotiation with certain oil petrol stations and agents in the PRC in relation to sub-license of the licensed PRC trademarks of “Gulf” to oil petrol stations in certain cities and provinces in the PRC, including but not limited to Guangzhou, Henan, Dongguan, Huizhou, Foshan, Zhongshan, Shenyang and Xian and some of them already entered into the letters of intention or agency agreements with the Licensee.

REASONS FOR ENTERING INTO THE AGREEMENT

The Group is principally engaged in (i) the trading of packaged foods, beverages, household consumable products and cold chain products; (ii) the trading of agri-products and the upstream farming business; (iii) the provision of cold chain logistics services and value added post-harvest food processing and (iv) other businesses primarily arising from the securities brokerage business.

The Board considers that the subscription of the shares of the Target is beneficial to the Company as it would enable the Group to broaden its income stream and improve long-term value of the shareholders of the Company.

The Board considers that the terms of the Agreement are fair and reasonable and the Subscription is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into of the Agreement does not constitute any notifiable transaction or connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules. The Company is publishing this announcement on a voluntary basis.

Shareholders and potential investors of the Company should note that the completion of the Subscription is subject to the conditions precedent to be fulfilled and therefore, may or may not take place. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Agreement”	the subscription and shareholders’ agreement relating to the Target dated 29 November 2018 and entered into between the Subscriber, the Target, the Existing Shareholders in connection with the Subscription
“Company”	Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability, its issued shares are listed on the Stock Exchange
“Directors”	directors of the Company
“Existing Shareholders”	the three existing shareholders of the Target each holding a third of the equity interests in the Target as at the date of the Agreement and this announcement and each will remain to hold 10% of the equity interests in the Target immediately upon completion of the Subscription
“Group”	the Company and its subsidiaries
“Independent Third Party”	any person or company and their respective ultimate beneficial owner, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, is third party independent of the Company and connected persons (as defined under the Listing Rules) of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	12 December 2018 or such further date as mutually agreed in writing between the Subscriber and the Target
“PRC”	The People’s Republic of China which for the purpose of this announcement shall not include Hong Kong, Macau and Taiwan
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Fiorfie Holdings Limited, a company incorporated in the British Virgins Islands, a wholly-owned subsidiary of the Company
“Subscription”	the subscription of 7,000 shares in the Target, representing an aggregate 70% equity interests in the Target as enlarged upon allotment and issue of the subscription shares of the Target
“Target”	Richic Mind Limited, a company established under the laws of the British Virgin Islands, and before completion of the Subscription, is owned by the Existing Shareholders
“Target Group”	Target and its subsidiaries

By order of the Board
Heng Tai Consumables Group Limited
Lam Kwok Hing
Chairman

Hong Kong, 29 November 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.