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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)

(1) PROFIT WARNING
AND
(2) BUSINESS UPDATE ON THE IMPACT OF THE NOVEL CORONAVIRUS
(COVID-19) EPIDEMIC ON BUSINESS OPERATIONS

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).

1. PROFIT WARNING

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 six months ended 31 December 2019 (the “**FY2019/20 Interim Results**”) are expected to record a decrease in revenue of about 25% and a comparable loss from operations as compared to the previous corresponding financial period.

The Board considered that the Group’s FY2019/20 Interim Results were adversely affected by the continuous weakening demand in the PRC consumer market and continuous competition from domestic and international brands against the consumable goods and agri-products which the Group are trading coupled with the unfavorable and ongoing adverse global trading environment.

The Group’s loss from operations has been affected by the decrease in revenue and gross profit but was partially offset by the increase of the Group’s other income from the interest income and unrealised fair value gain from the investments in the convertible bonds. As a result, the Group’s loss from operations was comparable to the previous corresponding financial period.

As the Company is still in the process of finalizing the FY2019/20 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 FY2019/20 Interim Results announcement carefully, which is expected to be published before end of February 2020.

2. BUSINESS UPDATE ON THE IMPACT OF THE NOVEL CORONAVIRUS (COVID-19) EPIDEMIC ON BUSINESS OPERATIONS

Since January 2020, the novel coronavirus (COVID-19) epidemic (the “**Epidemic**”) has already spread nationwide in China and has been spreading globally and there has been no consensus as to when the Epidemic will be successfully and effectively contained. The Government of the People's Republic of China has already implemented various emergency public health measures and various actions to combat the Epidemic, including but not limited to imposing restriction on the work resumption date after the statutory holidays of the Chinese New Year and lockdown policies in certain cities prohibiting the movement of goods and people between provinces and/or within provinces and cities.

As a result, our Group and our Group's customers, suppliers and business partners in China have been affected by the Epidemic and the corresponding emergency policies by the Government of China after the Chinese New Year Holidays and business operations have not been returned to normal levels. If the Epidemic and its adverse effects continue to drag on, our Group's business operations in China, in particular, our FMCG (fast moving consumable goods) segment, Agri-Products segment and Logistics Services segment may be severely affected.

The aforesaid impact of the Epidemic on the Group's business operations is likely to have an adverse effect on the financial results of the Group for the current financial year. The Board has been closely monitoring the Epidemic and the market situations and the effects they may have on the Group's operations and financial position and the Group will take appropriate measures as necessary and make further announcement as and when appropriate.

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, 21 February 2020

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. 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.